

Comments on consultation paper on Mobile Value Added Services

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- 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?**

No, the current provisions under various licenses (UASL, CMTS, Basic and ISP) are not adequate to grow the MVAS market to the desired level . While these licenses were framed , the focus was on access related services (voice and data). Since then the telecom industry in India has travelled long way . There is change in technology , market for telecom services and the nature of the demand of the customers . Now the next level of growth in telecom industry is definitely would be in Mobile value added services area . And to accelerate the growth in mobile value added services Indian telecom industry needs licensing framework which facilitates and regulates it . Some of the provisions that needs to be addressed are :

- a) Regulation on revenue sharing arrangement between MVAS companies and telecom service providers.
- b) The arrangement of sharing of MIS of usage data between MVAS companies and telecom service providers to maintain transparency
- c) Regulation on usage charge for different category of value added services
- d) The procedure for handling consumer grievances
- e) Mechanism for dispute settlement between MVAS companies and telecom service providers
- f) Time limit for short code allotment for the MVAS
- g) Time limit for provision of network access to MVAS companies by telecom service provider in the off deck model
- h) Provision for open access of mobile value added services across all the operator's network

- 2) **Is there a need to bring the Value Added Service Providers (VASPs) providing Mobile Value Added Services under the licensing regime?**

Yes, Time has come for a separate licensing regime. First phase of growth in the telecom sector which was mainly because of voice communication is over . Now for the further growth of the telecom industry in particular and country in general we should focus in the services which will boost the demand for data access . Though telecom operators are focusing on the development of network suitable for data communication ,

there is less focus on developing services which will actually ride on the data channels . Here is the role of independent MVAS companies . Telecom access service provider may have interest in revenue generation but they would not willing to sacrifice their revenue pie because of short sightedness as it has precedence and it is difficult to move ahead of this mindset that there can be specialized industry like MVAS which can function independently and can add much more value in the value chain of telecom services like infra provider tower companies. . So it is TRAI to decide which model is beneficial for the overall growth of the industry and which can benefit people ultimately .

In the present scenario VAS operators generally offers value added services after entering into commercial agreement with telecom service e of the company . It results into agreements which bends in favor of telecom operators . In these commercial agreements VAS operators have little say because of the difference in the size of the company . This is the reason MVAS companies are not growing at the pace which is expected . To push the growth of this particular industry we need to make the policy environment conducive for it and will have to address issues related to it . It can be done through licensing regime .

- 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.**

Bringing MVAS providers in the ambit of the unified license as recommended by TRAI would not be good as it needs special focus now. MVAS providers should be brought in other operators category which already exists and which meant for company providing Application Services . It is necessary to safeguard the interest of consumers, MVAS and it is capable of giving MVAS industry an independent identity . The way this industry is growing a regulatory framework would be required to regulate it and for the smooth functioning . Because of evolution of NGN , and other open access technologies, it is possible for MVAS to operate independently . So separate licensing regime would be required which can address specific issues of MVAS.

- 4) How 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?**

In case of off deck service the access fee charged by telecom access providers should be regulated as in the case of interconnect usage charge . These access fee charged by telecom access providers should be such that the value added services offered by MVAS providers can compete with same kind of services offered by Access providers themselves. It will give the MVAS industry a big push .As, usually these operators have low bargaining power in the existing practice of commercial negotiations between VAS providers and telecom service providers.

- 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?**

Access charge payable to the access provider should be regulated . The other supports in terms of regulation which is necessary for the smooth functioning of MVAS providers will be sufficient to make them grow and to realize the untapped revenue .It will itself be rewarding for innovation and utility as more the application will have utility more it will have users and it will result into more revenue .

- 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?**

Yes, the differences come up between the MIS figures of the operator and VAS provider . Its is mainly because of conflict of interest .It will always be there till the control is with telecom operators. So hosting the application at central server is a solution which is possible under off deck model.

- 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.**

Yes ,it requires modification . Short codes should not work as barrier for MVAS providers .It should be allocated by DOT centrally to all telecom service providers and MVAS operators . It will shift control away from telecom service providers and will work in favor of MVAS operators . Further , access of all these short codes should be made accessible through all the networks.

(ii) Should there be a fee to be paid for allotment of short code?

Yes , there should be fee for allotment of short codes to bring only serious players into the process.

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 justifications?

- A) Yes , there is need to provide open access to subscribers for MVAS of their choice . This will result into more choice for the subscribers . competition will be more among the MVAS providers and it will bring quality in the MVAS offering and price would be rational.
- B) The approach provided in para 2.46 to provide open access is ideal.

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?

Tariff for utility services provided by government agencies through MVAS platform should be regulated . Mobile in comparison to computer has wider reach to the people and this platform is capable of carrying the real benefit of IT revolution in the hinterlands of India . In a vast geography like India utility services through MVAS can be a major breakthrough. A little regulation in the tariffs of utility MVAS like m- commerce, m-health, m-education will boost these services in a big way.

10) Any other suggestions with reasons thereof for orderly growth of mobile value added services?

As we are advancing towards off deck model , there are other issues which needs attention :

- A) Mechanism for handling consumer grievances . till now its telecom service provider which is responsible . In the new system we will have to ensure proper addressing process.
- B) Effective redressal of disputes between MVAS operators and Telecom access service providers