

TELECOM REGULATORY AUTHORITY OF INDIA

Outcome of consultation on provision of printed bills to postpaid subscribers.

The existing regulatory framework requires the telecom service providers (TSPs) to make available printed bills to postpaid subscribers free of cost. However, if any subscriber opts for receipt of bill through e-mail, instead of hard copy, the TSPs can supply the same after obtaining explicit consent from the subscriber. This meant that postpaid subscribers have the right to get printed bills as a default option. There have been demand from certain categories of stakeholders to change the default option to e-bill instead of the printed bills whereby those subscribers who wish to obtain printed bills would need to make explicit choice. In the context of such demands for change of default option, the Authority felt it necessary to review the extant provision of Telecommunication Tariff Order (TTO).

2. The Authority has been intermittently receiving representations, from Telecom service providers and their associations requesting a review of the provision of the TTO (46th Amendment, 2008) which mandates provision of hard copy of the bill or the printed copy of the bill to post paid subscribers and removal of the mandate of providing hard copy of the bill with Mobile Bill (M-Bill) or E-Bill as the default option. The rationale behind the demand to change the default option of Printed Bill are as follows:

- (i) Environmental concerns relating to cutting of trees for papers used in printing of bills.
- (ii) Changing mobile usage scenario in the context of massive surge in data usage on smart phones.
- (iii) Trends in price of data service as well as smart handsets during last two years show that more and more people have gained affordability to purchase a smart phone and consume more data on a high-speed platform. This scenario indicates a gradual shift towards a paperless billing system to be adopted by telecom sector in tune with many other sectors of economy.
- (iv) The 46th Amendment to TTO, 1999 was notified in 2008. It was argued that mere fact of the passage of a decade since issue of the extant provisions merits a review of its relevance.
- (v) Representations from Hon'ble MPs/MLAs/MLCs of Maharashtra for doing away with mandatory provision of hard copy of bill, in tune with 'Digital India Mission', apart from addressing a serious environmental concern.

3. While the above arguments do merit attention, there are equally, if not more, valid arguments and concerns in favour of retaining provision of printed bills as the default option. Some of the major concerns on this matter are listed below:

- (i) The onus of downloading and printing of bills and the consequent cost thereof, which hitherto was the responsibility of TSPs, would shift to the subscribers in the e-bill environment;
- (ii) While e-bill as a default option would suit the TSPs, this may result in denial of information to certain vulnerable sections of postpaid subscribers. The issue of inconvenience and cost to subscribers having feature phones, senior citizens, disadvantaged groups and rural subscribers would arise in case e-bill is made to be the default option;

- (iii) The fact that despite the efforts of TSPs, a substantial portion of postpaid subscribers have still not opted for e-bill indicates that there is a section of postpaid subscribers who still requires hard copy of the bill;
- (iv) The existing provisions already permit the TSPs to do away with hard copy of the bills if they obtain the consent of subscribers for receiving bills through e-mails.

4. A joint committee consisting of senior officers of TRAI and TSPs/ TSP Associations to identify infructuous/ redundant regulations, had, inter-alia, suggested making electronic bills as default option. However, this committee does not have any representation of the consumers and therefore, the committees' suggestions did not reflect the consumer views and their concerns mentioned in Para 3 above. The Authority felt that the consumers form the most important segment of stakeholders on the subject as any change in the existing framework is likely to adversely impact their interests.

5. In view of the above facts, the Authority decided to undertake a consultation process so that views of all segments of stakeholders are obtained before taking a final decision. Accordingly, A consultation paper was floated to review the extant provision of provision of hard copy of the bill as default option and comments and counter comments of stakeholders on the issue were sought. The written comments on the issues raised in the consultation paper were invited from the stakeholders by 11th December 2018 and counter-comments by 24th December 2018. The dates to receive counter comment was extended on the request of the stake holders to 8th January 2019. The core issue of consultation was whether there is a need to change the default option of provision of hard copy of the bill to e-bill.

6. A total of 419 comments and 20 counter comments were received. An Open House Discussion (OHD) on the Consultation Paper was held on 5th February 2019. The

Authority received several diverse views by way of written comments, counter comments and during the Open House Discussion. The views in favour of changing the default option to e-bill and for retaining the existing default option of printed bills are listed below:

For changing the default option to e-bills

7. The main arguments of TSPs for changing the default option to e-bill are as follows:

- (i) Environmental concern regarding cutting of trees for paper.
- (ii) Boost towards Digital India mission.
- (iii) For customers with feature phone and no e-mail facility m-bill can be provided which will contain details like total due, current month due, due date, previous balance etc.
- (iv) Approximately 90% of postpaid subscriber has opted for paperless option and to ensure 100% e-bill default option needs to be changed,
- (v) It is in service providers interest to receive timely payment and TSP will try to ensure that issue of non-receipt of bill does not arise for which e-bill is best option.
- (vi) Cost economics of printing the bill since with decreasing no. of printed bill the cost of printing bills has increased.
- (vii) No explicit storage required to keep hard copy of the bill.

Views in favour of retaining the default option of printed bills

8. The comments received from various stakeholders for continuing the present dispensation of default option of printed bills are as follows:

- (i) The argument that paper is manufactured only by cutting trees is incorrect and misleading. Approximately 75% of the paper produced in India is from

waste/recycled paper or agricultural residue as the primary raw material which contributes towards protecting the environment. If the agricultural residue and waste paper is not utilized for making paper, it will lead to environmental hazards for the country. Balance 25% is produced using pulp wood. Paper industry in India is not a forest-based industry but an agro/forestry-based industry engaging approximately 5 lakh farmers from whom more than 90% of the industry's wood requirement is sourced.

- (ii) Unlike developed countries the literacy rate in India still remains low and hence many consumers will not be using electronic media-email to view their bills.
- (iii) The onus of printing the bills will shift to subscribers since many subscribers will need hard copy of the bill for various claims like claiming input credit of GST etc. Moreover, India is still not geared up to go in for paperless medium.
- (iv) Even 50% of the population is not e-literate which does not make a case for e-bill as default option.
- (v) It should be the consumer's choice to opt for e-bill and he should not be mandated e-bill by making it as default option.
- (vi) Low end consumers are the one who cannot afford to have access to computer/compatible smartphone/Internet to obtain the bill through e-mail and this category of consumers need protection.
- (vii) Senior citizens, disadvantaged groups and rural populations have some limitations like limited access to e-mail facility, familiarity with e-bill system, age profile, e-literacy etc.
- (viii) Providing printed bill to a consumer is a legal responsibility of the service provider.
- (ix) E-mail is eminently easy to ignore, and utility bill can go unnoticed.
- (x) Most of the rural households do not have a computer and significant number of these households are likely to be digitally illiterate.
- (xi) The incidences of bill shocks will be difficult to detect and deal with in case e-bill is made a default option.

9. As may be seen from the above, there are diametrically opposite views expressed by various stakeholders on the subject. The main points that require analysis for a decision are stated as below:

- Environmental Concern
- Cost to service providers in printing and delivery of bills
- Vulnerable sections of society require printed bills
- Rationale behind TTO 46th Amendment
- Incentive to subscribers to opt for e-bill
- E-billing in other utilities
- International Experience

Environmental Concern

10. One of the main arguments put forward by TSPs in their earlier representations on the subject and also during the consultation process is that providing hard copy of the bill would contribute to environment degradation as a lot of trees are cut for manufacturing paper. Several Hon'ble MPs had also raised similar concerns while furnishing comments on the subject. On the other hand, some other stakeholders like the Federation of Paper Traders Association of India had expressed the view that the environmental concern cannot be cited as a ground for doing away with the printed copy of the bill. According to them there is no requirement of cutting trees in the forests for manufacturing paper.

11. The Authority has considered all these views and has concluded that provision of printed copy of the bills do not directly lead to environment degradation as claimed by TSPs. While arriving at this conclusion, the Authority was guided by the following:

- (a) About 75% of the paper required for printed bills are produced from waste/ recycled paper or agricultural residue as the primary raw material;
- (b) Paper industry in India is not a forest-based industry but an agro/ farm forestry which had contributed to generation of employment and enhancing earnings of farmers by utilizing the unproductive land;
- (c) Paper used for printing bills are biodegradable, renewable and sustainable and thus no significant negative impact on environment.

Cost to industry

12. According to the service providers, total percentage of post paid subscribers in India stands at only 4% out of which 94% of subscribers (as stated in OHD) have opted for e-bill or online mode of receiving bills and rest 6% still receives hard copy of the bill. It is claimed that the overall cost to provide hard copy of the bill to such a small segment of society is relatively high because of small economies of scale. However, it may be noted that the percentage of postpaid subscribers receiving hard copy of the bill has significantly gone down from 30-40% in 2014 to only 4-5% in 2019. Due to high penetration of data and smart phone in India, Authority believes that in due course, percentage of subscribers relying on hard copy of the bill will shrink down further benefitting the industry as a whole. If a significant percentage of subscribers have already shifted to e-bill without making any changes in the current provision, then the Authority is of the view that more number of subscribers would switch to e-bill (due to high data penetration and smart phone penetration) on their own in near future while continuing with the current regulation.

Vulnerable Section of the Society

13. There are certain sections of society such as elderly people, non-tech savvy, poor and illiterate persons who may be incapable of understanding digital methods of receiving and paying bills. More importantly there exists a vulnerable section of subscribers who are incapable of making an effective choice either way. For them the default option

happens to be the only choice. This may be one of the reasons why despite the cited efforts by the TSPs certain percentage of subscribers have still not moved to the e-bill platform. 6% of postpaid subscribers who have not yet opted for e-bill could consist of elderly and non-tech savvy persons who will always be reluctant to change their preference of receiving hard copy of the bill.

14. The Authority understands and acknowledge the benefits of e-bill such as ease of keeping history of bills in e-mail or phone and easy storage without consuming any physical space. But making e-bill as a default option would result in shifting the responsibility to the customers for making specific request for hardcopy of the bill. Many 'low end' customers would find it difficult to effectively make or enforce such requests for hardcopy of the bill since they are ignorant about their rights to exercise their option and the method to opt for printed bills. The Authority feels that this vulnerable section of the society needs protection and this being the case, it would be more appropriate to have the responsibility rests with the TSPs themselves to seek and obtain consent of customers for e-bill.

TTO,46th Amendment

15. while mandating hardcopy of the bill in 2008, the Authority had inter-alia based its decision on the various provisions of Indian Telegraph Rules and License Agreement of CMTS/ VAS/ NLD/ ILD services relating to billing and customers service. These have been stated in detail in the Explanatory Memorandum of TTO (46th Amendment). Since these basic provisions continue to be in existence, it may not be appropriate to take a different view/ position at this stage.

Incentive to subscribers

16. Service providers mentioned during the OHD that efforts have been taken by them to induce the subscribers to opt for e-bill. However, TRAI initiated a survey asking all the service providers what steps or initiatives have been taken by them to convince subscribers for e-bill. In response, almost all the service providers mentioned that no

significant actions or efforts were taken by them in the recent past. Authority is of the view that, even if the service providers have taken some initiative in the form of educating them or providing them incentives then it should be continued until the subscribers' base receiving hard copy of the bill shrinks down further. The existing provisions already permit the TSPs to do away with hardcopy of the bill if they obtain consent from customers for bills through e-mails. The TSPs can very well create awareness among customers to encourage them to exercise the e-bill option. Authority is of the view that subscribers should first be educated and be mentally prepared before putting the default option of receiving bill online on them.

E-billing in Utility services

17. The other utility services in India like credit card companies, Mutual funds, Central Electricity Regulatory commission and Indraprastha Gas Limited etc. though promote e-billing/statement to their subscribers but they do provide either hard copy of the bill/statement as default option or provide hard copy of the bill/statement to subscribers on request and also incentivize subscribers to opt for e-mode. The Authority is of view on similar lines while keeping default option of printed copy of the bills to subscribers, concerted efforts can be made by service providers to persuade them to opt for e-bill.

International Experience

18. It is well known that literacy rate, data penetration, smart phone penetration etc. are relatively low in India as compared to developed countries. However, it has been examined that in developed countries like USA and Canada, where e-literacy and data penetration is much higher, provision of sending hard copy of the bill still prevails for the comfort and convenience of elderly persons and non-tech savvy people. Concerns such as possibility of missing payments (when don't have physical bill as a reminder), burden of remembering more passwords, Data affordability issue with low income families, less broadband availability among lower sections of society are very well discussed and deliberated upon by various researchers and it has been concluded that hard copy of the

bill is an important document for many customers the choice of electronic bill or paper statement of the bill should be the result of free choice and not coercion.

Conclusion

19. The Authority finds merit in the arguments of both sides of stakeholders. In the current dispensation the subscribers have to make an explicit choice if they want e-bill. On the other hand, if e-bill is made the default option subscribers who desire for printed bills would need to make an explicit choice. Thus, irrespective of whether the default option is printed bill or e-bill, subscribers have the opportunity to obtain the bill in their desired form. The moot question, therefore, boils down to whether subscribers who currently get printed bills by default should be asked to make the choice or vice-versa. The Authority believes that it would be more convenient and feasible for the e-literate subscribers to make a choice for e-bill. In fact, a large part of subscribers who could not be persuaded to the e-bill mode, would be those who have no internet access or are incapacitated to make an effective choice. It would be unfair to thrust on them the e-bill option.

Decision

20. Authority has decided that keeping in view the demographic structure of India, literacy rate, non-e-literate population, limitation of senior citizens/disadvantaged groups and rural population who are vulnerable section of society, time is still not ripe for making e-bill as a default option. This decision is consistent with policy of inclusion followed by Authority hitherto.

Having said that, the Authority will continue to watch the progress of subscribers opting for e-bill and if necessary, further review can be undertaken after a year or so.