

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

**LOK SABHA
UNSTARRED QUESTION NO. 3075
TO BE ANSWERED ON 14th MARCH, 2018**

ISSUE OF TRANSPARENCY IN TARIFF OFFERS

3075. DR. SHRIKANT EKNATH SHINDE:
SHRI ANANDRAO ADSUL:
SHRI DHARMENDRA YADAV:
SHRI SHRIRANG APPA BARNE:

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether the Telecom Regulatory Authority of India (TRAI) has received any complaints from consumers highlighting lack of transparency in Telecom Service Providers (TSPs) tariff offers and if so, the details thereof including the number of such complaints received during each of the last three years, TSP-wise;
- (b) the action taken/being taken by the TRAI on these complaints;
- (c) whether transparency in tariff is an issue of prime concern for the Telecom Regulatory Authority of India (TRAI) and if so, the details thereof;
- (d) the steps taken by the TRAI to determine relevant market based on relevant product against which it receives complaints; and
- (e) whether the TRAI has fixed a penalty of Rs.50 lakh per circle for every predatory tariff plan and if so, the details of the companies fined for predatory tariff plan during the said period?

ANSWER

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

(a) & (b) It may be noted that TRAI Act, 1997 does not envisage handling of the individual consumer complaint by the Telecom Regulatory Authority of India. However, the complaints received from consumers in TRAI are forwarded to the concerned telecom service providers (TSPs) for appropriate action. TSP wise details of tariff related complaints received in last three years in TRAI, which are forwarded to the TSPs is as per **Annexure-I (Enclosed)**.

(c) Transparency in tariff is and has always been an issue of prime concern for the Authority. To protect the interests of the consumers of telecommunications services, the Authority has issued several directions and guidelines in order to ensure transparency in tariff offers. It has been constant endeavor of the Authority to give due importance to the 'transparency' which is evident from the extant regulatory provisions and action taken in the past in this regard. Important steps taken by TRAI to enhance transparency in tariff offers are enclosed as **Annexure-II (Enclosed)**.

According to the latest amendment to the Telecom Tariff Order (63rd Amendment), 2018, notified on 16.02.2018, it has been mandated that to ensure transparency, the tariff offers of the Telecom Service Providers (TSPs) would be on the touchstone of the following criteria:

- (i) **Accessible:** Is the information easy to access, find and use?
- (ii) **Accurate:** Is it accurate, up to date and can it be checked for correctness?
- (iii) **Comparable:** Is it presented in such a way by various providers which allows for easy and sensible comparisons?
- (iv) **Complete:** Whether all required information is available?
- (v) **Distinct and Identifiable:** Is the tariff offers have distinct characteristics so that it is identifiable by the consumer without any ambiguity?
- (vi) **Explicit and Non-misleading:** The tariff offers should not have any implicit or hidden charges or conditions. They should also correctly convey what the consumer would pay and get in terms of service.
- (vii) **Simple and unambiguous:** Is the information expressed in units, concepts or terminology that is unambiguous and easy to understand? Have the tariff offers have been communicated in simple terms?

(d) The Authority examined the issue in detail and found no rationale in delineating the market on the basis of products like voice, data and technologies like 2G, 3G or 4G due to fast changing nature of the technology and basic purpose being the transmission. It can be argued that consumers purchase services rather than a technology. Similarly, the pricing and costing policies are aligned with the services for which the license has been obtained. The Authority has considered all the suggestions of stakeholders and global best practices in this regard and acknowledges the fast changing nature of technology, dynamic nature of telecom services and products and bundled offer of services etc. It has been decided that the relevant product market for telecom services in India for the purpose of deciding predatory pricing should be in tune with distinct telecommunication services defined in Unified License and other Licenses granted by the licensing Authority i.e., DOT. Under the category of Access Service two distinct relevant product market (a) wireline access service and (b) wireless access service have been delineated as the services offered are not regarded as interchangeable or substitutable by the consumer, by reasons of characteristics of services, their intended use and price. Accordingly, the relevant product market for the instant purpose would be (i) Wireline Access Service, (ii) Wireless Access Service, (iii) National Long Distance Service and (iv) International Long Distance Service and any other distinct telecom service for which the licensing authority grants license to the Telecom Service Providers. This approach would be in line with the extant licensing regime and would be appropriate for the above mentioned purpose.

After examination of the above in details, TRAI has notified the Telecom Tariff (63rd Amendment) Order, 2018, notified on 16.02.2018 in which 'relevant market', 'relevant product market' and 'relevant geographic market' have been defined as under:

Clause la- Relevant market means the market which may be determined by the authority with reference to the relevant product market for Distinct Telecommunication Service and the relevant geographical market:

Clause lb- Relevant product market means the market in respect of Distinct Telecommunication service for which the licensor grants license to the telecom service providers.

Clause lc- Relevant geographic market means a market comprising the respective license service area for which the licensor grants license to the telecom service providers to provide Distinct Telecommunication Services.

(e) One of the provisions of the Telecommunications Tariff (63rd Amendment) Order, 2018 notified on 16.02.2018, in respect of Predatory Pricing is as follows:

“The Authority may, on reference from any person or *suomotu*, examine the tariffs of a SMP (Significant Market Power) to determine the existence of predatory pricing. The Authority may, after providing detailed reasons, disallow the relevant tariffs if they are found to be predatory.

In case of tariff being found predatory, the service provider shall, without prejudice to the terms and conditions of its licence, or the provisions of the Act or rules or regulations or orders made, or directions issued, thereunder, be liable to pay by way of financial disincentive an amount not exceeding fifty lakh rupees per tariff plan for each service area as the Authority may by order direct.

Provided that no order for payment of any ‘amount by way of financial disincentive shall be made by the Authority unless the service provider has been given a reasonable opportunity of representing against the contravention of the tariff order observed by the Authority.”

The Telecommunications Tariff (63rd Amendment) Order, 2018 has been implemented w.e.f. 16.02.2018. After implementation of the provision of predatory pricing, as mentioned above, no case for financial disincentive has arisen so far.

Tariff Related Complaints received in TRAI from last three years (1.4.15 to 28.2.18)

Service Provider	1.4.15 to 31.3.16	1.4.16 to 31.3.17	1.4.17 to 28.2.18
MTNL	7	1	4
BSNL	44	13	23
Aircel	54	34	24
Airtel	479	217	335
HFCL	4	2	4
Idea	175	78	160
R Com	117	104	62
R Jio	0	3	59
MTS	40	10	3
TTSL	142	29	57
Uninor	2	2	3
Vodafone	404	146	390
Total	1468	639	1124

Important Steps taken by TRAI to protect the interests of consumers and enhance transparency in tariff offers:

1. Protection has been given against hike in tariff as per which no tariff item in a tariff plan shall be increased during six months from the date of enrolment of a consumer into that plan. Further, no such hike is permitted during the promised validity period. In case of lifetime plans the tariff protection extends to the entire licence period of service provider.

2. With a view to remove confusion in respect of tariff plans marketed as having 'Lifetime Validity' the Authority issued regulatory guidelines vide Telecommunications Tariff Order (TTO) 43rd Amendment notified on 21st March, 2006. Any tariff plan presented, marketed or offered as having lifetime or unlimited validity shall continue to be available to the subscriber as long as the service provider is permitted to provide such telecom service under the current license or renewed license. The service providers were told to inform the customers the current period of expiry of their license.

3. It has been mandated through several Directions that no chargeable value added service shall be provided to a customer without his explicit consent.

4. Service providers shall inform customers in writing, within a week of activation of service, the complete details of his tariff plan. The changes in any item/aspect of tariff in the chosen package shall also be intimated to the customers in writing vide Direction dated 29th June, 2005.

5. Direction dated 1st September, 2008, and 48th Amendment to TTO notified on 1st September, 2008 mandate several transparency measures including the following:-

- (a) Tariff information to be provided in vernacular language also.
- (b) Blackout days (customary/festival days on which free/concessional calls/SMS are not available) restricted to a maximum of 5 days in a calendar year. Such days to be pre-specified and no subsequent alteration or addition is permitted.
- (c) Straight tariff reductions are to be passed on to consumers without any precondition.
- (d) The service providers shall not insist on recharge between periods lesser than six months in lifetime plans for remaining connected during the promised lifetime validity period.

6. Telecom Consumer Protection Regulation (TCPR) 2012

TRAI has issued Telecom Consumer Protection Regulation on 06.01.2012 with a view to streamline tariff offers and enhance transparency in the provision of service. The main features of the Regulation as amended from time to time, are:

- Categorization of vouchers as – Plan vouchers, Top up vouchers, Special tariff vouchers and Combo Vouchers – with colour bands for easy identification.
- Minimum Font size for printed matter on physical vouchers - *not less than 8 Pt.*
- Providing usage details to pre-paid subscribers after every call/data usage.
- Itemized post usage of account shall be provided at a reasonable cost not exceeding Rs.50/-.
- Providing information to pre-paid subscribers on activation of plan/top-up/ST vouchers.
- Improved transparency in provision of Premium Rate Services by prior information about charges.

7. Direction on publication of Tariff plans

TRAI has issued a Direction on publication of Tariff plans on 16th Jan 2012. This Direction is aimed at enhancing transparency in telecom tariff offers and facilitate the subscribers to choose plan that suit individual requirement best. Service providers are to publish all tariff plans in a service area for prepaid and postpaid subscribers in the given format in one regional and one English newspaper at an interval not more than six months. Full details are to be made available at Customer care centre, PoS, website in the given format with a view to facilitate easy and transparent comparison.

8. Direction on preventing misleading advertisements

TRAI has issued a Direction on preventing misleading advertisements on 26.03.2012. This Direction is intended to further improve transparency in telecom tariff advertisements and facilitate the subscribers to choose plan that suit individual requirement best. It has been mandated that advertisements published by service providers are transparent and non-misleading and unambiguous, disclose all material information in unambiguous manner and contain the website address and customer care number of the telecom access service provider.

The advertisements issued in vernacular languages should contain all the mandatory disclosures in the same vernacular language. In addition, the service providers have to maintain an advertisement register which must include a specimen of every tariff related advertisements, and carry out internal audit to ensure that they are complying with all aspects of this Direction and to report compliance to the Authority on half yearly basis.

9. Review of Processing Fee

The 53rd Amendment to the Telecommunication Tariff Order has mandated that the Processing Fee levied on top-up vouchers shall not exceed 10% of Maximum Retail Price or three rupees, whichever is less. In order to ensure that small value vouchers do not disappear from the market, the Authority through the 50th Amendment has mandated that service providers have to ensure availability of top-up vouchers of Rs.10/- denomination at their points of sale.

10. Guidelines on deactivation of SIMs vide TCPR (Sixth Amendment) issued on 21.02.2013, TRAI has prescribed guidelines on deactivation of SIMs. These guidelines include:-

- (i) The mobile connections of prepaid consumers shall not be deactivated for any period of non-usage less than 90 days;
- (ii) There shall be no deactivation if the balance in prepaid consumer account is Rs.20/- or more;
- (iii) An 'Automatic Number Retention Scheme' shall be implemented for prepaid consumers on payment of reasonable charges;
- (iv) A consumer whose connection is deactivated shall be given a grace period of 15 days within which he can reactivate the same number;
- (v) Consumers shall be transparently communicated the terms and conditions of deactivation of SIMs due to non-usage.
- (vi) A Safe Custody Scheme has been mandated for postpaid consumers and during the period of safe custody consumers need not pay monthly rental.

11. TTO 53rd Amendment dated 20.04.2012 has mandated every service provider to offer to the subscribers at least one prepaid and one postpaid tariff plan with pulse tariff of one second for local and national long distance calls.

12. The ceiling tariffs for national roaming were last revised by the Authority through the Telecommunication Tariff Order (55th Amendment), 2013 dated 17.06.2013. After examining the comments of the stakeholders and further analysis, the Authority, through the

Telecommunication Tariff (60th Amendment) Order, 2015 dated 09.04.2015, has revised the ceiling tariffs for voice calls and SMS while on national roaming, which came into effect from 01.05.2015. This amendment brought about the following changes in the tariff regime for national roaming service:

Item	Ceiling tariff as per TTO (55 th Amendment), 2013	Ceiling tariff as per TTO (60 th Amendment), 2015
Outgoing local voice call	Re.1.00 per minute	Re.0.80 per minute
Outgoing long distance (inter-circle) voice call	Re.1.50 per minute	Re.1.15 per minute
Incoming voice call	Re.0.75 per minute	Re.0.45 per minute
Outgoing local SMS	Rs.1.00 per SMS	Rs.0.25 per SMS
Outgoing long distance (inter circle) SMS	Re.1.50 per SMS	Re.0.38 per SMS

13. TRAI has decided to put in place a mechanism to provide relief to consumers by mandating the following to every originating service providing Mobile Services for each call drop within its network through the 9th Amendment to the Telecom Consumers Protection Regulations, 2012 dated 16.10.2015 w.e.f. 01.01.2016.

- (a) Credit the account of the calling consumer by one rupee
However, such credit in the account of the calling consumer shall be limited to three dropped calls in a day (00:00 hours to 23.59 hours).
- (b) Send a message through SMS/USSD to the calling consumer within four hours of the occurrence of call drop and the details of amount credited in his account.
- (c) In case of postpaid consumers provide the details of the credit in the next bill.

14. Ensuring Quality of Service

(i) TRAI has been monitoring quality of service provided by Service Providers against the benchmarks laid down by TRAI for the various quality of service parameters through Quality of Service Regulations issued from time to time, through quarterly Performance Monitoring Reports (PMRs) submitted by service providers. TRAI also undertakes objective assessment of the Quality of Service of Basic, Cellular and Broadband Services through independent agencies. A customer satisfaction survey is also conducted quarterly through these agencies. The results of these audit and survey are being widely published for public/Stakeholders knowledge. TRAI has been following up with the Service Providers for addressing deficiencies in meeting the Quality of Service benchmarks.

(ii) To further strengthen the quality of standards TRAI had issued "The Standards of Quality of Service of Basic Telephone Service (Wireline) and Cellular Mobile Telephone Services (Second Amendment) Regulation, 2012 on 8th November 2012 for financial disincentives on those service providers who fail to meet the prescribed Quality of Service (QoS) benchmarks for Basic Telephone Service (Wireline) and Cellular Mobile Telephone Service and The Quality of Service of Broadband Service (Amendment) Regulations, 2012, on 24th December 2012 for financial disincentive on Broadband Service operators for non-compliance with the benchmark for the Quality of Service Parameters.

(iii) In order to protect the interest of consumers relating to metering and billing TRAI has issued the Quality of Service (Code of Practice for Metering and Billing Accuracy) Regulations, 2006, which has mandated yearly audit of the metering and billing system of the service providers through qualified empanelled auditors. The service providers are required to submit an audit report duly certified from the empanelled auditors by 30th June of every year. The

service providers are also required to file with TRAI by 30th September of every year action taken report on the deficiencies pointed out in the audit reports by the auditors.

(iv) To address the problem of Unsolicited Commercial Communications (UCC) effectively, TRAI had issued The Telecom Commercial Communications Customer Preference Regulations, 2010 on 1st December 2010. In order to further strengthen the regulatory framework and to address various implementation issues, several amendments to the regulations and directions have been issued by TRAI, from time to time.

15. The framework for redressal of grievances of telecom consumers was reviewed to improve the effectiveness of complaints redressal for the telecom consumer by the service provider. TRAI had notified the Telecom Consumers Complaint Redressal Regulation 2012 on 5th January 2012. These regulations provide for Establishment of a Complaint Centre with a toll-free “Consumer Care Number”, two-tier complaint redressal mechanism, registering of by giving a unique docket number, a two member Advisory Committee in each of the service areas by the service provider comprising of one member from consumer organization registered with TRAI, publishing of Citizen’s Charter and setting up of a Web based complaint monitoring system etc.

16. TRAI has issued The Telecommunication Consumers Education and Protection Fund Regulations, 2007 on 15th June 2007, to enable the service providers to transfer unrefunded money of customers lying with them to Telecommunication Consumers Education and Protection Fund (TCEPF). The income received from the fund is utilised to undertake programmes to educate consumers, to conduct studies in the field of telecommunications and holding seminars, workshops etc on the subject of consumer welfare and for educating consumers.

17. TRAI has been registering consumer organizations for having an interface with the telecom consumers through regular interaction with these consumer organizations. In this regard TRAI has issued the “Registration of Consumer Organizations Regulations” on 21st February 2013, for strengthening the framework for interaction with the consumer organizations.
