

**GOVERNMENT OF INDIA  
COMMUNICATIONS AND INFORMATION TECHNOLOGY  
LOK SABHA**

STARRED QUESTION NO:287

ANSWERED ON:28.07.2014

STD AND LOCAL CALL TARIFF

Biju Shri Parayamparanbil Kuttappan;Galla Shri Jayadev

**Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:**

- (a) the present STD and Local call tariff of landline and mobile phones serviced by Mahanagar Telephone Nigam Limited (MTNL) Bharat Sanchar Nigam Limited (BSNL) in the country;
- (b) whether MTNL/BSNL propose to go in for free National Roaming and if so, the modalities worked out along with the estimated financial loss likely to be incurred to MTNL/BSNL;
- (c) whether the Telecom Regulatory Authority of India has expressed its apprehension over introduction of free roaming and if so, the details thereof and the reasons assigned therefore along with the reaction of the Government thereto; and
- (d) the steps taken/being taken by the Government to implement 'one India tariff' across the country?

**Answer**

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY & LAW AND JUSTICE (SHRI RAVI SHANKAR PRASAD)

(a) to (d) A Statement is laid on the Table of the House.

STATEMENT TO BE LAID ON THE TABLE OF THE LOK SABHA IN RESPECT OF PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 287 FOR 28TH JULY, 2014 REGARDING "STD AND LOCAL CALL TARIFF"

(a) As per the present tariff framework in the country, tariffs for access services (including STD tariff) are under forbearance except for tariff for national roaming service and rural landline service. The telecom service providers (TSPs) have flexibility to offer different tariff packages targeted at different customer user groups, subject to the condition that these tariffs have to be consistent with the regulatory principles of non-discrimination, non-predation etc. For BSNL and MTNL, the local call charges in various tariff plans of mobile services are, generally, in the range of Re. 0.30 to Re 1.00 per minute and STD call charges are, generally, in the range of Re.0.60 to Re.1.50 per minute. Further, subscribers have options to avail lower tariffs through the use of Special Tariff Vouchers (STVs) and Combo Vouchers (CVs), offered by BSNL/MTNL.

For landline service, the local and STD call charges levied by BSNL and MTNL are on pulse basis; pulse duration ranges from 60 seconds to 180 seconds. The charges per pulse for local call and STD call range from Re.0.80 to Re.1.20 depending on the tariff plans.

(b) Mahanagar Telephone Nigam Limited (MTNL) has provided free incoming facility while roaming in MTNL network to MTNL customers in Delhi and Mumbai on its own network with effect from 26.01.2014.

BSNL has offered a free National Roaming plan called Roaming Tariff Plan-Free Roaming (RTP-FR) under both postpaid and prepaid mobile services based on guidelines issued by TRAI.

The issue of free national roaming regime (i.e. a tariff regime in which incoming calls would become free of charge while the outgoing calls would be charged at the same tariff as that for the outgoing calls made from the home service area) was raised in the Consultation Paper on 'Review of Tariff for National Roaming' issued by TRAI on 25.02.2013. In the Consultation Paper, TRAI had estimated that there would be a reduction of Rs.1627 Crore in the annual revenue of the telecommunication services industry upon implementation of free national roaming regime. However, no separate estimation of financial loss likely to be incurred by public sector telecom companies upon implementation of free national roaming regime was carried out.

(c) & (d) Telecom Regulatory Authority of India (TRAI) has observed from the comments of the stakeholders on the Consultation Paper, that most of the stakeholders were not in favour of free national roaming regime. Stakeholders were strongly averse to a regime in which incoming calls while on national roaming would become free. After analyzing the comments received from the stakeholders, a view was taken by TRAI that fully free national roaming across all the tariff schemes is not practicable due to the following reasons:

(i) Tariff regime of 'home equal to roam' for outgoing voice calls and SMS may result in cross subsidization of roaming subscribers at

the expense of non-roaming subscribers, as a result of which the home tariffs may increase.

(ii) Tariff regime of free incoming voice call while on national roaming may create serious distortions in the telecom services market. Such a regime would create arbitrage opportunity that could lead to SIM movement behavior across the circles.

Through the TTO (55th Amendment), 2013 dated 17.06.2013, which came into effect on 01.07.2013, TRAI made the following changes in the tariff regime for national roaming service:

(i) Reduced the ceiling tariffs for national roaming service, as indicated in the following table:

| Item  | Ceiling tariff<br>prior to TTO<br>(55th Amendment),<br>2013 | Ceiling tariff<br>as per TTO<br>(55th Amendment),<br>2013 | Ceiling tariff<br>in ceiling<br>(55th Amendment),<br>tariff | % Reduction |
|---|---|---|---|-------------|
| Outgoing local voice per minute call                        | Rs. 1.40  | Re. 1.00  | per minute  | 29%         |
| Outgoing long distance per minute (inter-circle) voice call | Rs. 2.40  | Rs. 1.50  | per minute  | 38%         |
| Incoming voice call per minute                              | Re. 1.75  | Re. 0.75  | per minute  | 57%         |
| Outgoing local SMS  | Re. 1.00  | -   | per SMS   |             |
| Outgoing long distance (inter-circle) SMS                   | Forbearance   | Rs. 1.50  | per SMS   | -           |

(ii) Permitted STVs and CVs for national roaming service to provide flexibility and convenience to the consumers; and

(iii) Mandated the wireless access service providers to offer special roaming tariff plans in which subscribers can avail partially free roaming, or fully free roaming in lieu of payment of fixed charges.