

SMS tariff: Activists, MPs tell Trai to take action

Shalini Singh | TNN

New Delhi: Telecom regulator Trai has been besieged with representations from several quarters, including consumer activists and members of Parliament, asking it to abandon its policy of forbearance with regard to SMS tariffs.

This follows a ToI story on November 5 revealing that the cost of terminating SMS's on a network is a fraction of a paise while operators are charging between 50 paise to Re 1 per SMS from the consumer. This means that the current tariffs are between 50 to 100 times higher than the cost, which allows operators a huge margin.

Additionally, there are reports that existing operators may be preventing new operators from passing on the cost benefit to consumers by forcing them to sign interconnection agreements, which make their cost structures of new entrants higher than their own.



ABANDON FORBEARANCE

Referring to the ToI article, Rajeev Chandrashekhar, member of Parliament has written to Trai chairman J S Sarma, pointing out that the forbearance policy of Trai is self-imposed, and it is under no obligation to continue with the policy if there is a clear demonstration that there is not only a market fail-

ure, but in fact, operators are working in concert to charge 50 to 100 times higher rates.

"Consumer deserves a lower tariff and there is sufficient evidence that the current SMS tariffs can go down by a large magnitude," he adds.

Bejon Misra, chairman of Centre for Consumer Education & Advocacy, has made a similar plea to the Trai chairman. He writes, "This latest outcry against the cartelization of incumbents to derail efforts to bring fair competition into the market place and make it unsustainable for new players to offer competitive prices to consumers urges you to abandon your policy of forbearance. India will appreciate your immediate intervention to protect the interest of consumers by enforcing a level playing field for all the operators."

Acknowledging that letters and representations were pouring in, Trai chairman J S Sarma said, "we are examining the issue."