

Tariff case dismissed

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The Supreme Court today refused to grant leave to proceed with the fundamental rights petitions filed by Bharati Airtel Lanka (Pvt) Ltd as well as two consumers challenging the floor price imposed on tariffs implemented by mobile operators.

The Telecommunications Regulatory Commissions (TRC) has now revised current floor price as follows: Off Net - Rs 2 and On Net - Rs 1 per minute basis Tariff Plans; Off Net - Rs 2.50 and On Net - Rs 1.25 per Second Basis Tariff Plans; and Off Net - Rs 0.25 and On Net - Rs 0.10 for SMS. The TRC has directed the Airtel Lanka to refrain from offering tariff plans which are below the revised floor price rates to customers who have not subscribed to such tariff plans after July 1, 2010. However, the TRC has allowed it to continue the tariff plans which have already offered to customers even below the floor rates until the TRC decides on the same. Airtel said that when it entered the market as the 5th player with a substantial investment, there were dominant players in the market and that unless a new-comer offers a clear price advantage to subscribers in addition to a better customer service, any newcomer will not be able to attract the subscribers. It contended a floor rate will only help a market leader and maintain the status quo (the existing state of affairs) at the expense of the customers and that at the time, it launched its service, there was no floor rate in telecom market. It expressed dismay that it could not have anticipated the imposition of a floor price at the time it decided to enter the Sri Lankan market and invest such a large sum of money. It complained the decision of the TRC is against the interest of the customers and is ultra vires the powers of the TRC and that the said decision prevents a level playing field and discriminates between sections of consumers and/or sections of operators. Airtel Lanka is a subsidiary of Bharati Airtel Ltd of India which is the world's 7th largest operator with more than 180 million subscribers operating across 18 countries. Presently, it is engaged in expanding its territorial network coverage including the network to the North and Eastern Provinces. Courtesy: Daily Mirror Online