

TELECOM REGULATORY AUTHORITY OF INDIA
Mahanagar Doorsanchar Bhawan, Jawahar Lal Nehru Marg,
(Old Minto Road), Delhi-110002.

New Delhi, the 1st September, 2008

DIRECTION

Subject: Direction, under section 13, read with clause (b) of sub-section (1) and sub-section (2) of section 11 of the Telecom Regulatory Authority of India Act, 1997 (24 of 1997) to all Access Service Providers regarding transparency in tariff offers.

No.301-31/2007-Eco.----- ----- Whereas the Telecom Regulatory Authority of India, [hereinafter referred to as the Authority], established under sub-section (1) of section 3 of the Telecom Regulatory Authority of India Act, 1997 (24 of 1997) (hereinafter referred to as the TRAI Act, 1997) has been entrusted discharge of certain functions, *inter alia*, to regulate the telecommunication services, protect the interests of service providers and consumers of the telecom sector, fix the terms and conditions of inter-connectivity between the service providers, ensure technical compatibility and effective inter-connection between different service providers, regulate arrangement amongst service providers of sharing their revenue derived from providing telecommunication services, lay-down the standards of quality of service to be provided by the service providers and ensure the quality of service and conduct the periodical survey of such service provided by the service providers so as to protect interest of the consumers of telecommunication service;

2. And whereas the Authority has been receiving large number of complaints from consumers and the consumer's organizations indicating that the tariffs offered by the service providers are offered in such manner that they are complex and confusing which makes it difficult for the telecom consumers to make an informed choice after properly evaluating such offers ;

3. And whereas the Authority has, in order to enhance and ensure transparency in service provision and tariff offers, issued several Directions in the past to the telecom service providers;

4. And whereas the transparency of tariff in telecom sector is necessary to protect interests of consumers and to facilitate further growth of telecom services in India and the transparency of tariff in telecom sector has, therefore, become a major area of concern for the Authority due to the rapid growth of telecom services in the country;

5. And whereas, in view of (i) the expanding roll out of the telecom services in areas outside the Metros and in semi-urban and rural areas, (ii) the socio-economic standing of the population in newly emerging telecom markets, (iii) to ensure more transparency of tariff in telecom sector, (iv) to protect interests of the consumers, and (v) to facilitate further growth of telecom services in India, the Authority had recently---

(a) initiated a consultation process on “Issues arising out of the Plethora of Tariff Offers in Access Service Provisions” and also issued the consultation paper on the 29th January, 2008 which, *inter alia*, sought comments and suggestions from the stakeholders on the various measures required to further improve the transparency in tariff offers offered by the telecom service providers to the telecom consumers;

(b) held Open House Discussions on the subject in Ahmedabad and Jaipur on 25th March, 2008 and 29th March, 2008 respectively;

6. And whereas Authority felt the necessity to take further regulatory measures in order to ensure more transparency of tariff in telecom sector and to protect interests of the consumers in telecom sector and to facilitate further growth of telecom services in India after careful consideration, *inter alia*, of---

(a) the comments and suggestions received from the stakeholders on the various measures required to further improve the transparency in tariff offers offered by the telecom service providers to the telecom consumers in response to the consultation paper issued by it on the 29th January, 2008 and in the Open House Discussions held on the subject in Ahmedabad and Jaipur;

(b) the various developments in the telecommunication sector especially in view of intensification of the competitive activity in the cellular services;

(c) entry of several new operators which would result in further intensification of the competitive activity in the cellular services;

(d) likely focus of future activities in the telecom sector in semi urban areas and the rural areas;

(e) the general practice prevalent in the telecom market wherein (i) the telecom services are generally marketed through an unorganized supply chain which is not equipped to provide correct and proper information to the telecom consumers (including information at the retail outlets of the service providers) (ii) the absence of tariff information in the language understood by the local telecom consumers which is considered as a hurdle in appropriate dissemination of information essential for making meaningful choice, and (iii) the lack of proper understanding of key features of tariff at the time of subscribing to a plan leads to consumer dissatisfaction and complaints at a later stage;

(f) the practice by which certain non-tariff barriers [such as forcing the telecom consumer to buy a new Subscriber Identification Module (SIM) or to enforce a change in the mobile number of such consumer] are being introduced by the service providers which have the effect of diluting the customers' right to migrate from one tariff plan to another tariff plan or from a pre-paid plan scheme to a post-paid plan scheme or vice versa;

(g) the practice by which the service providers are offering a large number of promotional schemes as a result of the increased competitive activity in the market but the nature and scope of such offers remain very complex leading to a situation where, they (even though such schemes may, at times be beneficial to the consumers) result in complaints stating that such schemes, -----

- (i) are not offered in a transparent manner;or
- (ii) are offered in a selective manner;or
- (iii) are often withdrawn abruptly; or
- (iv) do not enable the customers to decide whether they are eligible to avail such offers as they lack clear eligibility criteria;

(h) the practice by which the telecom service providers generally offer free / discounted Short Message Service (SMS) Schemes, *inter alia*,---

(i) as part of regular tariff plans, with or without any additional monthly payment, or

(ii) as packs valid for specified periods; or

(iii) as promotional schemes,

but such free / discounted Short Message Service (SMS) Schemes referred to (i) to (iii) above are made inapplicable on certain specified days (including on social, cultural, festival days, termed as “blackout days”) to the detriment of the interest of telecom consumers due to lack of transparency in such schemes when offered to telecom consumers. The practice of specifying such black out days in similar manner as that for SMS, has also been proposed by some service providers for voice calls;

7. Now, therefore, in exercise of powers conferred upon the Telecom Regulatory Authority of India under section 13, read with clause (b) of sub-section (1) and sub-section (2) of section 11 of the Telecom Regulatory Authority of India Act, 1997 (24 of 1997), and in order to ensure more transparency of tariff in telecom sector and to protect interests of the consumers in telecom sector and to facilitate further growth of telecom services in India and for the reasons mentioned in the preceding paragraphs, in particular the preceding paragraph, the Telecom Regulatory Authority of India hereby directs that all the telecom access service providers shall comply with the following directions specified under Parts I , II , III and IV mentioned herein below, by 15th September 2008.

PART I

A. DIRECTIONS RELATING TO KEY TARIFF INFORMATION

(1) All access service providers shall, -----

(A) provide, in the vernacular language where such plans are offered, in addition to in English and any other language being in use, the key tariff information to consumers on each tariff plan offered by them to the telecom consumers which shall include:

i) Title

- ii) Rental/Fixed Fee
- iii) Billing Cycle/Validity
- iv) Free Call Allowance/Talk time
- v) Tariff per Unit for:

- a) Local Call
- b) STD
- c) ISD
- d) SMS
- e) National roaming

vi) Financial Implications for the various monthly usage slabs as specified by the TRAI direction dated 2nd May, 2005 on Publication/advertisement of tariffs for consumer information.

(B) ensure that information referred to in clause (A) above is prominently displayed at all the retail outlets of such service providers and also at all the retail outlets of their franchisees.

PART II

B. DIRECTIONS RELATING TO PROMOTIONAL OFFERS

(2) All access service providers shall, while publishing their promotional offers to public, specify therein-----

(a) the eligibility criteria for such promotional offer;

(b) the opening and closing dates of such promotional offer (within the existing limit of ninety days);

PART III

C. DIRECTION RELATING TO CONDITION OR BARRIER IN CASES OF MIGRATION FROM ONE PLAN TO ANOTHER IN CERTAIN CASES

(3) No access service provider shall provide for any condition or barrier (tariff or non-tariff) such as the requirement of obtaining new SIM or change of telephone number, etc., by any telecom consumer who seeks to migrate across plans or across postpaid and prepaid platforms:

Provided that, the direction contained in this sub-paragraph shall be applicable in relation to migration from prepaid platform to postpaid platform subject to operational feasibility;

PART IV
D.DIRECTIONS RELATING TO BLACK OUT DAYS

(4) No access service provider shall,---

(a) fix the number of 'black out' days, (being the days on which free or concessional Voice Calls/SMS offered by it under any plan/ package including discounted scheme are not available to their telecom consumers), for a period exceeding a maximum of five days in a calendar year;

(b) where the number of days so specified as referred to in clause (a) above is less than five, make any addition to the number of days specified as 'black out' days, after the same is subscribed by the telecom consumer ;

(c) make any alteration in any date which has been specified as a 'black out' day as referred to in clause (a) above, after the same is subscribed by the telecom consumer.

(5) All access service providers shall, in any package as referred in the preceding sub-paragraph, clearly indicate on the package itself offered by them to telecom consumers -----

(a) the 'black out' days (being the days on which free or concessional Voice Calls/SMS offered by it under any plan/package including discounted scheme are not available to their telecom consumers); and

(b) the SMS/call charges applicable on such specified 'black out' days.

(M. Kannan)
Advisor (Eco)

To

All Access Service Providers (As per list attached)

Copy for information to:

1. COAI/AUSPI
2. Registered Consumer Organizations.