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Date: 21st December, 2012

Shri Raj Pal,
Advisor (F&EA),
Telecom Regulatory Authority of India,
Mahanagar Doorsanchar Bhawan,
Jawaharlal Nehru Marg (Old Minto Road)
New Delhi- 110002

Subject: - Comments on Consultation Paper On "Deactivation of SIMs due to Non-usage".

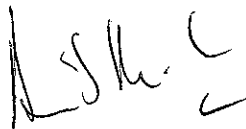
Dear Sir,

M/s Reliance Communications Ltd. (RCOM) welcomes the opportunity extended to comment on Consultation Paper On "Deactivation of SIMs due to Non-usage".

In this regards, please find enclosed our comments.

Thanking you,

With Regards,
For Reliance Communications Limited



(Authorised Signatory)

Please Reply to: Sh. Amit Mathur
Sr. Vice President
Fax: 30331781

Copy To: Ms. Anuradha Mitra, Principal Advisor (F&EA), TRAI

RELIANCE

Comments on Consultation Paper

On

Review of

Deactivation of SIMs due to Non-usage

Comments on Consultation Paper on "Deactivation of SIMs due to Non-usage"

1. Reliance Communications Ltd (RCOM) welcomes the opportunity extended to comment on the issues raised in consultation paper on "Deactivation of SIMs due to Non-usage".

Q1) what period of continuous non usage of SIM should be kept as criteria for deactivation by the telecom service providers?

- i) 60 days ii) 90 days iii) 120 days iv) 150 days v) 180 days vi) Any other

RCOM Response:

- i) **The criteria for deactivation of SIM due to non-usage should be fixed at 60 days i.e. option no. 1.** This would help Telecom Service providers in proper number resource management.
- ii) DOT in February, 2011 changed basis of allocation of additional numbering series from HLR to VLR i.e SIMs which are not currently in use are no more counted for the purpose of allocation of additional number series. As new number levels are allocated only on the basis of active SIMs, there is clear requirement that inactive number should be deactivated and recycled.
- iii) As per studies and reports the average monthly churn rate of wireless subscribers in India is around 6% which is one of the highest in the world. As per the information published on in-active SIMs in the consultation paper also the monthly churn is around 5-6%. As churn rate is very high, the number of inactive SIMs at any point of time is very high. Ever month around 5% SIMs are added in list inactive SIMs which puts tremendous pressure on number availability.
- iv) Service providers have adopted 60 days criteria for SIM to be classified in the active/inactive category. The same definition should be allowed to be continued. In case SIM inactivity definition is increased by 30 days, the numbering requirement will increase by 5-6%. It is not possible to meet the additional 5-6% numbers requirement if the present definition of inactivity is even increased by 30 days to 90 days.
- v) Prolonged periods of non-usage if permitted would lead to inefficient utilisation of numbering resources and would require shifting to 11 digit numbering levels.
- vi) Pre-paid SIMs are pre-provisioned with numbers. India has almost 95% subscriber base in the pre-paid category and for all of them operators adopted a number pre-provisioning process. Thus in India large inventory of numbers is required even for in-active SIMs sold to retailers/dealers for acquiring new pre-paid subscribers.

vii) It will be very difficult for service providers to effectively use numbering resources in case they are not allowed to de-provision inactive SIMs within 60 days. Subscribers who have churned and are unlikely to use SIM again should be allowed de-provisioning so as to make way for the new subscribers who are willing to use the services of Telecom Service provider. Otherwise, the dormant subscribers will be a stumbling block in provision of the services for the new subscribers.

viii) **In view of the above we recommend 60 days criteria for SIM deactivation.**

Q2) Which (one or more) amongst the following should be included in the scope of activity with regard to the criteria for deactivation upon non-usage?

- i. Outgoing voice call,
- ii. Incoming voice call
- iii. Outgoing video call
- iv. Incoming video call
- v. Outgoing SMS
- vi. Incoming SMS
- vii. Data transfer
- viii. Activation of a voucher
- ix. Switching the connection 'ON' by powering on the handset and SIM
- x. Any other

RCOM Response:

1. We suggest that the below mentioned activities should be included in the criteria for deactivation of SIM upon non-usage:

- i. Outgoing voice call;
- ii. Incoming voice call;
- iii. Outgoing video call;
- iv. Incoming video call;
- v. Outgoing SMS;
- vi. Data transfer; and
- vii. Activation of a voucher

2. Incoming SMS and switching the connection 'ON' by powering the handset and SIM should not be considered to be part of activity. Incoming SMS can be spam messages, service messages from TSP or telemarketing messages in which the subscriber is not interested. The just switching the connection 'ON' without any activity also does not result in any usage; hence these two activities should not be included in the criteria for deactivation of SIM's.

Q3) Which methods should be used for communicating the criteria of deactivation of SIMs to the subscribers in a transparent manner?

RCOM Response:

1. The subscriber can be informed about the deactivation criteria through start up kit, tariff brochures, service provider's website, telecom consumer charter and tariff leaflets. As a practice, RCOM is informing every subscriber about the non-usage criteria by printing it on the Start-up kit, tariff leaflets, press releases, website, and brochures.

2. Service providers can also broadcast messages on SIM deactivation criteria through SMS from time to time.

Q4) Should the condition of deactivation due to non usage apply in all cases, or should it apply only in those cases where such a condition formed part of the contract at the time of enrolment?

RCOM Response:

As explained in reply to question number 1, the service providers are constrained for number resources due to revised criteria of allotment of numbering resources. Therefore, it is strongly recommended that the condition of deactivation due to non-usage should apply in all cases irrespective of whether it formed part of the contract at the time of enrolment or not.

Q5) Whether there is requirement of a connection retention scheme for the wireless subscribers who wish to retain their mobile connections active/live even after long continuous periods of non usage? if yes, what should be the terms, conditions and charges under such a scheme?

RCOM Response:

Yes, this is a welcome suggestion. By paying a fixed lump sum fee, any wireless subscriber should be able to retain their mobile connections even after long continuous periods of non usage. An appropriate process can be worked out for this and the period of non-usage should not be more than 12 months and thereafter renewable for 6 months. Such provision is already offered to post-paid subscribers and it is termed as safe custody of the mobile number.

Q6) Whether the monetary value remaining on a prepaid SIM should be forfeited upon deactivation of the SIM due to non usage or it should be refunded/returned back to the subscribers?

RCOM Response:

In case of SIM deactivation the monetary value remaining in customer account should be forfeited. It may be noted that:

- Pre-paid customers purchase air time to be used for making calls, sending SMS or Data transfer. The recharge is not a deposit with service providers.
- Service providers immediately pay service tax, retailers/dealers commissions on every recharge. In many cases license fee and spectrum charges are also paid.
- The amount recharges is totally voluntary. There is no requirement to maintain minimum balance with the service providers.
- Existing contracts clearly indicate that money will not be refunded against any unused airtime. Customers are adequately informed that airtime would lapse in case of termination of contract.

In view of the above, the monetary value (airtime) remaining on a prepaid SIM has to be forfeited upon deactivation of the SIM due to non usage.

Q7) Whether there is a requirement for specifying a period, within which a wireless subscriber should be allowed to reactivate his SIM that was deactivated due to continuous non usage? If yes, what should be such reactivation period and other terms and conditions thereof?

RCOM Response:

We suggest the grace period of 15 days can be given to the subscriber post completion of 60 days of non-usage period for keeping the account active by recharging their account with top-up voucher.
