



RSM/COAI/155

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Subject: COAI Counter Comments on TRAI Consultation Paper on “Review of Voice Mail/Audiotex/Unified Messaging Services Licence”

Dear Sir,

This is with reference to the Consultation Paper on “Review of Voice Mail/Audiotex/Unified Messaging Services Licence” issued by TRAI on June 14, 2016

In this regard, please find enclosed our Counter Comments on the stakeholder’s response to the consultation paper.

We hope that our submissions will merit your kind consideration and support.

Thanking You,

Yours faithfully,

Rajan S. Mathews
Director General
COAI



Counter Comments
TRAI Consultation Paper
on
Review of Voice Mail/Audiotex/Unified Messaging Services Licence
Released on June 14, 2016

At the outset, we would like to highlight key submissions made in our response to the Consultation paper in order to provide clear perspective on the issues involved:

1. Industry has witnessed many instances wherein the current license conditions of Audiotex license is being misused by the existing Audiotex licensees, as highlighted below:
 - Acquiring /servicing of customers outside the Licensed Area
 - Providing dial out services which is not permitted
 - Indulge in Point to Point conferencing
 - Indirect routing of the traffic by the Audiotex licensee
2. Further, various calling apps recently launched in the market make use of the arbitrage, existing due to the nil termination charges to and from fixed lines, to offer calls at much cheaper rates than the rates offered for voice calls by Mobile telecom service providers.
3. These violations of the Audiotex license is not only creating a revenue loss to the TSPs but also resulting in loss to the exchequer. Further, such violations create a huge security threat.
4. In light of the above , we had suggested following approach to avoid such issues:
 - There should not be any standalone licenses for Voice mail/Audiotex/UMS services. No separate audio conferencing license.
 - Voice Mail/ Audiotex Services/UMS should be brought under the UL (Access Authorization).
 - All current licensing clauses prescribing service specific conditions/prohibitions related to Audiotex Services should be incorporated in the UL (Access Services).

- With respect to the OTT players providing this type of service, regulatory equality principle of “same service same rule” should be adopted.
- Stringent penalty provisions in case of violation of licensing conditions.
- There should be mandatory migration of the current Voice Mail/Audiotex/Unified Messaging Services licensee to the UL (Authorization).

We would like to make following submissions on the comments received from various stakeholders:

1. **Voice Mail / Audiotex / Unified Messaging services should not be placed under the Unified License (UL):** Some of the stakeholders have submitted that Voice Mail / Audiotex / Unified Messaging services should not come under the ambit of UL. In this regard, we would like to submit that currently the services of voice mail/Audiotex/UMS can be offered under either under UASL/UL or under an Audiotex License. However, there exists unequal terms between the said licenses. While there is no license fee on the services rendered under the Audiotex License, the similar services offered under UASL/UL are subject to License fee, entry fee and other stringent license conditions. We believe that disparities along with violation of licensing terms by certain Audiotex/voicemail/audio conferencing licensees distort the level playing field between Audiotex and UASL/UL. Further, the Government has introduced the Unified License Regime under which various service authorizations are being given for various telecom services. Since the Government has stopped issuing the standalone license for all other telecom services, there is no requirement for a separate standalone license for Voice Mail/Audiotex/Unified Messaging services. **Thus, we suggest that Audiotex License should be brought under UL (Access Authorization).**
2. **Need for standalone audio conference License:** Some of the stakeholders have suggested that there is need for having standalone audio conferencing services. In this regard, we would like to submit that in case a standalone audio conference license, is allowed, it will be practically impossible to differentiate whether the system of the standalone audio conference licensee is being used for a conference or as a plain vanilla switching architecture to create revenue bypass situation and hence earn undue profit, resulting in revenue loss to the exchequer along with that to UASL/UL license holders. Thus, we are of the view that there should not be any standalone audio conference License. Further, standalone license would only add redundant layers of complexity to the existing licensing regime and would further not be in line with the strategies / objectives listed under NTP 2011.
3. **Provision of Voice Mail / Audiotex / Unified Messaging under OSPs:** One of the stakeholders has submitted in its response that provision of Voice Mail / Audiotex / Unified Messaging Service should be under a specific registration / authorization as done for OSPs or IP-1 presently. Stakeholder has further submitted that entity taking the Audiotex License cannot be compared to telecom licensee/operators who have the right to create

infrastructure and provide telecom service under their single license. In this regard, we would like to submit that in 2012, TRAI in its recommendations on Grant of UL and Migration of existing Licenses to UL had recommended a separate "Authorization" for Audiotex / Voice Mail / Unified Messaging Service. In this regard, DoT decided against making a separate category of Authorization for these services under UL and cited that these services were already allowed to be provided under UL with Access Service Authorization (UL – AS, however at the same time it also continued to issue Audiotex / Voice Mail / Unified Messaging Service license separately. In this regard, it is clearly brought out that Audiotex, Voice Mail & UMS services are equivalent to resale of the native services of the underlying network with some value adds. Therefore, any entity desirous of providing Voice Mail, Audiotex and UMS service(s) should be mandated to obtain UL (Access) Licence with respective Access Service Authorization. **Any other framework such as registration under OSPs or continuation of the current Audiotex / Voice Mail / Unified Messaging Service license should not be considered by TRAI.**

4. **Current prohibition in the Audiotex License that resources of single service provider is to be used, for making both outgoing and incoming calls, need to be removed:**

Some of the stakeholders have submitted that since an audio conference license holder is mandate to secure telecom connectivity from authorized telecom service provider, the current prohibition of using the resources of more than one service provider for making both outgoing and incoming calls need to be removed. In this regard, we would like to submit that the current provision of allowing dial out facility by taking the resources of only a single service provider was incorporated in the license with the intention that audio conference service is not misused in providing the full-fledged voice calls. The scope of Voice Mail / Audiotex/Unified Messaging Services is restricted to cover only stored (non-real time) voice services. Further, any real time call routing has to be as per national routing plan issued by the Licensor w.r.t audio conferencing with prohibition on bridging or patching of calls. However, in this regard, we would like to reiterate that many of the existing Voice Mail /Audiotex / Unified Messaging Services Licensees have violated this condition of license and had taken PRIs from multiple telecom service providers and were providing dial out services which is not permitted to them. Thus, **we are of the view that current provision of dial out facility taking resources from only one operator should continue even if the license is migrated to UL (Authorization).**

5. **Migration to Unified License regime should not be made mandatory:** Some of the stakeholders have submitted that migration of the Voice Mail /Audiotex / Unified Messaging Services Licensees to UL (Access Authorization) should not be mandatory. In this regard, we would like to submit that, if a standalone Voice Mail / Audiotex / Unified Messaging Service provider is not mandatorily migrated to a Unified Licence, then it will only escalate the non-level playing field between old and new licence holders due to differential terms on which they operate, for instance, non-levy of LF on standalone Voice Mail / Audiotex / Unified Messaging Service providers.

6. **Services by APP providers under Voice Mail/Audiotex & Unified Messaging License:**

Some of the stakeholders have made following submissions w.r.t service being provided by APP providers under Audiotex license:

- Voice Mail/Audiotex & Unified Messaging License are content services provided on public networks which is similar to Application service providers who build applications over and above the telecom resources procured from licensed TSP at commercial rates.
- DoT has always maintained its stand of not covering the content/application service providers under the licensing regime.
- Simple information declaration process should be outlined for content services being provided over PSTN.
- Content service providers should not be subject to regulations meant for infrastructure providers.
- No Revenue sharing for Content Services is being recommended as the revenue share should be charged only from telecommunication carriage service providers or network operators and not from content application service providers such as Voice Mail/Audiotex.

In this regard, we would like to make following submissions:

- a) Some of the services that are offered by the OTT Communication players are perfect substitutes of the services that are being offered by the TSPs under UASL/UL. Thus, there is need to address the various regulatory imbalances and ensure Regulatory Neutrality, between TSPs and OTT players. For this, the Authority should apply the principle of, "Same services, Same rules". Only under such an environment, the TSPs will get a fair chance to compete with OTTs on similar pricing and terms.
- b) Further, we would like to reiterate that various calling apps have recently been launched in the market which makes use of the arbitrage opportunity existing due to the NIL termination charge from and to fixed line, and impacts the legitimate business interests of TSPs. The business model of such app providers is based on availing fixed line services from certain operator which helps them offer call rates lesser than those offered by mobile telecom service providers. We believe that these apps are offering calling services under the Audiotex License and their services seem to be in violation of the licensing terms contained in the said License. These app providers are depriving the access operators of their legitimate origination charges and causing huge revenue loss to access operators which ultimately results in lesser payout to exchequer in the form of reduced license fee on revenues. The app services provided by these Audiotex licensees also pose grave security threat to the country since they may tamper with the CLI of the originating call.
- c) In light of the above, we are of the view that:
 - i. Regulatory Framework for OTT players need to be prescribed on the principles of "Same Service Same Rules".

- ii. There is an urgent need to review the terms of Voice Mail/Audiotex/Unified Messaging Services License and strengthen the licensing framework so that it does not create any arbitrage opportunities and maintain a level playing field. We suggest that that Voice Mail/Audiotex/Unified Messaging Services should be brought under UL (Access Services).
