

TELECOM REGULATORY AUTHORITY OF INDIA

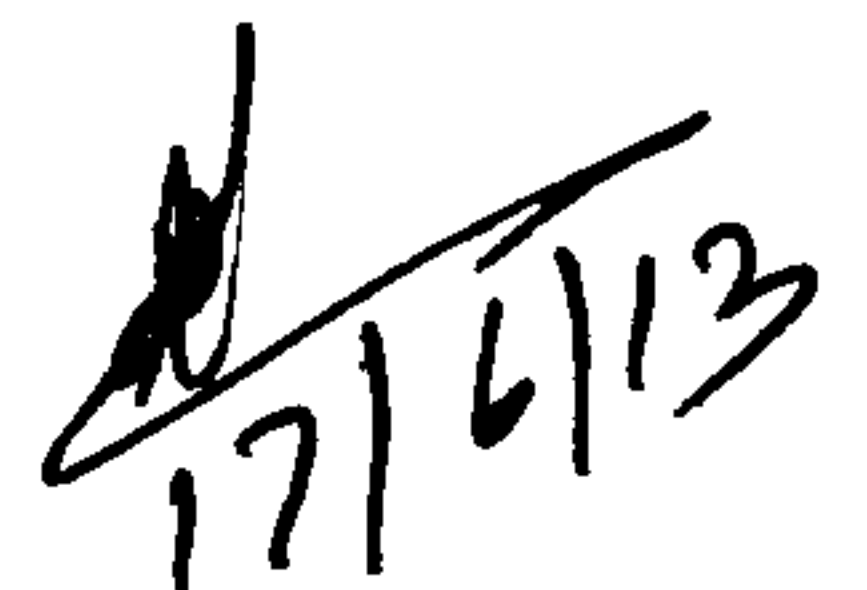
TRAI reduces national roaming tariff ceilings, permits customised tariffs through Special Tariff Vouchers for national roamers and mandates free national roaming plans

New Delhi, the 17th June, 2013: TRAI has reduced ceilings for national roaming calls and SMS and instituted a new regime for providing flexibility to telecom service providers to customise tariffs for national roamers through STVs and Combo Vouchers. TRAI has also mandated two types of free national roaming plans to be provided by all telecom service providers. These changes will come into effect from 1st July 2013.

National roaming service is the facility provided to a subscriber to use his cell-phone to make and receive voice calls and SMS when travelling outside the geographical coverage area of his home network, by using a visited network. In the Indian context, national roaming refers to facilities for making and receiving calls and SMS when the subscriber is travelling in a State which is different from the State of his residence.

The present exercise to review national roaming tariffs was initiated by TRAI earlier this year in the context of decline in costs and the declared intent in the New Telecom Policy-2012 to move towards One Nation-Free Roaming throughout the country.

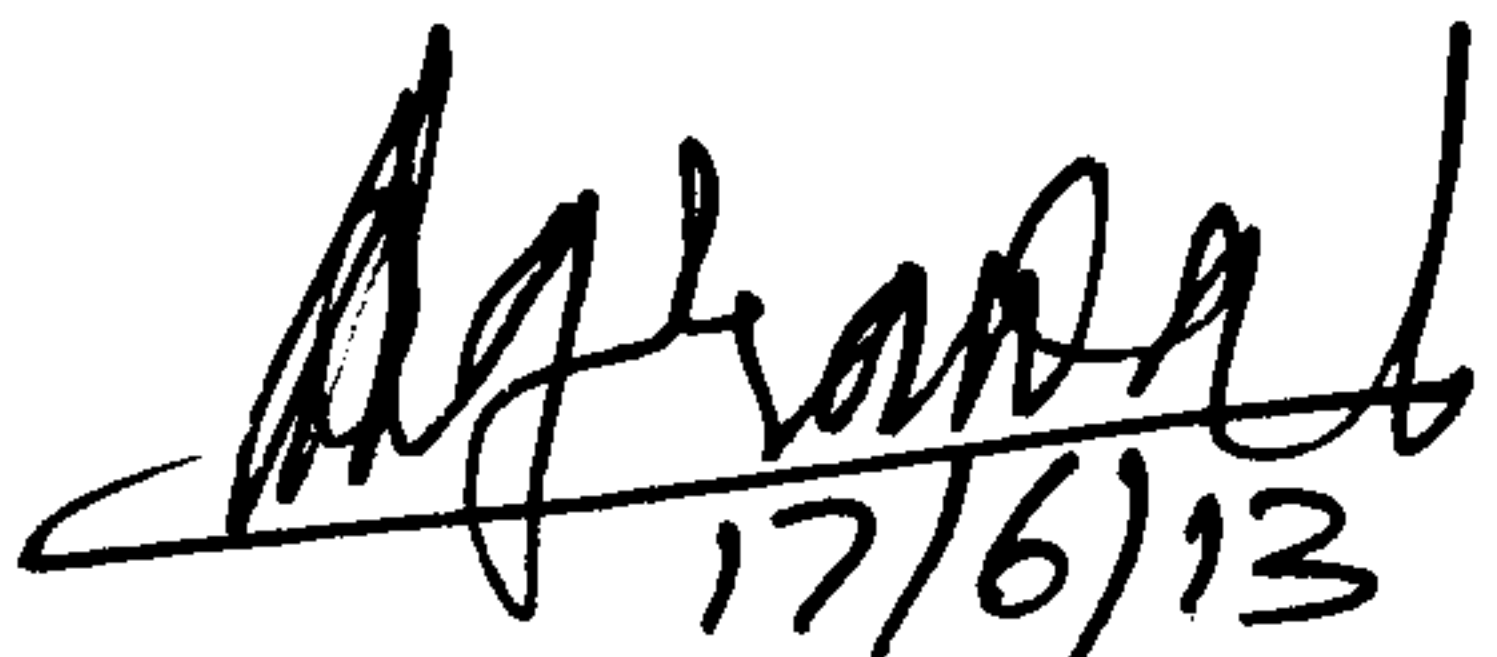
The ceiling tariffs prescribed by TRAI in the year 2007 were Rs. 1.40 per minute for outgoing local calls and Rs.2.40 per minute for outgoing STD calls while on national roaming. These ceilings have been reduced to Re. 1.00 per minute and Re. 1.50 per minute respectively. Similarly, the ceiling tariffs for incoming calls while on national roaming have been reduced from Rs. 1.75 per minute to Re. 0.75 per minute. Tariffs for outgoing SMS while on national roaming which were earlier under forbearance have now been capped: outgoing SMS-local at Re. 1.00 per SMS and outgoing SMS-STD at Rs. 1.50 per SMS. Incoming SMS will remain free of charge.



With increased subscribers and usage, the costs associated with national roaming have declined, but not vanished. There are still real costs incurred in providing the national roaming facility. Mandating a fully free roaming regime is simply not practicable at this juncture. Compelling a transition to a fully free national roaming regime would result in telecom service providers not being able to recover their costs from roamers. In turn, telecom service providers would pass these costs on to all consumers (predominantly non-roamers) through higher tariffs.

TRAI feels that the best way forward is to establish a tariff regime in which roamers self-select themselves out and so minimize the impact on the rest of the subscriber community. In working towards free roaming, TRAI has also borne in mind the need to keep costs to roamers at a minimum. In this context, TRAI has decided that Special Tariff Vouchers (STVs) and Combo Vouchers which were hitherto allowed only for home tariffs can be permitted for roaming tariffs. This will give the service providers the greatest possible flexibility in customizing tariffs for their roaming subscribers. Further, TRAI has also mandated the service providers to offer special plans for roaming subscribers in which such subscribers can avail of partially free roaming, or fully free roaming in lieu of payment of fixed charges.

All subscribers will benefit from the reduced ceilings: competitive pricing below the new ceiling levels is expected. The provision for STVs and Combo Vouchers as well as special tariff plans for roaming tariff will allow the service providers to cater to the specific roaming needs of different customer segments. The new regime provides reduced ceilings and free roaming facilities for roamers without impacting customers who do not use the roaming facility.


17/6/13
(Rajeev Agrawal)
Secretary, TRAI