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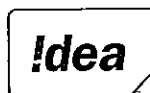
Idea Cellular's response to TRAI Consultation Paper on "Review of The Quality of Service (Code of Practice for Metering & Billing Accuracy) Regulations, 2006

Sir,

At the outset, we would like to submit that the telecom industry is presently going through a period of cost pressure and reducing revenue for the first time since deregulation and while Regulatory interventions are necessary, the cost implications related to implementation have to be balanced against the real benefits that would accrue from these interventions.

On the subject Consultation, we endorse COAI's view as further qualified in our submissions that there should not be any financial disincentives imposed on the operators for any of the audit related issues. The non-compliances or errors if any are purely unintentional and generally are due to factors beyond our control and as such, operators may only be asked to cure the breach in a reasonable time, considering the external factors also. We support COAI's views on adoption of the following approach for any large deviations from the Code of Practice for the Metering & Billing Accuracy;

- 1) If any operator fails to meet the specified benchmark, justification should be sought from the operator. The Operators should be asked to explain the reasons for failure.
- 2) Operator should also be required to submit an action plan to improve and meet the prescribed benchmarks of the parameters in next quarters' cycles.
- 3) Following escalation process is suggested on the same:
 - a) In case of non-compliance of TRAI Direction/ Regulation, TRAI would send letters to the Regulatory Officers of the company and seek explanation for such non-compliance.
 - b) In case there is no response or the explanation provided by the company is found to be incomplete, TRAI would send a letter to the Regulatory Head of the company and seek an explanation. TRAI may also have a one to one discussion with the Regulatory Head.
 - c) In case the explanation provided by the Regulatory Head of the company is found to be incomplete, a show cause notice may be served to the CEO of the concerned company and response sought.



- 4) Further, TRAI should consider the following before taking any action on operators:
- a) Track record of the operator for the shortfalls i.e. repeated shortfalls of the operator towards non-compliance.
 - b) Explanation given by the operator for the non-compliance i.e. circumstances beyond the control of the operator.
 - c) Deviation is due to unavoidable technical issue or system constraints.
 - d) Impact on the subscribers and other stakeholders due to the alleged non-compliance.
 - e) Whether it is a willful or an inadvertent major or minor non-compliance i.e. distinguish between fraud, non-transparency and non-compliance due to technical reasons

The above suggested approach would encourage operators to comply with the timelines prescribed by the TRAI and will also provide protection against the un-avoidable external factors causing delay in the processes.

Further, In addition to the COAI comments, our issue-wise comments are as given below:

Question 1: What are your views on imposing financial disincentives for delay in submitting audit reports of the metering and billing system and what should be the quantum of such financial disincentives? Please give your comments with justification.

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Question 2: What are your views on imposing financial disincentives for delay in submission of Action Taken Reports on audit observations of the metering and billing system and for providing false information or incomplete information and what should be the quantum of such financial disincentives? Please give your comments with justification.

Idea Cellular's Response

- a) The Authority may note that the metering and billing audits are treated with utmost seriousness throughout the Organization and any delays in report submission, if any, are inadvertent and primarily on account of voluminous documentation and comments required for filing this Report. Further, there is also an inherent dependency on the audit agencies in the matter of decision on audit start date and audit end date.
- b) In light of the same, we request that the Authority should not consider imposition of any financial disincentive for any delay in filing the Reports.
- c) Further, for instances where the Authority notices repeated instances of delay in submission of audit reports / action taken reports, the Authority may consider seeking written explanation from the concerned service provider and follow an escalation process as highlighted by our submission on page 1.
- d) We would also like to propose here that the TRAI should provide for a grace period of at least 15 days to take care of any unforeseen delays / holidays for submission of the Reports.

- e) As regards submission of false or incomplete information, we feel that neither of those situations is intentional on the part of the operator. Submission of ATRs involves a functional review by each vertical/function, Root Cause Analysis, validation, rectification process to prevent recurrence of the concern in system, or process change, data extraction (for providing refund as applicable) which involves lot of time and effort. The end-result of these activities is the actual details identified based on cross-functional review in the light of audit observations for the particular period.
- f) The Authority will also agree that there is a high element of subjectivity involved in reaching any such conclusion about the information either being false or incomplete. Our intent is always to give complete and accurate information.
- g) We suggest TRAI should follow the escalation process as proposed by us for resolution of such issues, if any, and offer a fair chance to the concerned Service provider to explain its submission. Further, responsibility should be placed on TRAI's empanelled Auditors to verify the reports and ensure completeness of response given by the Service Providers.

Question 3: What are your views on the proposal for audit of the CDRs for at least twice a year- three months CDR pertaining to first half year and three months CDR pertaining to second half year? Please give your comments with justification.

Idea Cellular's Response

- a) It is our strong view that the current process of single audit in a year should continue as before. The current system of the audit itself is quite exhaustive and it requires huge amount of effort and resources to complete the same on time.
- b) The TRAI may like to note that conducting 2 audits in a single year is also not feasible for both the parties - service providers and the TRAI - as there is a need to extend additional time and effort at both ends, resulting in avoidable tying up of existing scarce resources.
- c) To address the completeness and quality of correctness of configuration/overcharging issues, we are in the process of implementing the Master Table for identifying the overcharging issues as already directed by TRAI. In any case whenever we make corrections, the CDRs from day1 are considered for necessary action. Hence no additional objective will be achieved for audit of the CDRs twice a year.

Further, CDRs considered for audit should not be > 3 months old for timely completion of audit as desired by the Authority, as IT systems stores CDRs online only for 3 months and any extraction of the information and data thereafter is a time consuming and tedious affair which may run into several weeks, further delaying the audit process.

Question 4: What are your views on the proposal for simultaneous reporting of instances of overcharging to TRAI by the auditor, monthly progress report on the action taken by service providers on such audit observations and financial disincentives on delayed refund of such overcharged amounts? Please give your comments with justification.

Idea Cellular's Response

- a) We strongly believe that the existing process of reporting of such instances by the Auditor to the service providers be continued with. All service providers are customer focused and there is no reason to believe that the necessary refunds and corrective action will witness any undue delays.
- b) Delays, if any, are always on account of complexities involved in carrying out the procedure, which is a function of the number of customers affected, recency of the original event, nature of the event, contactability of the affected customers, technical constraints, etc. Hence the time required to effect refunds could range from a minimum of one month to a few months.
- c) The delay in carrying out any refunds, if any, therefore needs to be viewed in that context and suitable relaxation allowed as per the requirements of the situation.

Question 5: Do you support mandating service providers to undertake a thorough analysis of each audit observations and the requirement to furnish a detailed comment on each audit observation, as proposed above, including financial disincentives for submitting audit reports without adequate comments? Please give your comments with justification.

Idea Cellular's Response

- a) It is our belief that operators provide comments against each of the audit observations as per their understanding of the issues involved, and to their own best satisfaction. However, it is quite possible that the TRAI may feel that the information provided is inadequate in which case it always has the option to ask for more information as per its specific terms and requirements.
- b) To have a disincentive for something as subjective as the detailing required under a comment on the audit observation would lead to too many differences of opinion, and is hence is not at all recommended. Instead a fair opportunity needs to be provided to the concerned service provider to justify the response provided by it.
- c) Further, the TRAI should consider making it the responsibility of the Auditors to ensure that comments are appropriate as they are empanelled by the TRAI and they have professional accountability to their Regulator as well. Besides, they are thoroughly engaged with the Service Provider in the entire process and know all the processes, systems and the nuances.

Question 6: Do you support nomination of auditor by TRAI and appointment of the nominated auditor by the service provider? Please give your comments with justification.

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Question 7: What are your views on the proposal for fixing of remuneration of auditor by TRAI and what should be the quantum and methodology for computation of audit fees, in case the same is to be fixed by TRAI? Please give your comments with justification.

Idea Cellular's Response

The Service Provider should be allowed to select any of the auditors empanelled by the TRAI as per the current process. Further, we are of the view that the remuneration of the auditor is determined mutually between the operator and the service provider, as being done for other statutory audits.

Question 8: What are your views on the proposals relating to tariff plans to be covered for audit? Please give your comments with justification.

Idea Cellular's Response

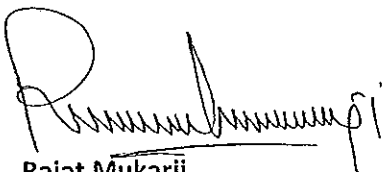
- a) We feel that the purpose of the audit of tariff plans should be to do a dipstick study of the manner in which customers are being charged and treated under various tariff plans, as against the concept of a detailed study, as operator practices do not change from one plan to other. In view of the same, the current tariff plans sampling strategy seems adequate to bring out issues, if any, in the way customers are being charged and treated under various tariff plans.
- b) Infact, we would recommend that TRAI consider making applicable the current sample size over a much shorter period that includes only the 3 months prior to audit start, for expeditious completion of audit as it is generally readily available and saves time, as against the current practice of including the data from the first 3 months of plan launch which takes longer time. In any case the errors in tariff plan configuration, if any, and whenever detected, are always corrected from the date of launch of the plan/pack.

We are confident that the Authority will give due-consideration to our afore-mentioned comments before formalizing any guidelines on the issue.

Thanking You

Yours faithfully,

For IDEA Cellular Limited.


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Telecom Regulatory Authority of India

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For TRAI