

TRAI hints at intervening in fixing tariff

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The Telecom Regulatory Authority of India on Monday has given a hint that it might intervene in fixing mobile tariff rates by issuing a Consultation Paper on "Review of Policy of Forbearance in Telecom Tariffs".

The regulator has asked Stakeholders to offer their comments by 24th February, 2012 and counter comments, by March 2, 2012.

"Over the last few years, the telecom tariffs were on a declining trend. However, recent trends as well as reports from the industry and analysts indicate a possible reversal of this trend. In addition, a suitable tariff framework for data services is also required to be evolved considering that Data Usage is becoming more and more popular. In this context, TRAI has decided to examine the need to review the existing regime of tariff forbearance", said the regulator.

In his reaction TRAI chairman JS Sarma justified the move saying 'tariff forbearance has never been and is not a permanent policy followed by TRAI'.

"Some of the recent developments indicate that there is perhaps a need to review the policy of forbearance in telecom tariffs," Sarma said in a statement.

The telcos however are not pleased with this. They feel that the telecom sector is going through a phase of uncertainty, particularly after the Supreme Court verdict cancelling all the 122 spectrum licenses allotted in 2008 by the former telecom minister and the prime accused in 2G spectrum cases.

Rajan S. Mathews, Director General, and Cellular Operators Association of India (COAI) said that this would adversely impact the industry.