

Telecom Regulatory Authority of India

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TRAI moots consultation process on Lifetime Tariff Plans

The Life Time validity Tariff plans recently launched by a number of mobile operators raise the following issues:-

- a) Long term viability and sustainability of these plans?
- b) Whether life time can exceed the balance license period of the operators and if not would the plans vary in their validity duration?
- c) What will happen to the plans if the traffic patterns and Interconnect Usages Charge (IUC) regime changes substantially?
- d) Protection of interest of consumers who are subscribing to life time tariff plan.
- e) Implications for the orderly growth of the telecom sector.

2. Since the Authority has been constituted with the prime task of protection of interest of the service providers and consumers of the telecom sector, and to promote and ensure orderly growth of the telecom sector, the Authority in its meeting today decided to carry out a quick consultation with all stakeholders on the above issues and evolve a sustainable regulatory policy.

3. The Authority also recalled that one of the service providers had recently launched a two year scheme not requiring any recharge for terminating calls. At the time of examination of this scheme, the Authority had examined the relevant traffic data of the concerned service provider and had found that as per that data and the present IUC regime, the scheme could be viable with minimal assumptions. However, in respect of the recently launched life time tariff schemes by the mobile service providers, they had neither given data for examining viability nor assumptions/basis for arriving at a reasonable conclusion. Therefore, the Authority issued orders under section 12 (1) (a) of TRAI Act seeking information/data relating to traffic, cost and revenue details from all those service providers who have announced and implemented tariff schemes under the name and style of lifetime validity or unlimited validity or lifelong validity etc. This would help in examining the sustainability/viability of these schemes.

4. The Consultation paper would be issued by 15th January, 2006. The Authority expects that the final decision in this regard would be taken by February, 2006.