



RJIL/TRAI/2021-22/97

11th June 2021

To,
Shri Kaushal Kishore
Advisor (F&EA-I)
Telecom Regulatory Authority of India
Mahanagar Doorsanchar Bhawan
Jawahar Lal Nehru Marg, New Delhi – 110002

Subject: Comments on Consultation Paper dated 13th May 2021 on 'Validity period of Tariff Offers'.

Dear Sir,

Please find enclosed herewith comments of Reliance Jio Infocomm Ltd. (RJIL) on the Consultation Paper dated 13th May 2021 on 'Validity period of Tariff Offers'.

Thanking You,
For **Reliance Jio Infocomm Limited**,

Kapoor Singh Guliani
Authorised Signatory

Enclosure: As above.

**Reliance Jio Infocomm Limited's comments on TRAI's consultation paper on
"Validity period of tariff offers"
(Consultation paper No.2/2021 dated 13th May 2021)**

1. We thank the Authority for issuing this consultation paper to explore the possibility of mandating monthly validity of tariff offers, in continuation with the earlier discussions with Telecom Service Providers (TSPs) on the issue.
2. At the outset, we thank you for acknowledging that, as the telecom tariffs are under forbearance, the TSPs have full flexibility to design various packages basis the market requirements. We submit that basis this principle, Reliance Jio Infocomm Limited (RJIL), currently offers packs with validity ranging from 14 days to 365 days to cater to requirements of all its subscribers.
3. As also acknowledged by the Authority, transparency, the most important bulwark of forbearance regime, is completely complied by the TSPs like RJIL in matter of validity of tariff offerings. **We submit that RJIL is ensuring a clear and unambiguous communication of the validity of each product, through its websites and other market communication, thereby maintaining complete transparency and helping its consumers make informed choices.**
4. In this context, we bring attention to the fact that telecom success story of the country is as much a result of forward looking, non-interfering tariff forbearance practiced by the Authority, as it is of innovation and new technology deployed by TSPs. The tariff forbearance has evolved and shaped over the years basis its own successes. While it initially permitted the TSPs to customize the tariff offers for different classes of subscribers like students, doctors etc., the continued and ever expanding freedom to innovate with tariffs, in compliance with basic principles, eventually led to path breaking and consumer friendly innovations like 'per second charging', **further evolving to 'free voice', 'flat charging' and 'death of roaming'. Thus, there does not seem sufficient justification for the Authority to intervene in the salutary policy of forbearance that has benefited both the sector as well as consumers, in order to meet the demands of a section of consumers.**
5. We submit that tariffs with weekly validity like 7/14/28/56/84 days are in prevalence for a while in telecom market and most subscribers are now familiar with the tariff structures on offer and are comfortable with the same. Further, the popular validity of prepaid offerings is more unambiguous and transparent than monthly validity as the days of the month can vary from 28 days to 31 days. Additionally, prepaid subscribers have been facilitated with instant information of recharges on self-care application, prior intimations

through SMS / Voice calls about expiry of the current recharge and unique queue feature of multiple recharges to facilitate timely recharges and ensure uninterrupted services.

6. **We further submit that the concept of monthly tariffs is more relevant for postpaid services which are offered on billing cycle basis with operator driven fixed date based charging. On the contrary, the recharging in prepaid is driven by the customer, who opts for a recharge as per his/her convenience.**
7. In view of the above and in interest of principle of forbearance and from a consumer experience point of view, **we submit that the Authority should not intervene in prescribing the mandatory validity of prepaid tariff offering. Besides abandoning the well-established principle of forbearance, such unwarranted intervention would result in disrupting settled and stable consumer tariffs.** Under the current market and investment dynamics, the TSPs can ill-afford to reduce the ARPUs, therefore realigning the validity of current recharges would not make any business sense and TSPs would be forced to come up with new pricepoints. Such a scenario will result in major disruption and confusion for subscribers that are used to their preferred recharges and would have to align their telecom spend schedule with new recharges.
8. Furthermore, the proposal of monthly prepaid tariffs, **where the recharge is required on same date every month is technically infeasible as well as goes against the observed consumer behaviour.** We submit that a large number of prepaid consumers opt to recharge 2-3 days after the expiry of recharges for various reasons, including the intent to use grace period. Thus, such a structure would be unsuitable for these consumers. On the other hand, from TSPs perspective, this will be akin to replicating postpaid charging in prepaid with 31 bill-cycles, which will be a technically infeasible and daunting experiment with zero benefits. The international examples cited in support of this proposal are not relevant as in the mentioned countries have predominantly postpaid subscriber base and such prepaid tariffs are provided only on postpaid platforms only to cater to a miniscule minority. Whereas, as you are aware, in India, prepaid subscribers make the bulk of telecom users making the comparison odious.
9. In view of the above, we submit that mandated change in validity of the recharges would not be appropriate or conducive to smooth functioning of telecom in country. Such intervention would also bring in another level of regulatory unpredictability, affecting the investor confidence in sector.
10. **However, basis our previous interaction with the Authority, and to help in dispelling the misconceived impression of a 28 days being treated as a month in telecom tariffs, RJIL has launched additional prepaid tariffs with validity of 30/60/90 days. We trust that this will address the concerns raised in consumer representations received by the Authority.**

Further, we suggest that instead of recommending a mandatory recharge with 30 days validity, Authority should issue an advisory to this effect and let the market forces take over from there.

11. Conclusions

1. The policy of tariff forbearance should not be abandoned in this case, and Authority should not mandate a particular prepaid tariff Validity for all tariffs.
2. The monthly tariff with recharge on same day is neither feasible nor consumer friendly.
3. If required, Authority can issue an advisory to offer at least one PV/STV/CV of 30 days validity.
4. In any case, RJIL has started offering prepaid tariffs with 30/60/90 days validity as an additional option for subscribers, which should address all perceived concerns.

Issue wise response:

Question 1: Whether TRAI should intervene in the issue of validity period or allow the same to be under forbearance?

And

Question 2: If the answer to the Question 1 is yes, then whether the TSPs be mandated or merely advised to offer tariff (for PVs, STVs and CVs) for a specified duration?

RJIL Response:

1. We submit that in the interest of unhindered continuance of the beneficial and successful policy of forbearance and in order to continue promoting the innovation in tariff offerings, the **Authority should refrain from intervening in the issue of validity of tariff plans.**
2. As mentioned earlier also, the tariff offerings are designed to cater to the requirements of all types of needs of telecom subscribers. Therefore, it would not be in the interest of any TSP to not offer a 30 day validity prepaid tariff, if there was inherent demand for the same. Thus, in continuation of its successful tariff policy, TRAI should permit the free play of market forces and let the market forces come up with suitable validity of prepaid offers. Anyhow, considering the representations received by Authority as indicative of a dormant demand for such prepaid tariffs, RJIL has already launched prepaid tariffs with 30/60/90 days validity.

3. Needless to add that in a competitive sector like Telecom, it would not take much time for other TSPs to come out with 30 day validity plans, if one TSP is able to tap into this requirement and acquire a sizeable subscriber base on such a plan.
4. A parallel can be drawn with the Authority's efforts to keep the roaming tariffs under control. **There have been multiple ceiling revisions and requirements like SRTP plan, however, once the market forces moved towards free national roaming all these requirements became meaningless as all TSPs are now offering same tariffs in home and roaming for majority of their subscribers.**
5. **Notwithstanding the above, in case the Authority deems it prudent to intervene in the validity of tariff offers, then the same should be only in the form of an advisory to offer at least one PV/STV/CV, as per the tariff construct of the TSPs, with validity of 30 days.**

Question 3: Whether the period to be specified should be considered as 30 days or a month with requirement of tariff to be renewed only on the same date of each month or separate tariff offers be mandated for 29/30/31 days in addition to the present practice of offering tariff for 28 days?

RJIL Response:

1. As submitted in the previous response, we do not agree with the proposal of mandating the validity of prepaid tariff offerings. However, if the Authority feels the need for a monthly prepaid tariff offering then the same can be offered only in the terms of fixed number of days.
2. We submit that in case, the Authority wants to give comfort to the subscribers seeking monthly validity, then tariff offers with validity of 30 days can be offered for such subscribers in addition to the existing tariff structure in place. **We submit that, before the weekly structure of prepaid tariffs, the prevailing tariff validity was 30 days or multiples thereof, thus, we do not think the demands received by the Authority, as mentioned in the consultation paper, would be for validity of 29 or 31 days or for that matter, same day on each month. Thus, if required, a tariff offer with validity of 30 days shall suffice.**
3. Further, with regards to monthly tariffs, i.e. **tariffs wherein the customer is required to recharge on same day every month with the same fixed amount, we submit that the same is not technically possible, as this is primarily a postpaid structure.** We submit that the subscribers are at liberty to opt for an advance rental option for postpaid plans to avail such a tariff structure.

4. We submit that the postpaid to prepaid migration was a cumbersome process with full repetition of activation process including a new CAF and change in SIM card with a possibility of substantial time of service disruption in some cases. However, the DoT has simplified this process and issued instructions dated 21st May 2021 (copy enclosed as Annexure) to carry out a proof of concept of OTP based migration from prepaid to postpaid and vice-versa. In this process, the SIM card remains same and the maximum service disruption is of 30 minutes. Thus, post implementation of this process, there will not be any barrier for the customer to migrate to postpaid plan, in the event monthly tariff is deemed most appropriate by him. This measure will also reduce the complaints being received by the Authority vis-à-vis monthly tariff plan requirements.
5. However, the prepaid subscribers cannot be offered this structure as prepaid vouchers have a defined validity and a fixed end date, which cannot be altered as per the days of a particular month which keep on varying between 28 and 31 days.
6. As you are aware, even in postpaid scenario, where the billing is on monthly basis, the subscribers are issued a pro-rata bill for some days as first bill and then the subscriber is moved to a fixed billing cycle date. Post that and her/his bill is generated on that day every month. **However, even if we attempt to force-fit such monthly billing structure in postpaid, the pro-rata billing would not be possible, due to prepaid nature and it would not be possible to have 31 billing cycles, as customers can opt to recharge on any day of the month.**
7. We have gone through the international examples shared by the Authority in the consultation paper and submit that these examples belong to countries where majority of subscriber base is on postpaid or contract based billing and are used to paying their telecom dues on same day every month . In such context, the operators have offered such plan, on postpaid platforms only, to cover a small minority of prepaid customers to postpaid like structure. Further there is no significant regulatory distinction between prepaid and postpaid subscription.
8. **On the other hand, in India with a vast majority of subscribers on prepaid subscription, the possibilities of same day recharge are miniscule. As detailed earlier, the consumers pick and choose their recharge options basis various considerations. Thus, the optimum solution for such fixed date charging will remain the advance rental option in postpaid, which has been facilitated by DoT's POC on OTP based migration from pre-to-post and vice versa. The prepaid customers desirous of such tariff can then easily migrate to such plans without going through a cumbersome activation process and can also revert back to prepaid if the structure is not found to be suitable.**

9. Notwithstanding the above, we reiterate that, in case the Authority deems it prudent to intervene in the validity of tariff offers, then the same should be only in the form of an advisory to offer one PV, STV or CV, as per the tariff construct of the TSPs, with validity of 30 days.

Question 4: Whether on the lines of a monthly offering, the other periods viz., quarterly, half-yearly and yearly prepaid tariff offerings be mandated or just the monthly offerings be required?

RJIL Response:

We reiterate our submission in the previous sections and submit that such an extensive intervention will be in the form of micro-regulation and will be a backward step, thus should be avoided at all costs and **the Authority should keep adhering to its time-tested policy of forbearance and intervention only in case of market failure.** In this case, the requirement of complaining consumers can be addressed by merely an advisory and there is no requirement of mandating monthly, quarterly, half-yearly and yearly prepaid tariff offerings.

**Ministry of Communications
Department of Telecommunications
(Access Services Wing)**

12th Floor, Sanchar Bhawan, 20 Ashoka Road, New Delhi - 110 001

File No: 800-05/2019-AS.II

Dated: 21.05.2021

To,

All Unified Licensees (having Access Service Authorization)/ Unified Licensees (AS)/ Unified Access Service Licensees /Cellular Mobile telephone Service Licensees

Subject: Proof of Concept (PoC) for Conversion of mobile connection from Prepaid to Postpaid and vice-versa using OTP based process.

COAI vide its letter dated 09.04.2020 has requested for permission for migration of mobile customers from pre-paid to post-paid and vice-versa without undertaking fresh KYC procedure and by using OTP based authentication.


2. Guidelines dated August 9, 2012 issued by this office have inter-alia stated that in case of change of existing mobile connection from pre-paid to post-paid and vice-versa, the customer will have to undergo the KYC process again.

3. In case of conversion of mobile connection from pre-paid to post-paid and vice-versa, there is no change in the ownership of the mobile connection. The SIM remains in the possession of the customer. Only change is in the billing type viz., pre-paid or post-paid.

4. OTP based authentication has become an acceptable norm in all sectors in recent past and most of the citizen centric services are being offered with OTP authentication. Contactless services in the present era is to be promoted for subscriber convenience and also for ease of doing business.

5. The Proof of Concept (PoC) for conversion from pre-paid to post-paid and vice-versa may be carried out by the Telecom Service Providers as per the procedure given in the Annexure. The decision regarding implementation of the procedure shall be taken after the assessment of the outcome of the PoC.

This is issued with the approval of competent authority.


(Suresh Kumar)
ADG (AS-II)

Copy to: The DG(T), Sanchar Bhawan, New Delhi

**Proposed OTP based process for conversion of mobile connection
from pre-paid to post-paid and vice-versa**

1.
 - i. Any subscriber desirous of conversion of his/her existing mobile connection from Prepaid to Postpaid or vice-versa shall send a request to the Licensee for the same. The request may be sent via SMS, IVRS, website or authorised app of the Licensee.
 - ii. Upon receiving the request, a message will be sent to the subscriber's mobile number that he/she has requested for conversion of his/her number from Prepaid to Postpaid or vice-versa (as the case may be). The message shall include a unique transaction-Id and a One-Time Password (OTP). The generated OTP shall have an expiry time of 10 minutes.
 - iii. The successful validation of the OTP, through SMS, IVRS, website or authorised app of the Licensee as the case may be, shall be treated as the consent of the subscriber for the conversion from Prepaid to Postpaid or vice-versa.
 - iv. The subscriber shall be intimated about the date and time of conversion in advance by sending text message or through IVRS.
 - v. After this, the requested conversion shall be executed at the date and time intimated to the subscriber.
 - vi. After the completion of conversion, a text message containing the confirmation of the conversion requested by the subscriber shall be sent to the subscriber's mobile number.
 - vii. The disruption of services, if any, during the said conversion shall not exceed 30 minutes.
 - viii. The details (request of the subscriber, date and time of request, unique transaction-id, OTP consent, date and time of conversion etc.) of all conversions in respect of a mobile connection shall be maintained by the Licensee in its system.

Jyoti Kulkarni
21.05.2021

- ix. The current details of conversion (date and time of request of the subscriber, unique transaction-id, date and time of conversion, current Prepaid/Postpaid status after conversion) shall be inserted at the end of Subscriber database by the Licensee.
- x. A subscriber shall be allowed to re-convert only after 90 days of previous conversion. This shall also be intimated by the Licensee to the subscriber before the start of conversion process.
2. This conversion process shall not be applicable for mobile connections of J&K LSA. The process shall also not be applicable for Bulk mobile connection category.
 3. The mobile connections converted from Prepaid to Postpaid using this process shall not be allowed roaming facility in J&K LSA.
 4. The above-mentioned process shall be applicable for mobile connections issued by Paper-based process, e-KYC process and D-KYC process. This will be an alternate process to the existing process of conversion in place.
 5. The Licensee shall ensure that only bonafide subscribers are migrated through this process and there shall be no change in ownership and/or demographic details of the subscriber.
 6. The SIM card shall remain in the possession of the subscriber and no change of SIM is involved in the process.
 7. The Licensee shall ensure that all the roaming restrictions imposed by DoT from time to time between J&K LSA and rest of country shall be scrupulously followed. Any lapse in this respect shall be the responsibility of the Licensee.
 8. Implementation of the process for conversion from Prepaid to Postpaid and Postpaid to Prepaid shall be simultaneous.

Jureth Kumar
21.05.2021