

**GOVERNMENT OF INDIA  
MINISTRY OF COMMUNICATIONS  
DEPARTMENT OF TELECOMMUNICATIONS**

**LOK SABHA  
STARRED QUESTION NO.17  
TO BE ANSWERED ON 16<sup>TH</sup> NOVEMBER, 2016**

**ZERO TARIFF PLAN**

\*17. SHRI TATHAGATA SATPATHY:  
PROF. RAVINDRA VISHWANATH GAIKWAD:

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether a new telecom player has entered with zero voice and data plan to the customers and if so, the details thereof;
- (b) whether the Government has inquired into the matter to check any violation of guidelines of the Telecom Regulatory Authority of India (TRAI) and spectrum allocation;
- (c) if so, the outcome thereof and the reaction of the Government thereto;
- (d) whether such a move by the company has a negative impact on the business of the telecom companies including both the telecom PSUs, i.e., the BSNL and MTNL; and
- (e) if so, the details thereof and the action taken by the Government in this regard?

ANSWER

**THE MINISTER OF STATE (IC) OF THE MINISTRY OF COMMUNICATIONS &  
MINISTER OF STATE IN THE MINISTRY OF RAILWAYS  
(SHRI MANOJ SINHA)**

(a) to (e) A Statement is laid on the Table of the House.

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**STATEMENT TO BE LAID ON THE TABLE OF THE LOK SABHA IN RESPECT OF PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 17 FOR 16<sup>th</sup> NOVEMBER, 2016 REGARDING “ZERO TARIFF PLAN”.**

(a) to (e) As per Telecom Regulatory Authority of India (TRAI) Act 1997, TRAI notifies the rate at which telecom services is to be provided. The guidelines/ Notice inviting Application (NIA) for allocation/ auction of spectrum does not prescribe the rates at which the services are to be provided by the service providers to its consumers.

A new telecom player has filed 3 prepaid and 7 post-paid tariff plans with Telecom Regulatory Authority of India (TRAI). Special benefits of free local and STD (Subscriber Trunk Dialing) voice calls and SMS (Short Messaging Service) in home and national roaming (maximum 100 SMS per day) and up to 4GB (Giga Byte) 4G (Generation) LTE (Long Term Evolution) data under these plans are being offered as 'promotional offer' till 3<sup>rd</sup>December 2016 and the benefits of which are valid till 31.12.2016.

On representations received from the industry, the matter of IUC (Interconnection Usage Charge) compliance of the plans was examined in the context of Telecom Tariff Order (30<sup>th</sup>Amendment) 1999. After examination of the matter, it was concluded by TRAI that the tariffs filed are not IUC non-compliant, predatory and discriminatory at present.

Since the guidelines/ NIA for allocation/ auction of spectrum do not prescribe the rates at which the services are to be provided by the service providers to its customers, the question of violation of guidelines for spectrum allocation does not arise.

Indian Telecom service market is highly competitive with five to six telecom service providers in most of the service areas. The present tariff regulatory regime is based on the principles of forbearance, which allows flexibility to all the market players to decide various tariff plans/products for different service areas of their operation. Tariffs can therefore be offered by service providers to counter the competitive tariffs of their competitors or any other prevailing market conditions. However, TRAI keeps a close watch on the telecom tariffs being offered in the market and intervenes, if required, to ensure that the regulatory principles/orders/regulations/guidelines are being met.

Further, BSNL has drawn up aggressive and competitive tariff plans to acquire new customers and also to retain the existing customers which inter-alia include unlimited data plan offer, initial call rate at the rate of 10 paise and 30 paise per minute, etc. MTNL has also started introducing new tariff plans to meet the challenges.

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