

## **TELECOM REGULATORY AUTHORITY OF INDIA**

**PRESS RELEASE No. 18 /2004**  
**Dated 8<sup>th</sup> March 2004**

### **TRAI releases Consultation Paper on** **Limiting the number tariff plans offered by the Access Providers**

TRAI has released a Consultation Paper on **"Limiting the number tariff plans offered by the Access Providers"** on 8<sup>th</sup> March 2004.

2. Intense competition in the access service segment constituting basic and mobile services has resulted in substantial decline in tariffs and considering this fact the Authority has forbore the tariffs for these services except for rural fixed line subscribers.

Under the provisions of 30<sup>th</sup> Amendment of TTO notified on 16.1.04, the service providers have been given the flexibility to report their tariff plans to the Authority within 7 days from the date of implementation after conducting a self-check with the relevant regulatory principles which inter-alia includes tariffs being IUC compliant, non-predatory and non-discriminatory.

3. The competitive activity coupled with the flexibility in offering tariffs have led to a situation wherein a large number of plans are offered in the market. While variety of choice for the customers would be a welcome development, too many plans confuse the customers and render informed choice very difficult.

As many as 3925 tariffs were reported to TRAI by the basic and mobile service providers alone in 2003. At the end of September 2003, a total number of 1421 plans were on offer all over India suggesting that on an average 42 plans per circle were offered. In addition, another 500 plans (appx.) were offered as promotional schemes. The figures are likely to go up soon with entry of additional operators in several Circles. These large numbers give rise to issues involving regulatory and consumer concerns.

Frequent revision and withdrawal of tariff plans further add to the confusion of the consumers. This paper contains facts and figures related to the large number of tariff plans in the market and issues related to it. A possible way of addressing the problems without curtailing the flexibility granted to the operators or hampering the competition could be to place a suitable cap on number of tariff plans that service providers can offer.

The Authority has sought written comments/suggestions from all stake holders including service providers and consumers on this consultation paper latest by 27<sup>th</sup> March, 2004. The main issues that this consultation process cover includes the number plans to be permitted, the identification of service segments for the application of the proposed cap, desirability of having a minimum validity period for tariff plans and the criteria in respect of tariff toppings and promotional offers.

For more details please visit TRAI's website at: [www.trai.gov.in](http://www.trai.gov.in).

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