

Mr. Kannan Satheesan

Comments to Question 1. and 8. on Consultation Paper on Regulatory Principles of Tariff Assessment from a postpaid customer.

As stated in the consultation paper, it is very clear that the cost of providing Cellular service (Voice/Data) is on decrease evidenced by decreased costs over time and it is a global trend. It will be appreciable for postpaid customers if they are given the liberty to choose a plan of their choice and stick on to it as long as they wish to. In prepaid, a provision of life time validity is there but customer ends up with higher call rates and in postpaid there is no such provision and in fact 43rd Amendment to TTO is interpreted by TSPs against consumer interest.

It may be noted that the revenue TSP's fetches through prepaid route for offering voice and wireless mobile data are by and large shared among retailers, channel partners and considerable share goes to advertisement industry which is of no appreciable use to end consumer. Contrary, postpaid customers are enrolled by TSP staff themselves or authorized partners and bill payments are mainly carried out through credit/Debit card or Net Banking and here TSPs are more responsible. Government policy is also favorable encouraging cash less direct payments.

Main reason for a customer to choose a postpaid plan in-spite of its higher costs in comparison to the less benefits it fetches and the risk of a heavy bill is that it saves them from the hardships of going through the maze of plans each time they do a recharge. Elderly citizen, illiterate, and under privileged groups finds it very difficult to choose recharges best suiting them and very often retailers (TSP's too with misleading offers) exploit their ignorance and trick them to pay much higher than what they ought to pay. In this context, consumers should be encouraged to opt postpaid plans whereby it will be just one time activity of choosing plans (they will be better informed by company representative- TSP will be responsible/liable) and of-course consumers should be able to move to any other tariff plans at their wish (To ensure competitiveness in the sector).

The TSP's are now using the provision of the The 43rd amendment to the TTO (Minimum six months stipulation) to change the plans (especially postpaid) to take

advantage themselves rather than consumers. **Very often, new customers are added to network luring them with basic postpaid plans seemingly good value for money and later they are made to move to higher paying plans by merely informing that their enrolled plan ceases to exist after 180 days from date of activation. The period of 180 days (Six Months) is a very short period of time and not justifiable even for dynamic prepaid regime. There are thousands of such cases being reported but customers are helpless at the face of TRAI regulation.(43rd Amendment)**

If TSPs are offering plans unrealistic to lure customers, customers should not be held to pay price for it by putting them at hard positions of changing plans or migrating to other TSPs but instead TSPs should be made to sustain such customers for reasonably long periods of time.

The provisions of law makes it is legally binding on the TSP's to **conduct a self-check to ensure that the tariff plan(s) is/are consistent with the regulatory principles in all respects which, inter-alia, include Interconnection Usage Charges (IUC) Compliance, Non-discrimination & Non-predation** before launch of a tariff and once TRAI approves them should stay there for customers who chose them as long as the sector does not under go stagnation/rising of costs for service provisioning. By doing so, it will **NOT** negatively impact revenue but will continuously fetch profits as there is fixed monthly revenue, no additional cost to maintain the subscriber, and associated costs are always going down. So it would be beneficial for the customer and would make sector competitive enough to ensure that adequate investments are made in the sector keeping profit margins justifiable and will drive down the wasteful costs of advertisements(associated especially with prepaid offers) to large extend thereby offering better return on consumer spends. The TSP's having organized associations(like CAOI) can approach TRAI any time if there is a drastic change in the costs of service provisioning (under exceptional circumstances) and can convince the regulatory body to revise the committed tariffs with proper justification(as they have done in the past for ILD rates and TRAI had given permission to change ISD tariff for Life time plans).

To conclude, postpaid customers choose their plans after considerable introspection and consequently they are aware about the costs associated with their tariff plans (**Plans are committed by TSP's themselves based on prevailing market conditions and has got approval from TRAI**) and should be allowed to continue on their plans as long they feel comfortable. The provisions of the 43rd amendment to TTO should be modified accordingly, canceling the 'six months stipulation' making all postpaid plans available to customer as is it is initially offered for a reasonable period of time either **lifetime or at-least 60-70 months**, thus sparing postpaid customers from being forcefully compelled to choose higher paying plans against their wish/will.

For prepaid customers the present stipulation of six months may also be modified to 24-30 months saving them from the agony if pondering over all plans quite very often.

The tariff plans and associated benefits offered to postpaid and prepaid customers are significantly different and therefore putting distinct time limits for these two categories will not come under the purview of 'non-discrimination' clause under TTO.