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Fair Competition For Greater Good Competition Commission of India 10th Floor, Office Block, Tower-I, Kidwai Nagar (East), New Delhi - 110 023 Tel: 011-24664100 Fax: 011-20815022 Dated: February 10, 2020.

To

Telecom Regulatory Authority of India Mahanagar Doorsanchar Bhawan, Jawahar Lal Nehru Marg (Old Minto Road) New Delhi – 110002.

[Attention: Shri Kaushal Kishore, Advisor]

Subject: Consultation Paper on "Transparency in Publishing of Tariff Offers" (dated 27.11.2019) - reg.

Sir,
I am directed to refer to TRAI's letter dated 05.12.2019 on the captioned subject and to forward herewith comments of the Commission on the subject matter, as per Annexure-A.

2. This issues with the approval of the Competent Authority.

Yours faithfully,

Encl: Annexure - A (01 page)

(Ravi Vazirani) Deputy Director

Comments on TRAI Consultation Paper on "Transparency in Publishing of Tariff Offers"

- 1. The captioned consultation paper pertains to a review of the transparency requirements in communication of tariff orders by the telecom service providers to the consumers in India. The primary purpose of regulatory intervention for ensuring transparency in publication of price/tariff is to empower the consumers to be reasonably able to compare prices and make an informed choice. From the standpoint of competition, a certain degree of price transparency is necessary for effective competition as it brings down search cost, reduces information asymmetry and creates incentive for service providers to compete on price.
- 2. The transparency measures proposed by TRAI in the consultation paper are welcome steps to enable the end-consumer to better compare the tariff plans offered by the telecom service providers. A reasonable comparison may not be possible unless the information provided by different service providers are in comparable formats. Towards that end, bringing about transparency in tariff structure through a prescribed standardised format appears to be a positive move.
- 3. Nevertheless, prescribed formats may be designed in such a manner that does not hinder the ability of telecom service providers to devise innovative tariff plans with varied options of bundled/ non-bundled services.
- 4. Further, concentrated oligopolistic markets such as telecom are susceptible to collusion. Thus, safeguards, such as restrictions on advance public announcement of tariff changes, may be put in place to ensure that transparency meant to empower consumers does not lead to anti-competitive harm. As in other oligopoly markets, presumably there already exists sufficient transparency amongst businesses regarding tariff plans in the telecom sector; enhancing transparency in publishing of tariff offers would extend the same to consumers. Thus, on balance, the proposed move appears to be procompetitive.
- 5. Regarding the precise mechanisms to best implement the proposed transparency measures, such as format of publication, modes of publication *etc.*, which the questionnaire envisages to capture, a view may be formulated based on the inputs received from stakeholders such as consumers, associations, service providers etc.