

Views and comments on validity of tariff offers, Consultation paper no-2/2021 by Upobhokta Sanrakshan Kalyan Samiti, Kanpur, CAG Member, TRAI.

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

Ans-No.

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?

Ans-No.

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?

Ans-As per the extant regulatory framework, there is no specific requirement to introduce a tariff for particular validity period viz., days, weeks, months etc. However as per the industry practice, the tariff offerings for postpaid services are made on a monthly basis implying period of 28/29/30/31

days as the case may be. Tariffs for prepaid services are offered in terms of number of days which can range from 1 day to 90 days in respect of Special Tariff Vouchers/Combo Vouchers and minimum 180days in respect of Plan vouchers. However, the most popular offers made by the TSPs are in terms of days, weeks and multiple thereof such as 28/56/84 days, while some of the TSPs are offering a 30 day tariff as well in addition to the popular tariff offers.

2.2. The TRAI has been receiving a lot of references from consumers regarding the offering of tariff by telecom service providers (TSPs) for 28 days instead of a monthly offering. The consumers have stated in their complaints that not only the same causes confusion but also they feel cheated. It also results in hardships for them as they need to make 13 recharges of the monthly prepaid tariff offering considering the validity period offered as 28 days instead of a month. The extent of resentment amongst consumers in this regard can also be gauged from numerous RTIs/complaints on the issue. Further, TRAI has also been receiving Parliament Questions from Hon'ble Member of Parliaments on the issue of considering 28 days as month in Telecom Sector which also underscores the concern surrounding the issue.

2.3. While TRAI observed that the TSPs have been transparently disclosing the validity period as 28 days etc. and have not made any attempt to market the same as monthly tariffs etc., still it is felt that considering the perspective of the consumer, it may be prudent to look into the issue from the aspect of consumer choice as well.

Further, the complaints, references, Parliament Questions on the issue also exemplify the confusion in the minds of the consumer and practical hardships caused to them due to lack of monthly tariff offering.2.4.The issue was accordingly discussed with the TSPs and the TSPs pointed out that as the services are prepaid, there has to be clarity and objectivity in the duration for which the services are to be given and with 'month' having variable number of days should not be the basis of charges for the prepaid services.

Question4: 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?

Ans-The TTO provided for three types of tariffs at broader level viz.: (a) Tariffs specified in the TTO; (b) Tariffs subjected to tariff ceiling specified in the TTO; and (c) Tariffs under forbearance. The TRAI has expanded the scope of forbearance regime over the years and given the service providers the freedom to design the tariffs suited to the prevailing market conditions. However, the 'forbearance' is subject to reporting requirements and adherence to specified principles of tariff assessments, namely, (a) transparency; (b) non-discrimination; and (c) non-predation. As per the extant regulatory framework for tariff, tariffs for telecommunication services are forborne except for: (i) rural fixed line services; (ii) national roaming services;

Question 5: If there are any other issues/suggestions relevant to the subject, stakeholders are invited to submit the same with proper explanation and justification.

Ans-No further issues.