

**Response to the Consultation Paper
on
Compensation to the Consumers in the Event of
Dropped Calls**

Consultation Paper No. 4/2015

21.09.2015

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Q1: Do you agree that calling consumers should not be charged for a call that got dropped within five seconds? In addition, if the call gets dropped any time after five seconds, the last pulse of the call (minute/second) which got dropped, should not be charged. Please support your viewpoint with reasons along with the methodologies for implementation.

Response:

- A call drop is clearly a non-provision of service. Consumers are offered a seamless talking experience by TSPs when it comes to mobile phone calls. However, every time a call drops, a phone conversation is disrupted and the aforementioned experience is compromised. Consumers shouldn't be charged for calls that get dropped since the service they were offered is not provided in the true sense.

On the issue of not charging the consumers for a call that gets dropped within five seconds, **we believe that five seconds is not the correct time-window**. The time-window should be extended to 10 seconds. A conversation is barely built in a time period of 10 seconds. Hence, calls that get dropped within 10 seconds of establishment shouldn't be considered as valid calls.

- If a call gets dropped any time after 10 seconds, then not charging the "last pulse (minute/second) of the call" based on the calling plan of the consumer runs the risk of being too beneficial for some consumers and too unfair for others. Some users might be on a per-second pulse while others might be on a per-minute pulse. When a call gets dropped, all consumers are forced to re-start the conversation from where they left it before the call dropped. It should be noted that not all follow-up/return calls are made immediately. This "restarting the conversation" hence eats up a certain amount of time and holds true for all consumers irrespective of their calling plan. This "restart time" could be anywhere between 10 and 60 seconds (or more). **For this reason, not charging the call since the previous pulse is not correct and it makes sense to not charge based on this "restart time". If a call gets dropped any time after 10 seconds, then, irrespective of the consumer's calling plan, an amount equivalent to a fixed number of seconds shouldn't be charged for that dropped call.** A consumer survey might be helpful in arriving at that fixed number of seconds which shouldn't be charged. For example, for calls that get dropped any time after 10 seconds, we could decide not to charge consumers for the last 20 seconds. **The value of those 20 seconds will be calculated as per the consumer's calling plan.**
- An exception to the above rule is to be made for the use of free-minutes. In case a consumer's free-minute call gets dropped, that entire minute shouldn't be charged/deducted from his/her account.
- TRAI has to look into the issue of dropped calls for roaming consumers – incoming as well as outgoing calls – and come up with mechanisms to handle those.

Q2: Do you agree that calling consumers should be compensated for call drops by the access service providers? If yes, which of the following methods would be appropriate for compensating the consumers upon call drop:

- (i) Credit of talk-time in minutes/ seconds
- (ii) Credit of talk-time in monetary terms
- (iii) Any other method you may like to suggest

Please support your viewpoint with reasons along with the methodologies for implementation.

Response:

Yes, we agree that calling consumers should be compensated for call drops by the access service providers. We suggest that "Credit of talk-time in monetary terms" would be a suitable method for compensating the consumers upon call drop.

As mentioned in the previous answer, the consumer shall not be charged for the last pulse or for a certain number of seconds, as determined by TRAI. Considering that a dropped call is basically non-delivery of promised service and is possibly a major inconvenience to the consumer, "not charging for dropped calls" and "compensating for dropped calls" should not be considered as mutually exclusive methods of relief. **Compensation should be seen as an added benefit for the consumer on top of "not charging for dropped calls"**. Both methods of relief should be employed in tandem. **Hence, we also suggest that the consumer should be provided with a monetary benefit as "inconvenience fee" by the TSPs which can be added to the main balance.** A monetary benefit will ensure transparency, promptness and will give flexibility to the consumer.

The TSPs shall pay this "inconvenience fee" to the consumers for the troubles that they face due to call drops, as the TSPs fail to deliver the services promised by them.

Q3: If the answer to the Q2 is in the affirmative, suggest conditions/limits, if any, which should be imposed upon the provision of crediting talk-time upon call drop and usage thereof.

Response:

The TSPs shall be **obligated to pay a fixed amount, say Re. 1/- for each dropped call.** However, this obligation shall materialise only if the call drops are over and above the allowed call drop rate of 2% (as allowed by TRAI). For this we also suggest that micro-benchmarking at the cell level shall be done. **The users within a cell will start receiving compensation only after the call drop rate at the cell level exceeds 2%.**

On further analysis of the situation, there appears to be a possibility that the consumers might find ways to misuse the compensation provisions and derive benefits that will be detrimental to the entire compensation mechanism. For example, the user might deliberately enter a low coverage area like an elevator or a basement, just when the call is to be disconnected as the conversation is over, leading to a call drop.

For this purpose we recommend that a cap shall be placed on maximum compensation that can be provided to the consumer, say compensation for 10 dropped calls per week. After reaching this cap, a complaint should be registered automatically with the TSP on behalf of the consumer and the TSP shall be obligated to resolve the issue at the earliest through its consumer grievance redressal mechanism. The TSPs shall also monitor the pattern of other users within the same cell to detect any misuse or to establish genuine cases.

We further suggest that there shall be stringent guidelines for the TSPs regarding action to be taken along with time limits to resolve recurring problems associated with non-delivery of the promised service to the consumers.

Q4. Is there any other relevant issue which should be considered in the present consultation on the issue of call drops?

Response:

The issues highlighted by TRAI in the consultation paper have revolved around compensation to be meted out to the consumers with respect to call drops. In this part, we focus on some of the other issues relevant to call drops.

1. Capacity Addition:

TRAI in its Consultation Paper has raised the issue regarding the lack of investment in network infrastructure. It claims that while usage has grown by 6.8% in the last financial year, investment in network infrastructure has grown only by 4.6%. Since this lack of investment is having a negative impact on the quality of service in the form of call-drops, it would be prudent on the regulator's part to compel the TSPs to take affirmative actions with regards to this issue. The regulator could make it mandatory for the TSPs to expand their bandwidth in the same proportion as the increase in usage, monitored on a yearly basis. In addition to the same, a monetary disincentive also has to be set-up so that the TSPs adhere to this mandate.

2. A need to address the issue regarding radiation from towers:

The TSPs have raised the concern that they are unable to set up more towers to counter the spectrum crunch due to the resistance from the Resident Welfare Associations (RWAs). The reason, as cited by the RWAs, is that the towers emanate radiation which can cause cancer and other ailments. The proof of this is mostly substantial and has created a political debate. It is thus, the need of the hour that such confusion is eradicated so that the TSPs can also take immediate action with respect to "Capacity Addition".

The way forward regarding this, we feel, is that the regulator should undertake research to ascertain whether the present radiation levels are conforming to WHO standards or not. TRAI and the TSPs need to engage with RWA's so that all stakeholders are on the same page when it comes to the issue of radiation from towers. Any myths regarding this should be debunked and communicated clearly so as to avoid confusion and chaos.

3. Better management of spectrum:

For the efficient utilization of spectrum, the regulator must ensure that the new mechanisms of spectrum-trading and sharing be properly adhered to. Moreover, the spectrum which has remained unsold should be made available for auctions again so that the problem of spectrum crunch can be done away with. Efficient utilisation of spectrum would enhance the quality of service and auctioning of remaining spectrum will counter the problem of limited bandwidth which creates the problem of call drops.

4. The need for a precise definition of the term “call-drop”:

Often after a call has been connected, consumers witness certain periods of “blank spaces” in which either of the parties involved cannot hear the other’s voice. The call returns to normalcy after this said period of time and the callers continue with their conversation. However, this definitely creates an inconvenience to the users and has been occurring quite frequently. This would definitely feature under the broad umbrella of quality of service, but it is unclear as to whether it would classify as a call drop issue or not. If yes, we request the regulator to assess as to how this issue can be countered.

5. Compensation with regard to roaming calls:

Although the issue of compensation has been brought up in the consultation paper, it has overlooked the situation when the users are on roaming. When on roaming, tariff is charged for both incoming and outgoing calls. In case of a call drop, when the incoming user is on roaming, would he be liable to be compensated as well? The regulator needs to clarify the basis for compensation in such cases.

6. Abuse of dominance:

The demand for telecom services is becoming more inelastic with time since these services have now become a necessity. Its nature as a public utility has created a captive market for the telecom sector over which the TSPs exercise dominance. This can be substantiated seeing the complacency of the TSPs in terms of capacity addition, inefficient consumer grievance redressal system, call drops etc. A ‘ratings system’ for the TSPs depending upon these issues by TRAI would result in better competition which is presently absent. If healthy competition prevailed in the market, issues of QoS (Quality of Service) would not have arisen. Since, it is an oligopolistic setting where the strategies of one are mirrored by the others, the consumers are locked in within the sector as a whole, i.e. the TSPs collectively enjoy dominance over the consumers.

What can be inferred from here is that the relevant market is the telecom sector as a whole in which the TSPs collectively control 100% of the market share. The telecom sector’s oligopolistic setting and the collective market share of 100% is tantamount to immense market power for

the TSPs and all of the aforementioned factors create the perfect setting for Abusive Dominance. Countering these anti-competitive practices would result in better quality of service through the restoration of healthy competition thereby dealing with the issue of call drops.

7. Adoption of newer technologies:

Moreover, methods of consumer relief discussed above don't solve the core issue even in the short term. Quality of service will continue to be below par even if consumers are compensated or aren't charged. Some solutions, employed in the international arena, that can be looked at are listed below:

- Use of Analytics to optimize networks
- Signal boosters
- Femtocells
- Wi-Fi Offloading