

**TELECOM REGULATORY AUTHORITY OF INDIA NOTIFICATION
NEW DELHI, THE 20TH JULY 2001**

No. 310-1(5)/TRAI-2000 - In supersession to the notification dated 25th January, 2001 containing the Telecommunication Tariff (Eleventh Amendment) Order, 2001 (1 of 2001) and in exercise of the powers conferred upon it under sub-section (2) of Section 11 of the Telecom Regulatory Authority of India (Amendment) Act, 2000 to notify, by an Order in the Official Gazette, tariffs at which Telecommunication Services within India and outside India shall be provided, the Telecom Regulatory Authority of India hereby makes the following Order.

The Telecommunication Tariff (Fifteenth Amendment)

Order 2001 (5 of 2001)

Section I

Title, Extent and Commencement

1. Short title, extent and commencement.

- i) This Order shall be called "Telecommunication Tariff (Fifteenth Amendment) Order 2001".
- ii) The Order shall come into force from 20th July, 2001

Section II

2. In Schedule-I (Basic Service other than ISDN) of the Telecommunication Tariff Order, 1999 under Notes for the item 12(a) i.e. for 'STD long distance calls' an additional item (5) shall be inserted as follows :

"(5) The pulse rate for a long distance PSTN call carried on the networks of two fixed operators will be the same as the pulse rate corresponding to the lowest tariff applicable for the same distance intra-network call. The pulse rate for the fixed leg of a call originating in the fixed network and terminating in mobile network shall be the same as pulse rate corresponding to the lowest tariff applied by the service provider, for intra-network calls for identical carriage from the originating SDCC to the SDCC in which the POI is located."

Section III

This Order contains at Annex A, an Explanatory Memorandum to provide clarity and transparency to the tariffs specified in this Order.

By Order
Dr. Harsha Vardhana Singh Secretary

Annex A

EXPLANATORY MEMORANDUM

1. In a letter dated 29/12/2000 BSNL reported tariffs to the Authority seeking to reduce the STD call charge from 26th January, 2001 by extending the duration of peak pulse rates for distance categories 50 to 200 kms compared to the TRAI standard tariff package for basic services. According to the letter, these revised pulse rates of BSNL, however, would apply only to "intra-circle calls originated by the telephone subscribers of BSNL, and terminating in the basic service network".
2. The Authority has received representations from COAI and ABTO that sought the Authority's intervention to enlarge the scope of BSNL's proposal in respect of inter-network calls also. They sought the Authority's intervention and requested that in the interest of level playing field:
 - a) the revised pulse rates (or tariffs) should apply also to calls from fixed network to cellular mobile;
 - b) the revised pulse rates should also apply for calculating the carriage charge to be paid by cellular mobile network to the fixed network;
 - c) the revised pulse rates should apply for the carriage charge paid by the private basic service providers to BSNL on intra-circle fixed to fixed network calls.
3. The Authority has examined the above requests at length and has determined that to ensure 'non-discrimination' and

a 'level playing field', and also in the interest of consumers, BSNL's revised pulse rates should also apply to the inter-network calls in cases detailed at item 2 (a), (b) and 2 (c) above. While the issues covered by 2 (b) and 2 (c) are addressed by a Direction under Section 13 of the TRAI Act 1997, this Order relates to inter network call scenario described at 2 (a) above.

4. In order to ensure that the benefit of the lower tariff offered by BSNL actually passes on to the subscribers of the private basic service operators, the latter is being directed to modify his charging regime in respect of inter-network calls originating on his network to fully reflect the tariff changes proposed by BSNL. The underlying principle is that the same tariff should be levied for some network elements used. As such, the same tariff should be applied for the fixed leg of an inter network call that traverse the same distance on the fixed network, irrespective of its termination in a fixed or a mobile network. Accordingly, Telecommunication Tariff (Eleventh Amendment) Order, 2001 (1 of 2001) was issued on 25/1/2001.
5. However, BSNL did not implement the direction and order of the Authority and filed an appeal with the Telecom Disputes Settlement and Appellate Tribunal (TDSAT). TDSAT passed an interim order on 22/2/2001 staying the implementation of the order/direction of TRAI dated 25/1/2001. On 24th April, 2001 TDSAT passed its final order in this matter. While setting aside the direction/order of TRAI dated 25/1/2001 and 7/2/2001, the Tribunal observed that adequate opportunity had not been given to BSNL to present their case. While passing the order the Hon'ble Tribunal further observed that TRAI would be at liberty to pass fresh Order and/or Directions in accordance with law after giving all the parties a fresh hearing.
6. In accordance with TDSAT's Order, the Authority held a meeting with the representatives of BSNL, MTNL, COAI and ABTO on 16th May 2001 for the parties to present their case to the Authority. After due deliberation and in the light of the discussion/examinations on various issues, the Authority has reached the conclusion that its earlier directions/orders issued under the Telecom Regulatory Authority of India (Amendment) Act, 2000 do not warrant any alteration. The Authority's decision is based on the view that by not extending the facility of reduced tariff, as reflected in the new pulse rate or distance slabs up to 200 kms for the fixed leg of an Inter-Network, BSNL is denying the advantage of a cheaper calling rate to the subscribers of other network, which is clearly anti-consumer. Such PSTN-PLMN Inter-Network calls have two distinct tariff elements i.e. one for the PSTN leg and another for PLMN leg, called 'airtime'. They are quite independent of each other. For the PSTN leg the tariff has to be identical as for an Intra-Network PSTN call of identical carriage.