

# INVESTOR ALERT

Quarterly newsletter relating to investor protection



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Dear Readers,

The telecom sector in India has witnessed phenomenal growth in the post liberalization phase. Particularly the introduction of mobile/cell phones has revolutionized the sector. Phones, be it landline or mobile is no more a luxury or a comfort, but a necessity. The entry of the private service providers has changed the telecom market both in structure and content. Besides, the establishment of an independent regulatory body namely Telecom Regulatory Authority of India (TRAI) has given wide scope for all the stakeholders, particularly the end users-consumers-to participate in the telecom regulatory process.

The functions of a regulator are broadly two ie Rulemaking and Ratemaking. In both these activities consumers have a role to play. Consumers have to intervene at the right time with right information using appropriate advocacy tools. Else, the consumer may not be able to get the benefits from the regulators. Despite the fact that the

regulatory bodies try to protect the interests of the consumers, they need to balance it with the service providers ie the market.

But given the weak bargaining powers of the consumers there is all likelihood of the consumer interest being lost or ignored. The service providers have all the information, financial and economic



resources which the consumers lack. One of the key issue that makes consumer participation effective is the ability to collect, collate mass of information, data, facts and figures and package it in such a way that the regulator will be able to arrive at meaningful conclusions.

It is in this background CREAT is bringing out this news bulletin. The objective is to inform, educate and empower the consumers about the various issues and development in the telecom sector. Tele Consumer will not only highlight consumer grievances but will also bring to their notice the structural issues of the telecom sector. Efforts will be made to explain technical jargons in user friendly language. The bulletin will contain news stories, paper clippings and statistical information. As a recognized voluntary consumer group of TRAI, CREAT would like to lend a helping hand to consumers. We are aware that this is a small step considering the gigantic work that lies ahead. Nevertheless a small step by Neil Armstrong is a giant step to humankind.

**CREAT will be happy to receive your suggestions, observations, constructive criticisms to make the bulletin effective.**

## TELECOM REGULATORY AUTHORITY OF INDIA BASIC INFORMATION

### Telecom tariff / charges and rates related issues

The customer must be given complete details of tariff plan including charges payable for every item included in the plan within a week of activation of service.

While taking the new connection, you can obtain the contact details of the Call Centre, Nodal Officer and appellate authority of service provider for making your complaints.

No hike in any tariff item or charges is permitted during six months from the date of enrolment of the subscriber in a tariff plan.

In tariff plans having validity of more than six months including lifetime plans no tariff item or charges shall be increased at any time during the promised validity period.

'Lifetime validity' means the duration of the current license or renewed license of the service provider.

The customer is free to move from one tariff plan to another, including post paid to pre paid and vice versa without paying any fee or charges for migration and without change of telephone/mobile number.

Even if the talk time value has been exhausted, the prepaid

customers should get all the

services, which do not affect "talk time value", like incoming calls/SMS etc. during the entire validity period.

Unused balance in the prepaid card at the end of the validity period is to be carried forward if recharged during the grace period specified for the purpose.

Fixed line and broadband customers to be given rental rebate for faults not rectified within 3 days of making complaint.

No rental for national roaming facility. Receiving SMS is free while national roaming.

Processing fee, if any, in the talk time top up recharge shall not exceed Rs.2j-.

Calling Line Identification Presentation (CLIP) facility cannot be made a compulsory item of tariff in any tariff plan. If chargeable, it shall be optional for customers.

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## Customer consent a must for providing chargeable Value Added Services

No chargeable value added service like ring tone, caller tune, missed call alert, music / songs etc. shall be provided to a customer without his/her explicit consent.

All communications/ advertisements relating to premium rate services e.g. ring tones, wallpaper, astrology, quiz etc. should have the pulse rate/charges for the service.

## Whom to contact in case of telephone / mobile complaints?

All service requests/complaints are to be made to the Call Center. The Call Center shall register the complaint / request and provide docket number to the complainant.

In case the customer is not satisfied with the redressal of his complaint at the Call Center level, he may approach the Nodal Officer and then the appellate authority. For contact details of Call Centre, Nodal Officer and appellate authority, you may visit the Website of your service provider.

Complaints pertaining to service disruption / faults are to be attended within a maximum period of 3 days and billing complaints within 4 weeks by telecom service provider.

In the event of a request for termination, the services shall be terminated by telecom service provider within a maximum period of 7 days and bills to be raised after adjustment of security deposit.

## How to stop getting unwanted telemarketing Calls and SMSs?

A customer who does not wish to receive unwanted commercial calls or SMSs can register his telephone number in the National Do Not Call (NDNC) Registry by dialing '1909' or sending SMS by typing "START DND" to 1909.

In case the customer receives unsolicited calls/SMS even after 45 days of registration in the NDNC registry, complaint can be lodged with the service provider within 15 days of receipt of such unsolicited commercial communication.

## Basic information about Cable TV Services in Conditional Access System (CAS) Areas

CAS is only available in Chennai and parts of Delhi, Mumbai and Kolkata. All customers in CAS area will get 30 Free to Air channels without Set Top Box (STB) by paying Rs.82/- (excluding taxes) per month. CAS allows consumers choice of selecting individual pay channel. No compulsion to take bundle of channels or bouquets. Pay channels will be available at the rate of Rs.5.35 per channel per month (excluding taxes). STB only required for getting pay channels. STB to be made available for a deposit of Rs.200/- with a monthly rental of Rs.34/- or deposit of Rs.750/- with a monthly rental of Rs.22/- to the new customers.

Your Multi System Operator (MSO) is required to maintain Customer service center for receiving your complaints.

All complaints made will be registered and given a docket

number. Monthly bills with details to be given to the customer by the cable operator compulsorily.

## TV services under Direct to Home (DTH)

The DTH operator has to make schemes and offer Set Top Box (STB) on rental, hire-purchase basis and outright-purchase basis. The customer has the freedom to choose from schemes being so offered. In case of termination of connection, the service provider has to give a notice to the customers.



A subscription package offered to a customer cannot be changed to the disadvantage of the customer for 6 months from the date of subscription.

STB not to be disabled in case there are no dues.

In case of any complaint or problem with the services, the customer may contact the Call Centers on toll free numbers of the service provider.

## Individual consumer complaints / disputes

Individual consumer complaints disputes which are maintainable before Consumer Forum are not handled by TRAI.

Customer has to seek redressal of the grievance with the service provider as per the regulations or can seek remedy in the Consumer Forum.



Complaints alleging violation of the Authority's directions / regulations are handled in TRAI.

TRAI invites all the stakeholders to visit its website: [WWW.traigov.in](http://WWW.traigov.in) for full details of the Regulations, tariff orders and Directions issued by the Authority from time to time.

## 11 Digit numbering evokes opposition

The 11 digit-numbering scheme for mobile phones has not gone well with the GSM mobile service providers. They have opined that it would inconvenience the country's 390 million subscribers. The GSM service providers are also seeking to end the exclusive two-digit operator code provided to three service providers. The DoT has allocated exclusive two digit operator codes to three operators 92 for Tata Tele, 93 for Reliance Communications & 94 for BSNL - whereas all other operators have a common code 98.

The 11 digit-numbering scheme was recommended by the Technical Engineering Centre of the DoT. The Centre has recommended the new numbering plan on the expectation that the industry will run out of mobile numbers since the subscriber base has been expanding by 10 million users every month. On the other hand the Cellular Operators' Association of India is of the view that there is no need to change the numbering structure because the current plan is not utilized properly, and is lopsided. The association has also said that this will cause massive disruptions to existing mobile users and operators, since all roaming agreements have to be re-aligned and all equipments modified.

Source: BS, 4.5.2009

## Registration of Wi-Fi users



The Department of Telecom (DoT) has ordered the Internet Service Providers (ISPs) to ensure that the details of customers using Wi-Fi should be maintained in a centralized server to prevent unauthorized person from accessing the Net in a

hotspot. Customers who do not register will get disconnected by their ISPs. The DoT has issued detailed guidelines regarding registration. Once the guidelines are implemented consumer will not be able to simply walk into hotel lobbies, restaurants, coffee shops or airport malls and start accessing the internet using the Wi-Fi hotspot in that location. Under the guidelines, consumers will have to give ID proof for getting a temporary password and login ID before they can start surfing. For regular customers visiting these locations, DoT has allowed ISPs to issue password and login ID on the subscriber's mobile phone, which can be used for a period of one year. However, the DoT has barred service providers from allowing simultaneous multiple login using a single password.

The guidelines also say that no new Wi-Fi connections, corporate or individual, will be activated before the ISP registers the subscribers' details. Even those customers who currently use Wi-Fi modems for limited mobility within their home, office or campus will have to get themselves registered. All existing customers have been given time till June 23 to comply with the requirements.

(Source: BL, 2.5.2009)

## TDSAT order stayed by Supreme Court

The Telecom Regulatory Authority of India (TRAI) has news to cheer. The Supreme Court (SC) has stayed the order of the Telecom Disputes Settlement and Appellate Tribunal (TDSAT) that had quashed the direction of TRAI regulating domestic leased circuit.



Domestic leased circuits are a key telecommunication resource used by various operators, corporate and information technology enabled services sector for data, voice, and video and internet connectivity. TRAI in its notification had mandated BSNL and MNTL to open up domestic leased circuit to private cellular operators for the last-mile connectivity. This was challenged in the TDSAT. In its order the TDSAT had termed the directives of TRAI as 'arbitrary and irrational and void ab initio' and directed the TRAI not to encroach upon its jurisdiction. However the Supreme Court has stayed the TDSAT's order.

(Source: BL, 5.5.2009)

## Wireless Phones

### What are wireless phones?

Wireless telephones are hand-held phones with built-in antennas, often called cell, mobile, or PCS phones.

### How do they Work?

When you talk into a wireless telephone, it picks up your voice and converts the sound to radio frequency (RF) energy (or radio waves). The radio waves travel through the air until they reach a receiver at a nearby base station. The base station then sends your call through the telephone network until it reaches the person you are calling.

When you receive a call on your wireless telephone, the message travels through the telephone network until it reaches a base station close to your wireless phone. Then the base station sends out radio waves that are detected by a receiver in your telephone, where the signals are changed back into the sound of a voice.

### How can I check the RF level of my phone?

Manufacturers of wireless phones must report the RF exposure level for each model of phone to the government.

### What is considered a safe level?

All wireless phones sold in the country must meet the requirements that limit their RF energy to safe levels. The relative amount of RF energy absorbed in the head of a wireless telephone user is given

by the Specific Absorption Rate (SAR). In most of the countries the SAR level is no greater than 1.6 watts per kilogram

### What steps can I take to reduce my exposure to radio frequency energy from my wireless phone?

Since time is a key factor in how much exposure a person receives, reducing the amount of time spent using a wireless phone will reduce RF exposure. If you



must conduct extended conversations by wireless phone every day, you could place more distance between your body and the source of the RF, since the exposure level drops off dramatically with distance. For example, you could use a headset and carry the wireless phone away from your body or use a wireless phone connected to a remote antenna

### Is there any evidence that cell phones cause cancer?

There is no scientific evidence that proves that wireless phone usage can lead to cancer or a variety of other problems, including headaches, dizziness or memory loss. However, organizations in the United States and overseas are sponsoring research and investigating claims of possible health effects related to the use of wireless telephones.

(Adapted: Federal Communications Commission website)

### What is CAS or Addressable System?



Conditional Access System (CAS) or Addressable System is a description normally used for a set of hardware devices and connected software (including a set top box) used at different stages of distribution of a TV channel through which normally the pay channels are transmitted in encrypted form. The subscriber is given an authorization depending upon his request to view one or more of such encrypted pay channels of his choice. The subscriber will pay for those pay channels which he or she has chosen to view in such a system. The authorization is given and controlled by the Multi System Operator (MSO) who owns the Conditional Access System in a Cable Television Network. In this, he is often assisted by the Local Cable Operator. The words "Conditional Access System" and "Addressable System" are quite often used interchangeably. "Addressable system" signifies that a subscriber is identifiable. The Multi System Operator and the broadcaster will know the exact number of subscribers of a pay channel or a bouquet of pay channels and the amount that is due from that subscriber.

### Consumer Participation in Telecom Regulation

Establishment of independent regulatory authorities and commissions has given consumers plenty of opportunities to raise their voice and protect their own interests. One of the objectives of the regulatory authorities is to protect consumer interest, create a level playing field and ensure a consumer friendly market. However, deriving the benefits of the regulatory bodies depends on the effective participation of consumers. How can consumers participate in the telecom regulatory process? Here are some of the means and methods:

- Keep yourself updated about the developments in the telecom sector
- Maintain separate files of paper clippings, articles, briefing papers etc about telecom sector
- Establish a telecom information unit in your organisation.
- Collect books, monographs and other materials related to telecom
- Identify telecom experts like those retired from telecom service and hire their services
- Interact with telecom service providers and telecom consumers and keep notes of the issues discussed
- Go through the consultation papers issued by TRAI and prepare your submissions
- Take up complaints from telecom users and try to solve the grievances with the help of TRAI and service providers
- Organise meetings and discussions often

### What is a 'set top box'?

Set top box (STB) means a device, which is connected to a television set at the subscribers' premises and which allows a subscriber to view encrypted pay channels of his choice on payment. The basic function of the Set Top Box is to decrypt the signals of those pay channels which the subscriber has been authorized by the multi system operator to receive and to convert the digital signals into analogue mode for viewing on television sets. (Source: TRAI website)

### Consultation Paper on DTH Issues released

The TRAI has issued the consultation paper on Direct to Home (DTH) Issues relating to Tariff Regulations and New issues under reference. The following are some of the issues for consultation:

Whether there is a need to fix tariff for DTH

Whether tariff regulation should be at wholesale level or at retail level or both, In case tariff regulation is at the wholesale level should it be in terms of laying down some relationship between the prices of channels

Whether retail regulation of DTH tariff should be in terms of maximum retail prices of various channels or is there any other way of regulating DTH tariff at retail level

In case DTH tariff is to be regulated at both wholesale and retail levels, then what should be the relationship between the wholesale and retail tariff?

Whether the ceiling for maximum retail prices of pay channels for DTH should be the same as laid down for cable services in CAS areas?

For details visit [www.traigov.in](http://www.traigov.in)

### TDSAT upholds TRAI order

The Telecom Dispute Settlement Appellate Tribunal (TDSAT) has rejected petition by BSNL challenging abolition of access deficit charges (ADC) by the telecom regulator. ADC was a levy imposed by the TRAI on private telecom operators for funding rural telephone connections. Since BSNL, operates more than 95 per cent of the rural phones, almost all the money collected through this levy was being pocketed by the PSU. The levy was introduced in 2003 and removed in 2008 by TRAI.

BSNL had challenged the decision to do away with the levy on grounds that it had to fulfill social obligations and therefore, continue to need subsidy support. Dismissing petitions, the TDSAT bench said 'as regards ADC we hold that the BSNL has no legal right to ADC; that the ADC has rightly been designed as a depleting regime, that the ADC was rightly terminated in the year 2008-09 and that the manner of calculating ADC each year was fair and reasonable, given the facts available with TRAI.

The TDSAT also rejected BSNL's contention that TRAI was wrong while calculating ADC and relied on faulty data. It further said that BSNL did not have any reliable data over the quantum of loss suffered by it for its rural obligations. It said 'we find no impropriety or irrationality in the authority in not having entered into detailed calculations regarding ADC.

(Adapted: Business Line, 13.5.2009)

### Independent Auditors to audit telecoms' books

The Department of Telecommunication (DoT) has appointed independent auditors to look into the accounts of four telecom companies namely, Bharti Airtel, Idea Cellular, Vodafone, Easatel and Tata Teleservices. The audit has been ordered to check whether they had paid lower license fees to the Government. The DoT has taken this step following recommendations made by TRAI asking the DoT to examine Airtel's revenue reporting in the long-distance telephony segment. The TRAI had noted that there was a shift in Bharti's revenues to the long-distance segment, which attracts only 6 per cent licence fee as against a maximum of 10 per cent in the case of mobile services.

The DoT has asked the auditor M/s. Nayak and Kishnadwala, to examine whether the company has for 2007-08 and 2006-07 correctly presented the revenue data in their quarterly and annual statements and whether the company has paid various charges due to the government.

The TRAI had suggested that integrated telecom players, which offer a whole range of services, should be asked to submit the break-up of income from their various stand alone subsidiaries to determine the revenue share payable to the Government. It had suggested DoT to carryout special audits of the operator's account books every 3-5 years. (Source: Business Line, 13.5.2009)

For Further details contact :



Right to Information Advocacy & Research Centre

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