

February 24, 2012

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Telecom Regulatory Authority of India
Mahanagar Doorsanchar Bhawan
Jawaharlal Nehru Marg, New Delhi 110002.

Subject: TUGI Comments on TRAI Consultation Paper on 'Review of Policy of Forbearance in Telecom Tariffs' 6th February, 2012

Dear Sir,

Telecom Users Group of India is a non profit consumer organisation. It is registered society with Registrar of Society Delhi, and a member of Consumer Advocacy Group with TRAI.

We are very pleased that TRAI has come out with subject consultation paper which was much needed for long time. Please find our issue wise comments as under;

Issues for Consultation

1 Do you perceive any need for a change in present regulatory framework for telecom tariff fixation?

Comments: Yes, in a multi operator's environment with a vast difference in geographical and urban –rural and economic factors, the tariffs can not be remained static, therefore the regulator need to regulate the tariffs as and when it feels necessary.

2 Should TRAI withdraw from the policy of forbearance?

Comments: Forbearance is a tool which regulator use it as and when needed, as per international best practices forbearance is not an umbrella regime, whenever a operator want to launch a tariff and ask for forbearance, regulator examine its usefulness and reasonableness in a particular circle/region, before it grants forbearance. The operator needs to apply forbearance for each tariff plan by each time.

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3 If yes, what should be the basis of tariff regulation? Should it be by way of specifying a standard tariff package or by way of fixing tariff as a ceiling for individual charging components such as calls, SMS, etc? Please also suggest the methodology.

Comments: Basis of tariff is in STP and if operators want an ATP and seek forbearance that should be examined for its usefulness and reasonableness, the component of Voice, SMS, MMS need to deal separately. And it is not so the case if voice is under forbearance and so is the SMS and other VAS.

4 Would tariff regulation affect the ability of the telecom service providers to introduce innovative tariff plans?

Comments: NO, tariff regulation is no way stopping innovation by the operators, it can always apply forbearance of tariff for its usefulness and regulator can examine it and grant it under forbearance.

5 What would be the best method of managing the telecom tariffs so as to protect consumer interest even while affording the telecom service providers the necessary flexibility?

No Comments

6 Is tariff for data services offered by the service providers? competitive and reasonable?

Comment: NO, The new players were providing affordable data service in the market, with quashing of their licenses by Supreme Court will affect the choice of service available in the market and we feel if the data tariffs are not regulated it would not be affordable under the non competitive environment

There is not adequate competition in data after the quashing of the licenses of the new players, the current data plans offered by the incumbent are not competitive, reasonable or even affordable; there is vast difference in data plan by operator A to operator B. Data plans in 3G and for I-Phone & even in 2G are very high.

7 What are the factors that impact competition in data service in the market?

Comments: There should be enough competition in the market so that consumer get affordable tariff. 3G service is not ubiquitous; if a person take a service even in its own service area the QoS is very bad. The data tariff plan using dongle are quite varying for one operator to another..

8 What can be the possible measures by the regulator for facilitating enhanced competition for availability of data services at affordable tariff?

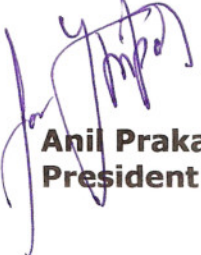
Comments: The data tariff should also be regulated and stop misusing under the guise of forbearance.

9. Should TRAI regulate tariff for data services by way of fixing ceiling tariff to protect the interest of the consumers? If yes, what should be the basis and justification for tariff fixation?

Comments: Tariff fixation is based on historical cost so the same yard stick would apply on data as in the case of voice. Data service is in nascent stage, and it need to be regulated for its uniform usages.

Thanking you,

For Telecom Users Group of India



Anil Prakash
President