

**GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS
DEPARTMENT OF TELECOMMUNICATIONS**

**LOK SABHA
UNSTARRED QUESTION NO.593
TO BE ANSWERED ON 6TH FEBRUARY, 2019**

TARIFF TRANSPARENCY

†593. SHRI SHRIRANG APPA BARNE:
SHRI ADHALRAO PATIL SHIVAJIRAO:
DR. SHRIKANT EKNATH SHINDE:
SHRI ANANDRAO ADSUL:

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether transparency in tariff is an issue of prime concern for the Telecom Regulatory Authority of India (TRAI);
- (b) if so, the details thereof and the extent to which the telecom sector is affected due to non-transparency;
- (c) whether TRAI has been receiving complaints from consumers, highlighting lack of transparency in carriers' tariff offers;
- (d) if so, the details thereof and the action taken on these complaints;
- (e) initiatives taken by the regulator to determine "relevant market" based on relevant product against which it receives a complaint;
- (f) whether the telecom regulator has fixed a penalty of Rs. 50 lakh per circle for every tariff plan that is found to be predatory; and
- (g) if so, the details of the companies fined for predatory tariff plan during the last one year?

ANSWER

**THE MINISTER OF STATE (IC) OF THE MINISTRY OF COMMUNICATIONS &
MINISTER OF STATE IN THE MINISTRY OF RAILWAYS
(SHRI MANOJ SINHA)**

(a) & (b) Transparency in Tariff is and has always been an issue of prime concern for the Telecom Regulatory Authority of India (TRAI). To protect the interests of the consumers of telecommunication services, TRAI has issued several directions and guidelines in order to ensure transparency in tariff offers. It has been the constant endeavour of TRAI to give due importance to 'transparency' which is evident from the extant regulatory provisions and actions taken in the past in this regard. As per report received from TRAI, important steps taken by TRAI to enhance transparency in tariff offers are at **Annexure-I**.

However, despite these measures to ensure transparency in tariff, TRAI has received complaints from consumers and consumer organizations highlighting lack of transparency in the tariff offers of Telecom Service Providers (TSPs). In the recent past, TRAI has again reviewed the transparency measures and undertaken a consultation process on issues, *inter-alia*,

including transparency in tariff offers. After the consultation process, the Telecommunications Tariff (63rd Amendment) Order, 2018 dated 16.02.2018 was notified by TRAI.

However, the Telecommunications Tariff (63rd Amendment) Order, 2018 has been challenged by some of the telecom service providers in the Hon'ble Telecom Dispute Settlement and Appellate Tribunal (TDSAT). The TDSAT, vide its judgment dated 13th December, 2018, has set aside the Telecommunication Tariff (63rd Amendment) Order, 2018 dated 16.02.2018, so far as it changes the concept of Significant Market Power (SMP), Non-predation and the related provisions and ordered that these provisions shall be reconsidered by the Authority at the earliest, preferably within six months. TRAI has filed an appeal before Hon'ble Supreme Court of India and the matter is still subjudice.

(c) & (d) As per information received from Telecom Regulatory Authority of India, the TRAI Act, 1997 does not envisage handling of the individual consumer complaints by TRAI. However, the complaints received from consumers in TRAI are forwarded to the concerned Telecom Service Providers (TSPs) for appropriate action.

There is no separate category of complaints called 'Lack of transparency in carriers tariff offers' maintained on Telecom Consumer Complaints Monitoring System(TCCMS) portal. However, the total number of consumer complaints received in TRAI against various telecom service providers (TSPs) on Tariffs (like wrong charging of calls, wrong application of tariffs), during the last one year i.e. the calendar year 2018 is 1,325. TSP-wise details of number of complaints is as below:

Service Provider	Wrong application of Tariff	Wrong Charging of Calls (prepaid)	Total
MTNL	3	0	3
BSNL	34	0	34
Aircel	12	0	12
Airtel	474	18	492
Idea	216	10	226
R-Com	3	0	3
RJIL	83	0	83
MTS	1	0	1
TTSL	20	3	23
Telenor	2	0	2
Vodafone	435	11	446
Total	1283	42	1,325

(e) & (f) TRAI has informed that it has conducted a one year long multi stage public consultation with stakeholders and issued 63rd Amendment to Telecommunication Tariff Order, 1999. TRAI has notified the Telecommunication Tariff (63rd Amendment) Order, 2018 on 16.02.2018 in which 'relevant market', 'relevant product market' and 'relevant geographic market' have been defined under clause 'la', 'lb' and 'lc' respectively and a penalty of Rs 50 lakh per circle has been fixed for every tariff plan that is found to be predatory. However, this definition and penalty has been challenged by some of the telecom service providers and currently the issue is subjudice before Hon'ble Supreme Court of India.

(g) The relevant provisions are subjudice and are yet to be operationalized.

Important Steps taken by Telecom Regulatory Authority of India (TRAI) regarding transparency in tariff offers:

1. With a view to remove confusion in respect of tariff plans marketed as having 'Lifetime Validity' TRAI issued regulatory guidelines vide Telecommunications Tariff Order (TTO) 43rd Amendment notified on 21st March, 2006. Any tariff plan presented, marketed or offered as having lifetime or unlimited validity shall continue to be available to the subscriber as long as the service provider is permitted to provide such telecom service under the current license or renewed license. The service providers were told to inform the customers the current period of expiry of their license.
2. It has been mandated through several Directions that no chargeable value added service shall be provided to a customer without his explicit consent.
3. Service providers shall inform customers in writing, within a week of activation of service, the complete details of his tariff plan. The changes in any item/aspect of tariff in the chosen package shall also be intimated to the customers in writing vide Direction dated 29th June, 2005.
4. Direction dated 1st September, 2008, and 48th Amendment to TTO notified on 1st September, 2008 mandate several transparency measures including the following:-
 - (a) Tariff information to be provided in vernacular language also.
 - (b) Blackout days (customary/festival days on which free/concessional calls/SMS are not available) restricted to a maximum of 5 days in a calendar year. Such days to be pre-specified and no subsequent alteration or addition is permitted.
 - (c) Straight tariff reductions are to be passed on to consumers without any precondition.
 - (d) The service providers shall not insist on recharge between periods lesser than six months in lifetime plans for remaining connected during the promised lifetime validity period.

5. Telecom Consumer Protection Regulation (TCPR) 2012

TRAI has issued Telecom Consumer Protection Regulation on 06.01.2012 with a view to streamline tariff offers and enhance transparency in the provision of service. The main features of the Regulation as amended from time to time, are:

- Categorization of vouchers as – Plan vouchers, Top up vouchers, Special tariff vouchers and Combo Vouchers – with colour bands for easy identification.
- Minimum Font size for printed matter on physical vouchers - *not less than 8 Pt.*
- Providing usage details to pre-paid subscribers after every call/data usage.
- Itemized post usage of account shall be provided at a reasonable cost not exceeding Rs.50/-.
- Providing information to pre-paid subscribers on activation of plan/top-up/ST vouchers.
- Improved transparency in provision of Premium Rate Services by prior information about charges.

6. Direction on publication of Tariff plans

TRAI has issued a Direction on publication of Tariff plans on 16th Jan 2012. This Direction is aimed at enhancing transparency in telecom tariff offers and facilitate the subscribers to choose plan that suit individual requirement best. Service providers are to publish all tariff plans in a service area for prepaid and postpaid subscribers in the given format in one regional and one English newspaper at an interval not more than six months. Full details are to

be made available at Customer care centre, PoS, website in the given format with a view to facilitate easy and transparent comparison.

7. Direction on preventing misleading advertisements

TRAI has issued a Direction on preventing misleading advertisements on 26.03.2012. This Direction is intended to further improve transparency in telecom tariff advertisements and facilitate the subscribers to choose plan that suit individual requirement best. It has been mandated that advertisements published by service providers are transparent and non-misleading and unambiguous, disclose all material information in unambiguous manner and contain the website address and customer care number of the telecom access service provider. The advertisements issued in vernacular languages should contain all the mandatory disclosures in the same vernacular language. In addition, the service providers have to maintain an advertisement register which must include a specimen of every tariff related advertisements, and carry out internal audit to ensure that they are complying with all aspects of this Direction and to report compliance to TRAI on half yearly basis.

8. Segmented Tariff Offers:

The segmented offers which have to be necessarily transparent and non-arbitrary, either for retention or acquisition of new consumers, are to be transparently filed with the Authority in accordance with the reporting requirement. All such segmented tariffs are to be publicly displayed, inter-alia, on the website of the telecom service providers, for transparent and complete disclosure to consumers, without any discrimination. TRAI has already reiterated aforesaid regulatory requirement vide its direction to TSPs dated 25th May, 2017.
