

## Counter Comments on TRAI Consultation Paper on Transparency

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These are my counter-comments on the Consultation Paper on Transparency. A perusal of the comments on the TRAI website clearly shows the dichotomy and different perceptions among independent research organizations and consumer lobby groups on the one hand, and industry lobby groups on the other hand. The latter, almost uniformly opine that there is no need for additional regulations of tariff reporting to raise transparency. If anything, this group feels that cost of compliance will go up. On the other hand, the consumer lobby groups and independent researchers are in favour of introducing changes to the existing regime of regulation to increase transparency in operations.

The fact that these two different perceptions reflect the conflict of interest as well as a confusing situation for the regulator in taking an optimal decision for all stakeholders. The first point at stake is how high will the regulatory compliance cost likely to be, in case the tariff reporting is made more transparent? Given standard microeconomic theory, it stands that a privately informed service provider would not want to increase transparency in tariff reporting. Doing so removes its informational advantage over the consumer. Interestingly, by reporting multiple and frequently changing tariff schedules, the service provider can flood the consumer with facts, none of which will amount to actionable information. Providing extra facts through tariffs does not translate into clear information items, on which the consumer can base his decision. This, in fact, leads to more obfuscation than clarity of information. Additionally, one fails to understand the logic of the service providers that the cost of regulatory compliance will go up in the presence of transparency, when they themselves find it in their own favour to offer multiple tariff plans with different kinds of 'information' to the consumer. **It is prudent for the regulator to provide a common reporting template for tariffs to all the service providers**, in order for consumers to ensure that they are comparing apples with apples, and not with oranges.

**Secondly, this will move the game from price competition among telecom service providers to a scenario of competition in quality, which is much desired from a consumer point of view.** The obfuscation in multiple tariffs styles allows the service providers to continue to keep the competitive framework limited to prices instead of quality. To this extent, the suggestion of a tariff calculator (maintained by the regulator and not individual service providers) on the website of the regulator for different tariff regimes will aid the consumer understand the true costs of call and data services.

Please note that these comments are my personal opinion. This does not reflect the stance of any institution or agency. In case of any doubts, you can contact me at 9818488700.



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