

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:3897

ANSWERED ON:17.05.2006

REGULATION OF TARIFF

Owaisi Shri Asaduddin;Pingle Shri Devidas Anandrao

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether there is an aggressive war over tariff among the landline and mobile companies;
- (b) if so, the details thereof;
- (c) whether the Government proposes to regulate the landline and mobile phone tariff to ensure healthy competition among the private companies;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

(a) & (b) Yes, Sir. There is increased competition among the landline and mobile companies, over tariff. Due to this competition and various policy and regulatory decisions taken by Government and Regulatory Authority of India (TRAI), the rates for telecom services have been falling. The decline in tariff for Mobile, National Long Distance and International Long distance segments has been substantial in recent years.

(c) & (d) Sir, the Government, vide TRAI Act of 1997 as amended by TRAI (Amendment) Act of 2000, has already mandated the power of regulating tariff for telecom services to TRAI. The Government no longer fixes tariff for telecom services in the country.

As per the present tariff framework, the operators have flexibility to offer different tariffs depending upon the market conditions and other commercial considerations. However, these tariffs are to be consistent with the general regulatory principles of non-discrimination, non-predation and IUC (Interconnection Usage Charges) compliance. The Authority continues to regulate tariffs in respect of those segments where the competition is inadequate or for social reasons. Thus, the tariff (Rental, local calls and free call allowance) for basic service in rural area, roaming in Cellular Mobile Service and tariffs for leased circuits (both domestic and IPLC) are present regulated.

(e) Does not arise in view of (c) and (d) above.