

महानगर टेलीफोन निगम लि.

(भारत सरकार का उद्यम)

Mahanagar Telephone Nigam Ltd.

(A Government of India Enterprise)

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MTNL/RA/TRAI Circular/2015/1/PAR

Dated 13.03.2015



To,

The Advisor (F&EA)-I
TRAI, New Delhi

Sub. : Comments on TRAI Telecommunication Tariff Order (60th Amendment), dated 27.02.2015

The TRAI issued Telecommunication Tariff Order (60th Amendment), dated 27.02.2015 regarding revision of national roaming tariffs and asked the various stakeholders to comment on the issues involved in the pre-consultation paper. In this regard the following is submitted for consideration:

- **One Nation free roaming:** The revision and launch of new tariff plans on roaming was done in line with NTP 2012 to make roaming free in 2013. Operators had vehemently opposed making roaming free in all plans and TRAI thus, launched two plans each in postpaid and prepaid to make roaming at par with home tariff and other one, in which incoming while on roaming is free. The same were complied and no such effect on roaming usage has been observed. Hence, at this stage no revision in roaming is required on the pretext of NTP 2012.
- **Reducing roaming tariff to make it at par with home:** As roaming is a premium service the tariff while on roaming should be generally higher than home. The revenue realization figures assumed for outgoing minute and outgoing SMS are on a lower side. The present tariff for outgoing local and STD calls in various tariff plans are higher than the proposed ceiling tariff while in roaming. This will not only create arbitrage opportunity resulting into in-efficient utilization of network but also will result in indirect regulation of all mobile tariffs in general. It seems that the fixed cost part of providing SMS's and voice/minute has not been considered while arriving at the figures of revenue realization. Hence, the existing tariff of roaming is well balanced and require no further reduction.
- **Origination access charge:** The comparison of international calling card services and mobile services for arriving at origination access charge is oblique and hence both the services cannot be equated. Considering the assumption of Rs 0.40 per minute as origination access charge is in contradiction to average revenue realization for outgoing

पंजीकृत एवं निगम कार्यालय : महानगर दूरसंचार सदन, 5 वां तल, 9 सी.जी.ओ. कॉम्प्लेक्स, लोधी रोड, नई दिल्ली-110003

Regd. & Corporate Office : Mahanagar Doorsanchar Sadan, 5th Floor, 9 CGO Complex, Lodhi Road, New Delhi-110003 India

फोन / Phone : कार्यालय / Office : 24210000

call in HSA. Hence, MTNL is of the opinion that average realization should be taken for STD calls only rather than local + STD as most of the traffic on roaming is STD while in home network most of the calling is on local network and taking average of local+STD would be skewed towards local. Considering this MTNL is of the view to keep Rs 0.80 per minute as the origination access charge and accordingly existing roaming tariff is reasonable.

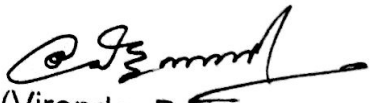
- **Reduction in carriage charges:** On an average industry has already been operating on carriage charges below Rs 0.65 (ceiling) while current roaming tariffs are being offered on current carriage charges, hence reduction of carriage cannot be taken as a factor to reduce the tariff of outgoing voice calls on roaming.

- The reduction, proposed by TRAI for roaming SMS has been slashed by 80 % and 83 % for local and STD respectively, which are sharp and even becoming less than the local tariff and hence is illogical and irrational. Further there has been no reduction in retail SMS tariff in the industry and current roaming SMS tariff are at par with the retail tariff. Any reduction in roaming SMS tariff, which is against the tenets of earlier reduction i.e. roaming SMS tariff was made at par with home SMS tariff, is not welcome. Therefore MTNL is of the opinion that roaming SMS tariff (local and STD) may be kept as per existing regulation which is at par industry average tariff. Further, there is a huge competition in the mobile sector hence no regulation is required for roaming SMS tariff. Needless to mention that the retail SMS rates are already competitive.

- Further, squeezing the tariff close to cost based model reduces the capability of operators to provide innovative tariff plans.

Earlier consultation paper was issued on 17.06.2013 and within one and half year reviewing the tariff without any change in eco-system seems to be unjustified. Further the cost of spectrum, equipment cost and introduction of Full MNP shall be having added cost burden on operators. Therefore, MTNL is of the view for withdrawal this draft regulation by TRAI.

However, TRAI is requested to abolish the SMS IUC charges particularly of transactional and promotional charges which are presently Rs 0.05per SMS and skewing the entire bulk SMS business towards the TSPs having large market share. Alternatively to curb the unsolicited SMS by telemarketer, it is suggested that minimum SMS tariff for Telemarketer may be defined by TRAI which will provide the level playing field to all operators.


(Virender Prakash)
DGM(RA),CO