

Information note to the Press (Press Release no. 63/2015)

For Immediate Release

TELECOM REGULATORY AUTHORITY OF INDIA

TRAI responds to the misleading media reports regarding TRAI's regulation on 'Relief to consumers for call drops'

New Delhi, the 12th November, 2015: TRAI has today issued a press release responding to the media reports on the issue of 'relief to the consumers for dropped calls'.

TRAI had on 16th October, 2016 issued ninth amendment to the Telecom Consumers Protection Regulations, 2012 mandating the mobile service providers to provide relief to the consumers for call drops with effect from 01.01.2016.

In some sections of Media reports about TRAI regulation on 'Relief to consumers for call drops', following concerns have been raised.

1. It may not be technically possible to implement the TRAI Regulation.
2. The regulation would result in huge financial impact on the operators. In one of the media report, the financial loss has been mentioned as Rs. 54,000 crore per year.

The Authority finds these reports to be based on wrong inputs and would like to clarify that the Authority has issued the regulation on 'Relief to consumers for call drops' after conducting a transparent consultation with all the stakeholders and a detailed analysis of the facts and figures related to the issue.

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The Authority would like to clarify the following:

1. It is technically possible for the telecom service providers (TSPs) to implement the regulation.
2. Sufficient time has been given by the Authority to the TSPs to make suitable provisions so as to comply with the regulation.
3. The media reports about financial implications of Rs. 54,000 crore per year on account of call drop compensation are exaggerated and appear to be based on COAI/AUSPI's apprehension that 50% of the consumers would manipulate and misuse the regulation to get Rs. 3 everyday from the TSPs.
4. The Authority notes that such a sweeping presumption about the consumers is certainly not correct. Further, based on data of the TSPs, the Authority had conducted a detailed analysis of the call data and call drops data. It is observed that the total financial implications on TSPs is likely to be not more than Rs. 200 Crore per quarter, which is less than 1% of the total revenue of the TSPs. However, as per the regulation, there is a ceiling on relief of Rs. 3 per subscriber per day; thus, the likely financial implications would be even less than Rs. 200 crore per quarter.

N. Parameswaran
12/11/15

(N. Parameswaran)

Secretary I/C, TRAI