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Consultation Paper - 12

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To: "Consumer Protection Association" <consumerprotection@rediffmail.com>  
Subject: "Consultation Paper - 12 - Certain Issues relating to Telecom Tariffs"



CONSUMER PROTECTION ASSOCIATION  
HIMMATNAGAR  
DIST. : SABARKANTHA  
GUJARAT

Hon. Sir,

Namaskar !

Please find herewith our comments on consultation paper - 12 on  
" Certain Issues relating to Telecom Tariffs ".

Please acknowledge the receipt.

Thanks

Yours faithfully,

( Dr. Kashyapath )  
President

CONSUMER PROTECTION ASSOCIATION  
HIMMATNAGAR  
DIST. : SABARKANTHA  
GUJARAT

CONSULTATION PAPER ON  
CERTAIN ISSUES RELATING TO TELECOM TARIFF

The ongoing tariff war in the highly competitive Indian Telecom Market has been taking new shape with every passing day to cheat the consumer in different ways of "shabdo ki makad jal ". Operators have been announcing new promotional schemes including reduction in the tariff, slashing roaming charges and many more lucrative offers. The Consumer must have an informed choice and he should be protected from subscribing to or billed for any service due to lack of proper information or understanding as a Telecommunications tariff is an open contract between a Telecommunication Service Providers and the Consumers. There should be commitment and more proactive role from the Service Providers' towards protection of Consumer interests. Earlier, there was an attempt by TRAI to advertise their new tariff schemes in a certain format for understand the tariff plan by consumers. However, there had been cases of non-compliance by various operators. For retaining old consumers and attracting new connections the service providers come forward with convoluted tariff plans which are even beyond comprehension levels of educated citizens. In rural and tribal area the illiterate consumer is totally befuddled when he has to choose from various packages, ultimately he/she has to turns to the retailers for advice which is bound to be biased in most of the cases. The offer which might seem very feasible in the first instance may have strings attached which can be discovered only after in depth probe.

## ISSUES FOR CONSULTATION :

1.
  - (a) Lack of Awareness
  - (b) Illiteracy in rural and tribal areas
  - (c) Deduction of money without knowledge of consumer from his balance in mobile.
  - (d) Poor coverage and
  - (e) Poor Redressal mechanism
  
2. Adequate price transparency is crucial for the correct operation of an efficient and competitive market. The transparency of tariff in telecom sector is necessary to protect interests of consumers and to facilitate further growth of telecom services in India. Sometimes it becomes difficult for consumers to find, understand and use the information available on the market in order to make decisions on the *choice of service provider and/or tariff packages that best meet their needs.*
  1. No chargeable value added service should be provided to the consumer without his explicit written consent.
  2. No tariff plan should be offered/Presented/marketed or advertised in a manner that is likely to mislead the consumer.
  3. The service providers should inform consumers in writing , within three days of activation or service about the complete details of the plan. The changes in tariff in chosen package should be intimated to the consumer in writing well in time.
  4. Pulse rate/tariff for premium rate service should be published in all communications/advertisements in local language and in properly readable size.
  5. All monthly fixed recurring charges which are compulsory for the consumer under any given plan should be shown under one head.
  6. All the publications/Advertisements of tariff should be in specified format and should provide certain essential information in a local language and in readable size.
  7. The websites of the service providers and the tariff brochures available in the retail outlet should contain complete details of the tariff plans in local language, proper readable size in lucid language.

8. It is being felt that the service providers are not giving adequate importance to the consumer transparency issues. It is observed that several underlying information in the tariff plans are not properly brought out in the tariff plan offer/promotion/marketing. For example the consumer has to pay for incoming usage when he is outside the home network i.e. while Roaming. But this fact is not clearly brought out by the service providers in the literature made available to the subscriber.

3. No.

There should be a competition between the service providers for the benefit of the consumers. Because Call minutes are highly **elastic against price**, this means that the demand for call minutes varies greatly according to price. A slight decrease in price leads to a great increase in call minutes. The higher the price, the more this effect is noticeable, for both service providers and residential consumers on international or local calls. This means that it is often the case that more revenue is achievable at lower prices.

4. No.

Plans and sub plans should be controlled.

5. No

6. Tariff s substantially in excess of the normal rate known as " Premium rate " which are used for :

1. Information services
2. Competition entries and
3. Pornography calls etc.

Should be short listed out and the rate should informed to the consumers prior in advance.

Premium rates should be announce in advance and advertise properly. As there are a large number of content-based services offered to the customers via SMS (tele voting, quiz, games, ring tones etc) and all these messages attract considerably higher charges compared to the normal person to person text messages. Adequate

information/transparency is lacking here also leading to consumer dissatisfaction. The prepaid customers are not being provided the tariff sheet.

8. No.

9. 1. There is an urgent need to address the issue of consumer satisfaction. The contact with the consumers is mostly through an unorganized supply chain which is not equipped to provide correct and proper information to the consumers. Considering the limited interface the service providers are currently having, vis-à-vis the number of subscriber base, there is an immediate need to improve and educate this retail outlet chain to cater to the requirements of the growing customer base.

2. Awareness and proper publicity.

10. Yes

11. No.

Advertisement properly in local language. Awareness should be created. Regulatory framework should be their.

To enhance the consumer awareness, the service providers should provide printed material in local Language to consumer at the time of enrollment containing:

- a) Full and complete tariff information
- b) The features of the service offered with special emphasis on roaming, premium rate services and other optional and value added services.
- c) The Terms and Conditions including the exceptions attached to the service in unambiguous terms.
- d) The rights of the consumers emanating from the various decisions of the TRAI and
- e) The common charter of service agreed upon by the service providers

Annexure : Different types of pack :

Bonus cards :

1. Local minutes
2. Local tariff
3. STD
4. SMS pack
5. Night pack
6. Friend and family

Products :

1. SMS pack
2. STD pack
3. Free on Net minutes
4. Local Tariff
5. Night Chat Friends and Family

Prepaid Recharge :

1. Chhota recharge
2. Validity recharge
3. Roaming recharge
4. Full talk time recharge

Different Products :

1. Net pack
  2. STD minutes pack
  3. Night packs
  4. SMS pack
  5. GPRS pack
  6. Full talk value recharge
  7. Roaming plans
  8. ISD packs
  9. World calling card on E-Top
  10. Free on Net minutes
- Etc..