

Aircel Group Response to
Pre-Consultation Paper on
Review of Tariff for National Roaming

Issues-wise Response

Q1: Should the present cost based approach for determining tariffs for national roaming continue?

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Q2: In case your response to issue (i) is in the affirmative, what cost components should be included in the determination of such charges? You may also comment on the information sought by TRAI from the service providers in the Performa placed at Annexure.

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Q3: In case your response to issue (i) is in the negative, what should be the alternative approach for determining tariff for national roaming? Please support your view with a detailed methodology.

Aircel Response: Inspite of roaming tariff ceilings from TRAI, they have continued to fall and are quite lower than the prescribed ceilings, generally Rs 1/- in case of outgoing-local & incoming call charges. This clearly indicates that market & competitive forces are effectively working to the benefit of consumers. It has also resulted into a stabilized roaming tariff offerings from the operators and the tariff takes into account the relevant components of cost being incurred or pay-outs to be made.

We strongly feel that there is no need to intervention presently for review of Roaming tariffs. However, we urge TRAI to allow Special Tariff Vouchers (STV) & Combo Vouchers (CV) for roaming benefits since, it has been observed from past many years that STVs play a big role in bringing down the tariffs as well as suit customer affordability by providing range of benefits over different component and also with short term validity. This increases choice amongst consumers and thus leading to uptake of service and increase in traffic.

Keeping above in view, we recommend TRAI to allow STV & CVs with Roaming benefits and not to intervene on Roaming tariffs.

In case still TRAI believe that the roaming tariff ceilings have to be reviewed, same should be done on cost plus based methodology as has been followed earlier. The cost plus based methodology should include and consider all related direct, indirect & ancillary costs for such roaming services, stated as follows:-

- i) Cost of all Network components including the CAPEX & OPEX expenditures like Core switching Nodes, VAS & IN nodes, EIR, Access nodes, IT infrastructure, Call centres, Packet core nodes, Transmission and Bandwidth etc.
- ii) Cost of IUC i.e. Termination and Carriage charges.
- iii) Cost due to Regulatory requirements like MNP, UCC, IMEI validation, EMF etc.
- iv) Cost of Roaming settlement through 3rd party.

Q4: In your opinion, should the burden of the cost for the incoming call be removed from the roaming subscriber? If yes, how should this cost be recovered? Would removal of the burden of the cost for the incoming call while roaming lead to an increase in overall call traffic across the country?

Aircel Response:

We would like to submit that burden of cost for incoming call should not be removed. In roaming, there are legs of inter-operator call handling & carriage, cost of which can't be ignored or absorbed otherwise. So far,

TRAI has followed the principle of 'IUC compliant' and hence, the roaming incoming call tariff should factor in all such IUC costs.

Removal of cost burden for incoming calls from roaming subscriber will have huge impact on relatively smaller operators, who are using services of other operators for roaming services, as follows:

- Firstly, removing incoming cost would lead to huge pay-out for the relatively small operators to keep providing roaming services (in areas where it does not operate or have less coverage) leading imbalanced pay-outs in between operators.
- Secondly, absorbing these costs in its tariff will make the tariff offerings of relatively small operators to be uncompetitive vis-à-vis other operator. Thus, if Regulation were to proposed removal of cost for incoming roaming call, it would certainly lead to an economic disadvantage as well as non-level playing field for relative smaller operators.

Removal of cost burden for incoming calls also has a potential to get misused, if any market force intends to promote roaming service for home network connections and may lead to cross-competition and discriminatory practices.

Keeping above in view, we request that incoming roaming call cost burden should not be removed.

Q5: In your opinion, if the difference between the tariff while roaming and the tariff in the home network is done away with, how would such an arrangement operate within the framework of the present licensing regime? What are the likely issues that may arise upon its implementation?

Aircel Response:

Before removing difference between the tariff while roaming and the tariff in the home network, following issues need to be addressed:

- Cost Burden on the incoming calls on Roaming
- GPRS cost while roaming is significantly higher
- Huge increase in roaming traffic, particularly incoming roaming, leading to QoS issues
- Potential Increase in Tariffs,
- Implication on the NLDO's & carriage fee for calls & SMS
- Review of interconnection Arrangements
- Level playing field

Q6: In your opinion, is there a need to prescribe a tariff for video calls while roaming? If your answer is in the affirmative, what methodology should be adopted for the calculation of such tariff?

In case cost based tariffs are to prescribed, the service providers may kindly provide the cost data and costing methodology to be used.

Aircel Response:

Presently, Video calling is at a very nascent stage in the Indian telecom sector. Thus, it would be too premature to prescribe any tariff for video calls. Moreover, Video calls are being given over 3G network & Spectrum, cost of which is too much higher than contemporary voice calls.

Therefore, we submit that roaming tariffs for video calls should be kept under forbearance.

Q7: In your opinion, should TRAI also prescribe a tariff for SMS while roaming? If your response is in the affirmative, what method of calculation for such tariff should be adopted? In case cost based tariffs are to be prescribed, the service providers may kindly provide the cost data and costing methodology to be adopted.

Aircel Response:

We are of the view that tariff for SMS while roaming, should not be regulated.

Q8: In your opinion, would it be appropriate to allow special tariff vouchers for roaming subscribers?

Aircel response:

We request TRAI to kindly consider allowing Combo Vouchers alongwith STVs for Roaming tariff benefits.

While regular roaming users generally subscribe to roaming specific tariff plans, which provide them benefits of reduced roaming tariffs etc, however there is a significant market segment who go in roaming for a relative shorter period and are bit reluctant to go for tariff plan changes for availing roaming benefits. These customers can be given benefits of reduced roaming tariffs through STVs, Combo Vouchers and thus, effective roaming rates can come down in future with phased increase in traffic volumes.

It is pertinent to highlight that STVs have played a major role in reducing the tariffs and providing a variety of tariff benefits to consumers to choose from.

Therefore, we recommend that TRAI may kindly allow STV & CVs for Roaming tariff benefits.

Q9: Is there any other relevant issue related to 'tariff for national roaming' which the Authority should keep in mind while carrying out the proposed comprehensive review of the framework for tariff of national roaming services?

Aircel response:

A comprehensive review of technical and routing issues as well as IUC components involved may please be carried out to ascertain the financial and QoS impact on operators.