

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

**LOK SABHA
UNSTARRED QUESTION NO.3647
TO BE ANSWERED ON 2ND JANUARY, 2019**

TRANSPARENCY IN TARIFF

3647. DR. PRITAM GOPINATH MUNDE:
SHRI KUNWAR PUSHPENDRA SINGH CHANDEL:
SHRI VINAYAK BHAURAO RAUT:
SHRI ADHALRAO PATIL SHIVAJIRAO:
DR. SHRIKANT EKNATH SHINDE:
SHRI SHRIRANG APPA BARNE:

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether the Government has taken note of the lack of transparency in tariff of various Telecom Service Providers (TSPs) and if so, the details thereof and the reaction of the Government thereto;
- (b) whether the Government has received complaints from consumers pertaining to lack of transparency in tariff offered by TSPs and if so, the details thereof including the number of such complaints received during each of the last three years and the current year, State/UT-wise and the action taken by the Government in this regard;
- (c) the steps taken by TRAI to determine relevant market based on relevant product against which it receives a complaint; and
- (d) whether the TRAI has fixed any penalty for predatory tariff plans by various TSPs and if so, the details thereof along with the details of TSPs fined for such pricing 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) Transparency in tariff is and has always been an issue of prime concern for the Government. To protect the interests of the consumers of telecommunications services, TRAI has issued several tariff orders, directions and guidelines in order to ensure transparency in tariff offers from time-to-time. It has been the constant endeavour of the Government 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**

However, despite these measures to ensure transparency in tariff, the TRAI has been receiving complaints from consumers and consumer organizations highlighting, *inter-alia*, lack of transparency in the tariff offer of telecom service providers. In the recent past, the TRAI has again reviewed the transparency measures and undertook a consultation process on issues, *inter-alia*, including transparency in tariff offers. After the consultation process, the Telecommunications Tariff (63rd Amendment) Order, 2018 dated 16.02.2018 was notified by TRAI.

(b) TRAI Act, 1997 does not envisage handling of individual consumer complaints 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. Total number of consumer complaints pertaining to telecom tariffs received in TRAI during the last three calendar years and current year is as appended below:

Year 2015	-	1666
Year 2016	-	914
Year 2017	-	1055
Year 2018	-	1316 (up to 20.12.2018)

(c) TRAI has notified the Telecom Tariff (63rd Amendment) Order, 2018 on 16.02.2018 in which 'relevant market', 'relevant product market' and 'relevant geographic market' have been defined under clause 1a, 1b, 1c respectively as under: -

Clause 1a- 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 1b - Relevant product market means the market in respect of Distinct Telecommunication service for which the licensor grants license to the telecom service providers;

Clause 1c- Relevant geographic market means a market comprising the respective licence service area for which the licensor grants license to the telecom service providers to provide Distinct Telecommunication Services.

(d) 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 *suo motu*, 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 Telecommunication Tariff (63rd Amendment) Order, 2018 dated 16.02.2018 was challenged in the Telecom Dispute Settlement and Appellate Tribunal (TDSAT) by some of the Telecom Service Providers. The Hon'ble TDSAT vide its judgment dated 13th December, 2018, has set aside the "Telecommunication Tariff (63rd Amendment) Order, 2018 dated 16.02.2018, so far as it changes the concept of SMP(Significant Market Power), non-predation and the related provisions and ordered that these provisions shall be reconsidered by the Authority at the earliest, preferably within six months.

However, TRAI has filed an appeal before Hon'ble Supreme Court against the order of Hon'ble TDSAT dated 13th December, 2018. The appeal is yet to be listed.

Important steps taken by TRAI regarding transparency in tariff offers:-

1. 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.

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

3. 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.

4. 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.

5. 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.

6. 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 center, PoS, website in the given format with a view to facilitate easy and transparent comparison.

7. 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.

8. Segmented Tariff Offers:

The segmented offers which have to be necessarily transparent and non-arbitrary, either for retention or acquisition of new consumers, are to be transparently filed with the Authority in accordance with the reporting requirement. All such segmented tariffs are to be publicly displayed, inter-alia, on the website of the telecom service providers, for transparent and complete disclosure to consumers, without any discrimination. The Authority has already reiterated aforesaid regulatory requirement vide its direction to TSPs dated 25th May, 2017.
