



RSM/COAI/2020/078

April 9, 2020

Shri S.K. Gupta
Secretary
Telecom Regulatory Authority of India,
Mahanagar Doorsanchar Bhawan,
Jawaharlal Nehru Marg,
New Delhi - 110 002

Subject: Measures Regarding Ensuring Availability of Recharge Vouchers and Payment Options for Prepaid Services

Dear Sir,

Ref: TRAI letter to TSPs on the subject dated April 7, 2020

1. We are writing this with reference to the letter dated April 7, 2020 sent to our member operators regarding measures taken by them for ensuring availability of recharge vouchers and payment options for Prepaid Services.
2. In this reference, an earlier letter was sent by TRAI to the member operators on March 29, 2020 which was duly responded by COAI as well as the member operators stating that due measures that are deemed fit have been taken by individual operators to ensure that the underprivileged and needy customers have uninterrupted services in case of the medical urgency.
3. TRAI letter dated April 7, 2020 is on similar lines. We would like to communicate that the member operators have a unanimous and unequivocal view on the issue. This letter, is therefore, being responded by COAI on behalf of all the member operators.
4. The submissions on the issue are as below:
 - a. Despite the fact that the sector is going through a very challenging phase, the telecom service providers are ensuring that the nation remains connected and functions while we continue our fight against the novel COVID-19 outbreak. To ensure continuity of service to the citizens, who are at the bottom of the pyramid and are not in a position to recharge their prepaid services, our member operators have provided extended validity for continuation of their services and talk time benefits to enable them to make essential calls. These efforts are in line with the efforts and decisions of the Govt. to ensure that such citizens can remain connected for essential needs. Even on a conservative basis, the value of such benefits is more than Rs. 600Cr.

14, Bhai Veer Singh Marg, New Delhi – 110 001

tel: +91 - 11- 23349275 fax: +91 - 11 - 23349276 e-mail: contact@coai.in website: www.coai.in



- b. As per our member operators' analysis, there are adequate recharge options available and options have been increased in past few days for subscribers to do recharges from their homes. Recharges have been availed either through online facilities or nearest Kirana stores, etc. Further the operators have launched programs to incentivize users to recharge for other users. Alternate channels like bank ATMs, pharmacies as well as a wide network of grocery stores have also been activated. All the above measures have ensured that approx. 80-90% of the subscriber base is able to recharge.
- c. The customers who actually required support from the telecom service providers for continuation of their services in the initial period of lockdown are in the range of 80-100 million whereas our member operators have collectively extended the benefits for continuation of services to around 280-300 million subscribers. The Authority and the Government would appreciate that the industry has not only provided this benefit to the needy subscribers but also gone well beyond as an abundant provision. We are therefore taken aback to see the letter issued by the Authority to our members.
- d. While, our member TSPs are committed to serve the country at its darkest time, TRAI is requested to also keep in mind the dire financial situation of our member operators as the sector regulator and the Government. Business viability of our member operators should be given balanced consideration appreciating the fact that millions of the Indian workforce relies directly on the functioning of the telecom operators.
- e. At present, the sector finds itself in a very unstable situation reeling under huge debts and the current scenario of the sector is under a question due to business viability. The sector is pivotal for economy and social needs, as has been again proven in the existing times of pandemic where the telecom service providers have established themselves as the lifeline for many other sectors whose functioning is completely depends on the services been rendered by the telecom service providers. This financial stress has been acknowledged by all and TRAI has also issued a consultation paper on floor prices.
- f. In view of the above, it is submitted that adequate measures have been taken by the TSPs to ensure that those who genuinely require support from the service providers due to unavailability of options to recharge their services have been extended this support. While Operators have been careful to adopt a calibrated approach, which not only caters to the truly needy and their predicament but going well beyond this immediate class, in the interest of abundant caution, we cannot believe it is the intention of TRAI that such benefits should be indiscriminately provided to even those privileged ones who are well able to afford such services and need no incentives or provisions to avail of continued mobile services. This would amount to an unjustified subsidy to this larger class of customers at a steep loss to the industry. This would also dissuade other customers from recharging, who at present are recharging dutifully using various digital and non-digital means.



- g. It is further submitted that the individual actions taken by the member operators were for serving the national interest in the given situation so that the underprivileged were not deprived of any communication facility in this time of need. Therefore, the expectation that the benefit will be extended further, including to all the prepaid customers, who have the means to recharge, is not appropriate. It is respectfully submitted that this is individual operator's decision depending on its assessment.
- h. However, if the Authority and the Government feels there is a need to provide further benefit, including providing benefit to all the prepaid feature phone subscribers, then this should be provided in the form of a subsidy to the telecom sector like many other essential services. This could be adequately compensated from the USO Fund where more than Rs.51,500 Cr is being lying unutilised as on 31.03.2020 .
5. We will be happy to discuss the above for leading to a better understanding of the requirement, if deemed necessary, and seek the kind consideration of the Authority in this regard.

Kind Regards,

Rajan S. Mathews
Director General

CC : Shailendra Kumar Mishra, Pr. Advisor (F&EA)
: Kaushal Kishore, Advisor (F&EA)