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भारत संचार निगम लिमिटेड
(भारत सरकार का उपक्रम)

BHARAT SANCHAR NIGAM LIMITED

(A Govt. of India Enterprise)

BSNL 3G))) BSNL LIVE
Faster than your thoughts 2010

No:1-12/2011-Regln /

Dated 23rd August,2011

To,

The Secretary,
Telecom Regulatory Authority of India
Mahanagar Doorsanchar Bhawan,
Jawahar Lal Nehru Marg(Old Minto Road)
New Delhi-110001.

{Kind attention: Sh. Raj Kumar Upadhyay, Advisor (BB&PA)}

**Subject:-Consultation Paper on “Mobile Value Added Services” vide Press
Release No. 42/2011 dated 21st July, 2011.**

Your reference: Press Release No. 42/2011 dated 21st July, 2011.

Sir,

Kindly refer to subject cited above, please find enclosed herewith Comments of BSNL on consultation paper on “Mobile Value added Services” as per Annexure for further necessary action at your end pls.

Enclosure: As above.

Yours faithfully

**(Mumtaj Ahmed)
Addl. General Manager(Regln-II)-CA**

CONSULTATION PAPER ON MOBILE VALUE ADDED SERVICES

| Sl. No. | ISSUES FOR CONSULTATION | BSNL COMMENTS |
|----------------|---|---|
| 3.1 | Whether the current provisions under various licenses (UASL, CMTS, Basic and ISP) are adequate to grow the MVAS market to the desired level? If not, what are the additional provisions that need to be addressed under the current licensing framework? | The National Security consideration is important for the country and this aspect is best left to judgment of Govt. of India. |
| 3.2 | Is there a need to bring the Value Added Service Providers (VASPs) providing Mobile Value Added Services under the licensing regime? | No, the present arrangement is working fine. VAS is evolving on day to days basis dynamically changing and licensing implications of any arrangement may only create hindrance in its growth. |
| 3.3 | If yes, do you agree that it should be in the category of the Unified License as recommended by this Authority in May 2010? In case of disagreement, please indicate the type of license along with the rationale thereof. | Not applicable in view of above. |
| 3.4 | Have do we ensure that the VAS providers get the due revenue share from the Telecom Service providers, so that the development of VAS takes place to its full potential? Is there a need to regulate revenue sharing model or should it be left to commercial negotiations between VAS providers and telecom service providers? | There is no need to regulate revenue share model between VAS provider and a Telco and it should be left to both of them to decide as it involves commercial terms & conditions with respect to responsibilities related to provision of bandwidth, marketing, charge collection from the customers, revenue potential and service complexity etc. which can be best decided mutually. |
| 3.5 | At the same time, how do we also ensure that the revenue share is a function of the innovation and utility involved in the concerned VAS? Should the revenue share be different for different categories of MVAS? | At present the amount of revenue share is discussed and decided between VASP & Telco based on the innovation, utility involved and potential of revenue generation. Since this is a commercial judgment by the Telco & VASP based on the market dynamics, help in brand image to each company and hence, the |

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| | | same need not be regulated. There is enough fair competition regulated by market itself. Different type of M-VAS already have different revenue share. |
| 3.6 | Do you agree that the differences come up between the MIS figures of the operator and VAS provider? If yes, what measures are required to ensure reconciliation in MIS in a transparent manner? | There are mechanisms available for reconciliation of CDRs / data based on mutual discussions. |
| 3.7 (i) | Does existing framework for allocation of short codes for accessing MVAS require any modifications? Should short codes be allocated to telecom service providers and VAS providers independently? Will it be desirable to allot the short code centrally which is uniform across operators? If yes, suggest the changes required along with justification. | <p>Yes, There should be a fee for allotment of sort code as allotting a sort code involves blocking of telecom infrastructure (ports etc.) which should be generate from revenue share and this fee should also ensures as an entry barrier to non-serious players. In order to optimally utilize the allotted telecom resources, there should be some minimum assured business from the VAS provider in a limited period of time, if it is not so the telecom resources may be withdrawn. Following processes may be followed to allocate codes:-</p> <ul style="list-style-type: none"> • Central allocation of short code by the DoT for Central/State Govt. services to be opened across operators. • Individual Telco allocation of short codes for entertainment VAS and utility service on Mobile. |
| (ii) | Should there be a fee to be paid for allotment of short code? | In case of failing the commitment, the telecom resources may be withdrawn from the defaulting VAS provider and given to other VAS provider. Following process may be followed to allocate codes:- |

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| | | <ul style="list-style-type: none"> • Central allocation of short code by DoT for Government services to be opened across operators. • Individual TELCO allocation of short codes for entertainment VAS on mobile and utility services. |
| 3.8 | Is there a need to provide open access to subscribers for MVAS of their choice? If yes, then do you agree with the approach provided in para 2.46 to provide open access? What other measures need to be taken to promote open access for MVAS? Suggest a suitable framework with justification? | Although the present arrangement is working fine, BSNL is also not opposed to open access for MVAS for subscribers of all operators. |
| 3.9 | What measures are required to boost the growth of utility MVAS like m-commerce, m-health, m-education & m-governance etc. in India? Should the tariff for utility services provided by government agencies through MVAS platform be regulated? | The stakeholders viz. Hospitals/ doctors, teachers/students, Govt. entities/citizens or integrators/mediators who have to provide/facilitate these services should be made ready for providing such services through mobile by giving suitable incentives in taxes or through USOF. As far as BSNL (Telcos) are concerned, they are already ready with the enabling network infrastructure such as 3G, GPRS, video calling, IVR, SMS & USSD. |
| 3.10 | Any other suggestions with reasons thereof for orderly growth of mobile value added services? | Encourage all Govt./private entities to have mobile WAP site and provide customer/citizen services through mobile so that usage of this medium may increase. |

(Mumtaj Ahmed)
Addl. General Manager(RegIn-II)-CA