

**Knowlarity Communications Counter Comments on the TRAI Consultation Paper No.12/2016: 'Review of Voice Mail/Audiotex/Unified Messaging Services'**

At the outset, we thank TRAI for coming up with Paper on "Review of Voice Mail /Audiotex /Unified Messaging Services Licence".

We would like to set the records right on the core framework of resistance to the Hosted Communications industry segment by the COAI.

**Points made by COAI in its 'Preamble' Section under 'Need for review of licensing aspect of the Voice Mail /Audiotex /Unified Messaging Services' and Knowlarity's counter response**

**A.1** *The decision on licensing aspect of the Voice Mail /Audiotex /Unified Messaging Services was the need of the hour considering the recent incidences wherein certain new calling Apps and also some of the existing Voice Mail /Audiotex /Unified Messaging Services licensees are violating the Indian Telegraph Act and offering services without a license or are violating some of the key terms & conditions of the Voice Mail /Audiotex /Unified Messaging Services licence.*

**COAI Suggestions on Page 4 under Section B**

1. *There should not be any standalone licenses for Voice mail/Audiotex/UMS services. No need for a separate standalone audio conferencing service License.*
2. *Voice Mail/ Audiotex Services/UMS should be brought under the UL (Access Authorization).*
3. *All current licensing clauses prescribing service specific conditions/prohibitions related to Audiotex Services should be incorporated in the UL (Access Services) i.e.*
  - *Should not be allowed to give point to point conferencing and calling card facility.*
  - *Should not be allowed Dial out facility in whatsoever manner for any illegal by pass of STD/ISD traffic of any licensed access service providers.*
  - *Should be mandated to adhere to call routing as per national routing plan issued by the Licensor w.r.t audio conferencing with prohibition on bridging or patching of calls under UL (Access service authorization).*
4. *Terms and Conditions should be as per the UL (Access Service Authorisation)*
  - *Area of operation: LSA based*
  - *Duration of license can be 20 years*
  - *License Fee : 8% of the AGR*
  - *Stringent penalty provisions in case of violation of licensing conditions*

**Knowlarity Views**

Bringing new age Hosted Communication Services under UL will create entry barriers to innovation by way of net worth, entry fees, and additional revenue share over and above what we pay to TSPs. **It is unprecedented for application providers to be governed by the same license as access providers.** If that was the case, email and ecommerce would become the subject of ISP regulations and all companies would then have to comply with ISP regulations to provide services which will hamper India's start up growth story.

The core regulatory restrictions are meant to ensure that there shall be 1. No Toll By-pass, 2. No public VOIP/PSTN voice integration and 3. No number masking, All the above are strictly honoured by this industry without any violation whatsoever. Rendering innovative application and content based services on the licensed networks of the Telcos should not require any further licensing in the first place.

**A.2 Exploiting the arbitrage:** *The modus operandi of these entities is that when a customer initiated a voice call through the said calling app, system captured both the calling and the called party number. This information is used to generate two simultaneous and distinct calls, one for the Called number and another for the Calling number, after which these calls are then conferenced. It is apparent that the infrastructure of these entities is based on fixed line services from one operator as it provided these entities the benefit of nil termination charges to offer calls at much cheaper rates than the rates offered for voice calls by Mobile telecom service providers.*

#### **Knowlarity Views**

Hosted communication application service providers procure resources from licensed telecom service providers at market rates. There is no point of arbitrage here.

ISDN PRIs facilitate better CTI capabilities is the reason, why these platforms prefer and deploy the ISDN PRIs on the platforms than anything else. This is more a technology preference and nothing else. This is not meant to leverage on any regulatory arbitrage.

The cost of two calls is always more than cost of one call and hence this very assumption that these calls are cheaper does not stand the test of any empirical scrutiny. This is just an assumption that would stifle innovation in this domain.

**A.4 Violation of Audiotex Licensing terms:** *These entities are offering the calling services under the Audiotex License and their services are in violation of the licensing terms contained in the said License as highlighted below:*

**a.** *These entities are offering Point to Point conferencing service which clearly is outside the ambit of Audiotex License as stated in clause 30.6 of the Audiotex License reproduced below:*

*“30.6: Point to point conferencing and calling card facility shall not be provided by Voice Mail/Audiotex licensees.”*

#### **Knowlarity Views**

We would like to know the technical definition of point to point conference before we respond on this point further. Technical specifications in the license are not covering this point clearly. Also, need to understand difference between point to point and tele-conference with two or more participants.

These licensing norms are long overdue for a rational review and this consultation process is to enable a fair review and revisit of this entire framework keeping in view the current Technology trends and the market needs. Hence these outdated provisions are long overdue to be scrapped outright.

**b.** *This point to point conferencing is also extended by the entities to the international bridges by directly interconnecting at international locations. This activity is also ultravires as the Audiotex License specifies to obtain services from other telecom operators as is established by the following clauses:*

*“2.1: The Licensee shall be permitted to provide in its area of operation Voice Mail/Audiotex/Unified Messaging Service using MTNL/BSNL/Other Licensed Private Operators Network.”*

*“30.7: Dial out facility shall not be used in whatsoever manner for any illegal by pass of STD/ISD traffic of any licensed access service providers. Voice Mail/Audiotex licensee shall have to give undertaking in this regard.”*

### **Knowlarity Views**

As we said earlier, these licensing norms are long overdue for a rational review.

There is no bypass of STD/ISD by legitimate application service providers. Affidavits to this effect can be provided and monitored. Any deviation needs to be pursued and prosecuted individually. No blanket ban is necessary

#### **A.6 Other Violations by the Voice Mail/Audiotex/ Unified Messaging Services licensee:**

*a. Clause 22.1 of the Audiotex License implies that if a company has taken resources / PRIs from more than one telecom service provider, the dial out facility will not be allowed:*

*“22.1: In case Voice Mail/Audiotex/ Unified Messaging Services licensee takes resources for the operation of the services from more than one telecom service provider, the dial out facility will not be permitted. In case the resources are taken by the Voice Mail/Audiotex/ Unified Messaging Service licensee from only one service provider the dial out facility will be permissible. However, for UMS licensee the dial out facility shall not be permitted”*

### **Knowlarity Views**

Dial out with multiple operators is necessary so that application service providers don't get trapped with a single operator who can then use predatory and monopolistic pricing. It's important that consumers and business owners have the choice of the best available TSP and application providers need to have the freedom to work with all licensed TSP. Ability to work with multiple TSP provides both redundancy in solution and most affordable solution to small businesses.

Also, we wish to confirm that there is no direct or indirect routing of any call traffic, without paying for the respective call legs, be it a local call, STD calls or an ISD call. There is no revenue loss being caused by these application service providers to either Telecom companies or to the state exchequer.