

TVR/COAI/192
6 September, 1999

Justice S. S. Sodhi
Chairperson
Telecom Regulatory Authority of India
20th Floor, Jawahar Vyapar Bhawan
1 Tolstoy Marg
New Delhi - 110 001

Dear Sir,

Review of Cellular Tariffs and Introduction of CPP
- **TRAI Consultation Paper No. 99/4**

- **The COAI Preliminary Response**

At the very outset, the COAI/Cellular Operators wish to place on record their deep appreciation of the speedy initiative of the Authority to commence a transparent process of consultation to enable the earliest possible delivery of the benefits of NTP 99 to consumers of cellular telecom services. The COAI is fully committed to support the Authority in this historic exercise & will provide all possible inputs and assistance to enable the Authority to make a fair determination of the quantum of benefits to flow to the consumers.

The COAI believes that the proposals of the Authority in the Consultation Paper 99/4 are extremely adverse for the viability of the industry and need to be suitably moderated/modified to ensure both adequacy of consumer benefits as well as survival of private operators and competition.

In view of the limited time available, the COAI has not been able to provide a more comprehensive response. However the enclosed submission does address most of the critical issues and we believe that the 22 - page report plus the various annexures would provide adequate data and arguments to enable a meaningful consultation and debate on the various serious issues involved.

We believe that it would be extremely deleterious to healthy competition and viability of the industry if a comprehensive cost-based approach and a clear assessment of the ROCE (return on capital employed) and cash flow status are not taken by the Authority. We would provide all necessary inputs and assistance to enable the conclusion of such studies, so critical for the healthy growth of telecom services in the country.

We look forward to the Authority's view and final orders in the matter and shall be pleased to provide more information if required.

Kind regards,

Sincerely yours,

T. V. Ramachandran
Executive Vice Chairman

cc : Shri B. K Zutshi, Vice Chairman
: All TRAI Members
: Secretary, TRAI
: Dr. Harsha Vardhana Singh, Economic Advisor
: Smt. Anita Soni, Joint Secretary (F&A)
: Dr. Rajat Kathuria, Director, (Econ.)
: Shri Maruthi P. Tangirala, Director (F&A)