

**Telecom Regulatory Authority of India**  
**Notification**

New Delhi, the 5<sup>th</sup> November 2003

No. 301-51/2003-Econ

In exercise of the powers conferred upon it under sub-section (2) of section 11 of the Telecom Regulatory Authority of India Act, 1997 as amended by TRAI (Amendment) Act, 2000, the Telecom Regulatory Authority of India (TRAI) hereby makes the following order by an amendment to the Telecommunication Tariff Order, 1999 by notification in the Official Gazette, in respect of tariffs at which Telecommunication Services within India and outside India shall be provided:

**THE TELECOMMUNICATION TARIFF (TWENTY EIGHTH  
AMENDMENT) ORDER 2003  
(5 of 2003)**

**Section I**

**Title, Extent and Commencement**

1. Short title, extent and commencement:
  - (i) This Order shall be called "The Telecommunication Tariff (Twenty Eighth Amendment) Order 2003".
  - (ii) The Order shall come into force on the date of its notification in the Official Gazette.

**Section II**

**Tariffs for Telecommunication Services**

**2. Tariffs**

Tariffs as contained in Schedule I under Section II of the Telecommunication Tariff (24<sup>th</sup> Amendment) Order, 2003 shall stand deleted and substituted as specified in the Schedule hereto.

### **Section III**

#### **3. Explanatory Memorandum**

This order contains at Annexe A, an explanatory memorandum to provide clarity and transparency to the tariffs specified in this Order.

BY ORDER

[Dr. Harsha Vardhana Singh]  
Secretary cum Principal Advisor,  
Telecom Regulatory Authority of  
India

## Schedule I

### Basic Services (Other than ISDN)

Tariffs as contained in Schedules I of the Telecommunication Tariff (24<sup>th</sup> Amendment) Order, 2003 shall stand deleted and kept under "**FORBEARANCE**" except for the following items:

Item	Tariff		
<p><b><u>(5) Monthly Rentals For Rural Subscribers</u></b></p> <p><b>(5.a) Fixed line telephony service including wireless in local loop technology (Fixed)</b></p>	<p><b>Capacity of local Exchange System (Number of Lines)</b></p> <p>-----</p> <p>Up to 999 1,000 to 29,999 30,000 to 99,999 1 lakh and above</p>	<p><b>Senior Citizen (Rs)</b></p> <p>-----</p> <p>70 120 180 250</p>	<p><b>Others (Rs.)</b></p> <p>-----</p> <p>70 120 200 280</p>
	<p><b><u>Notes:</u></b></p> <p>(1) The definition of Senior Citizen shall be the same as for the purpose of payment of Income Tax.</p> <p>(2) Rural subscribers are those who reside in rural areas. For the purpose of this schedule, the definition of rural area shall be same as used in conducting the Census of India.</p> <p>(3) Capacity of the Local Exchange system is the sum of the capacities of all exchanges in a local area. Any augmentation of the local exchange capacity after the date of implementation of this Order shall automatically be taken into account for re-classification for purposes of tariffs.</p> <p>(4) Short Distance Charging Area (SDCA) is one of the 2647 Local Areas whose details are provided in the Basic Service Licenses and also in the Numbering Plan wherein for each SDCA, a unique STD code is provided. Local call charges are applicable on Intra-SDCA traffic and for calls within the distance category "0 to 50 kms."</p>		

<p><b><u>(8) Tariff per metered call for rural subscribers</u></b></p> <p><b>(8.a) Fixed line telephony service including wireless in local loop technology (Fixed)</b></p>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; vertical-align: top; padding: 5px;"> <p><b>First 300 Metered calls per Month of the billing cycle (except for free calls) cycle</b></p> <p style="text-align: center;">(Rs.)</p> <p style="text-align: center;">-----</p> <p style="text-align: center;">0.80</p> </td> <td style="width: 50%; vertical-align: top; padding: 5px;"> <p><b>Metered calls in excess of the first 300 metered calls per month of the billing cycle</b></p> <p style="text-align: center;">(Rs.)</p> <p style="text-align: center;">-----</p> <p style="text-align: center;">1.20</p> </td> </tr> </table>	<p><b>First 300 Metered calls per Month of the billing cycle (except for free calls) cycle</b></p> <p style="text-align: center;">(Rs.)</p> <p style="text-align: center;">-----</p> <p style="text-align: center;">0.80</p>	<p><b>Metered calls in excess of the first 300 metered calls per month of the billing cycle</b></p> <p style="text-align: center;">(Rs.)</p> <p style="text-align: center;">-----</p> <p style="text-align: center;">1.20</p>
<p><b>First 300 Metered calls per Month of the billing cycle (except for free calls) cycle</b></p> <p style="text-align: center;">(Rs.)</p> <p style="text-align: center;">-----</p> <p style="text-align: center;">0.80</p>	<p><b>Metered calls in excess of the first 300 metered calls per month of the billing cycle</b></p> <p style="text-align: center;">(Rs.)</p> <p style="text-align: center;">-----</p> <p style="text-align: center;">1.20</p>		
<p><b><u>(9) Free calls (or uncharged calls) for rural subscribers</u></b></p> <p><b>(9.a) Fixed line telephony service including wireless in local loop technology (Fixed)</b></p>	<p>50 metered call units per month of a billing cycle</p>		

## **Annexure “A”**

### **Explanatory Memorandum**

1. The twenty eighth Amendment to the Telecommunication Tariff Order (TTO), 1999, reflects various developments in the telecom sector including decline in tariff for telecom services witnessed since January, 2003, the increase in competition among access providers, and the results of the review of the Interconnect Usage Charge (IUC) and the Access Deficit Charge (ADC) regime by the Authority.
  
2. The Authority carried out a consultation process as part of its review of inter Connection Usage Charges (IUC) Regulation based on its Consultation Paper of 15<sup>th</sup> May, 2003. The IUC regime is not independent of tariffs, because the amount of ADC to be covered from various calls depends inter-alia on tariffs. During the course of the IUC review, a number of issues relating to Access Deficit Charge among other things were deliberated with stakeholders. Taking into account the various comments and the objectives of NTP, 1999, the Authority has determined an Interconnection Usage Charge (IUC) regime for basic and cellular mobile services which is given in a Regulation notified separately. This Regulation has introduced mechanisms to ensure that it would incentivize the service providers to pass on the decline in tariffs on account of competition to the consumers.
  
3. In the case of basic services, TTO, 1999 had specified availability of Standard Tariff Package which inter-alia comprises rental, call charges, free calls, etc. along with all other tariff plans on offer by the service providers in the market. There has been intense competition for basic services, both from other basic service providers as well as from cellular mobile service providers, which has resulted in drastic fall, especially for long distance calls. The

available information shows that virtually all subscribers are on alternative tariff packages, and in effect the standard tariff package has become redundant. Thus, the Authority has decided that specification of Standard Tariff Package for urban basic service subscribers is no longer necessary. To this extent, Schedule I of TTO, 1999 specifying tariff for basic services (other than ISDN) would stand modified. The Authority is retaining the Standard Tariff Package for rural fixed line subscribers, for whom access tariffs and call charges are lower than in general, for social reasons. Therefore, keeping in view the community of interest and affordability objectives of NTP, 1999 the Authority felt the need to specify the tariff of basic services applicable for rural subscribers as per Schedule I of this Amendment, but in view of the overall competition and a specification of the ADC regime, has decided to forbear with respect to the other tariffs in Schedule I of TTO, 1999.

4. The tariff forbearance as provided in this Amendment to TTO would be subject to the Authority intervening in tariffs which it deems inappropriate for any regulatory reason. The stated regulatory principles have to be complied with by the service providers. The Authority would monitor closely the various practices of service providers that may have an adverse impact on competition in the market and the interest of the consumers, and if require may intervene as necessary.

[Dr. Harsha Vardhana Singh]  
Secretary cum Principal Advisor,  
Telecom Regulatory Authority  
of India