



Audiotex & Audio Conferencing Service Providers Association of India (AACSPAI)

01 August, 2024

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Reference: Consultation Paper No. 7/ 2024: Consultation Paper on the Framework for Service Authorisations to be Granted under the Telecommunications Act, 2023.

Dear Sir,

At the outset we would like to thank the Authority for coming out with a progressive consultation on changing the paradigm of licensing and authorisation. Such a progressive step will open up the field and be substantial in making India a hub for innovation in ICT.

As a background to replying to this consultation paper:

1. **Audiotex & Audio-Conferencing Service Providers Association of India(AACSPAI)** is and association founded by licensed entities providing Audiotex and Audio Conferencing services as per the license issued under Section (4) of the Indian Telegraph Act 1885 by the Department of Telecommunications(DoT). Through notification [No. 11/10/2020-Policy dtd. 30th December, 2021](#), DoT brought in significant relaxation in the regulatory guidelines and brought the standalone license as a chapter under the Unified Licensing framework with National Area as the service area. This was a huge incentive for entities working under the licensing framework to provide more innovative services under the licensing framework.
2. However, As an Association, we come across many unlicensed companies in the market and yet are providing Audiotex and Audio Conferencing services. This is due to these companies leveraging some ambiguities in the licensing framework and definitions.

It is given the above background, that we take the liberty to respond to the questions asked by TRAI in this consultation paper.

Q1. For the purpose of granting authorisations under Section 3(1) of the Telecommunications Act, 2023, whether the Central Government should issue an authorisation to the applicant entity, as is the international practice in several countries, in place of the extant practice of the Central Government entering into a license agreement with the applicant entity? In such a case, whether any safeguards are required to protect the reasonable interests of authorized entities? Kindly provide a detailed response with justifications.



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Response:

In accordance with the provisions of the new Telecommunications Act 2023 specifically Section 3 provides that any person, intending to provide telecommunication services, shall obtain an authorisation from the Government subject to such terms and conditions including fees or charges, as may be prescribed. From aforesaid provision of the new Act, statutorily there is no other option for the Central Government but to issue permission to provide telecom services by way of issuance of authorization irrespective of the global practice.

Yes safeguards are required to protect the reasonable interests of the proposed Authorized Entities.

In the earlier Act, the services are being licensed by Licensor ie DoT by entering into license agreement with Licensees who wish to provide the services. The terms and conditions of such license agreement are, as recommended by TRAI under Section 11 of the TRAI Act and as approved by the Government. If any change in terms and conditions of the license agreement is required to be done the same requires consultation with TRAI and TRAI recommends on the changes after consulting all the stakeholders.

Thus there is a system of check & balance and reasonable regulatory certainty when a licensee signs a license agreement for a service. It is for this reason only of Section 11 TRAI Act requirement that the Central Government has sent a reference to TRAI to recommend terms and conditions of the Rules to be prescribed under the new Act for provision of telecom services.

To safeguard the interest of the proposed Authorized Entities, it should be clearly mentioned in the draft terms and conditions of the Authorization that any change in the draft terms of the Authorization will be done only after following the process required under Section 11 of the TRAI Act of consulting TRAI. This will bring in regulatory certainty as well as transparency in the licensing process and will remove probability of any unilateral change in the terms of authorization and will go a long way in protecting interest of the proposed Authorized Entities.

Q2. Whether it will be appropriate to grant authorisations under Section 3(1) of the Telecommunications Act, 2023 in the form of an authorisation document containing the essential aspects of the authorisation, such as service area, period of validity, scope of service, list of applicable rules, authorisation fee etc., and the terms and conditions to be included in the form of rules to be made under the Telecommunications Act, 2023 with suitable safeguards to protect the reasonable interests of the authorised entities in case of any amendment in the rules? Kindly provide a detailed response with justifications.



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Response:

We believe that Audiotex and Audio Conferencing Services should be brought under a light touch regulation like Authorisation through Registration or even equivalent to OSPs given the self-regulatory regime brought for them with no Registration requirement. Our justifications are divided into two specific categories Past TRAI Recommendations & Present Regulatory Scenario.

1. Past TRAI Recommendations Justifications:

Specifically to Audiotex and Audio Conferencing Services, I will like to draw kind attention to the following Recommendations issued by TRAI at various times:

- a. Sr. 2.118 of TRAI's recommendation on [Spectrum Management and Licensing Framework](#) dtd. 11th May 2010 recommends: *Pure value added services i.e., Voicemail/Audiotex/UMS need not however be brought under this (Unified License Fee) regime.*
- b. TRAI's recommendations on '[Guidelines for Unified License / Class Licenses and Migration of Existing Licenses](#)' dtd. 16th April, 2012 Section III, pg 28 mentions, simplistic *Licensing through Authorisation for Audiotex and other such Value Added Services.* It further gives clear recommendations regarding other Technical and Security conditions that should be followed by the Licensee and rights to the Licensor.

It may be noted, that earlier the TEC Specification for Audiotex included Audio Conferencing specification was referred as a part of Audiotex specifications, however in the recent updated specification 61054:2021, Audio Conferencing was removed from Audiotex specification and therefore, Audio Conferencing should be included as a similar value added service.

- c. TRAI [Recommendations on Application Services](#) dtd. 14 May 2012, recommended at Sr. 1.15 that *the definition of value added services given in the various licenses seems to be restricted and does not cover new application services.* Therefore, the Authority at Sr. 1.19 opined that *it will be better to represent value added services as application services and provide a definition of application services such that it is able to accommodate various applications being provided currently as well as which will be provided in future through telecom networks.* And therefore, it recommended a broad definition of Application Services at Sr. 1.20 as, *Application services are enhanced services, in the nature of non core services, which either add value to the basic tele services or can be provided as standalone application services through telecommunication network. The basic services are standard voice calls, voice/non-voice messages, fax transmission and data transmission.*

While considering the licensing framework and DoT notification of a Category of 'Other Service Providers' (OSP) dtd. 5th August 2008, which was a company



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providing Application Services, the Authority at Sr. 2.14 recommends that *“...the applications service providers could also be covered under the Other Service Provider Category and 31 could be registered with DoT. But this registration process may not entitle them of benefits available under licensing through Section 4 of the Indian Telegraph Act, 1885.”*

Further in Sr. 2.18 the Authority opined that *In the provisioning of application services, there is a need to ensure entry of serious players, smother process for allocation & opening of short codes, protection of consumers' interests and compliance of content regulations. This could be achieved if ASPs (Application Service Providers) are brought under licensing.....However, at the same time to facilitate entry of innovative & small entrepreneurs, licensing process needs to be kept simple without any entry barriers. The Authority is conscious of the fact that bringing ASPs under licensing should not put burden on them and restrict the growth of small and medium players. Therefore, licensing regime for ASPs need to be such that they could avail benefits of licensing and at the same time do not get burdened with the financial requirements of a typical license.*

And therefore at Sr. 2.26 the Authority recommended that *Application Service Providers should be covered under Licensing through Authorisation. And, 2.27, once the recommendations for bringing ASPs under licensing regime are accepted, the Authority will consider the issues related to Interconnection between TSPs and ASPs. The Authority may consider related to Revenue share, MIS reconciliation and Open access for application services at an appropriate time.*

2. Present Regulatory Scenario:

- a. **Need for Licensing:** As per DoT Notification [No. 20-577/2016-AS01\(Vol. III\) dtd 31.12.2021](#), Sr. 2 *Service providers providing Audiotex services on commercial basis, to other entity/entities, will be required to obtain license.* This includes Service Providers Providing Audiotex (as per TEC SR: [61054:2021](#)) and Audio Conferencing Services (as per TEC SR: [IT/ACS-01/02/JUN-20](#)).
- b. **Unlevel Playing Field with OSPs:** The category of OSP is also defined as Value Added Service Providers. OSPs also provide IVR Services (Audiotex) to 3rd parties (OSP Customers) as a part of their service. Yet, they are allowed to offer these services, with minimal controls. In fact for this category, as per the latest OSP Guidelines [No. 18-8/2020-CS-I \(Pt.\) dtd. 23 June 2021](#) even registration has been removed with only self licensing requirements.

The OSPs purchase circuits on their own name and provide IVRS and AutoDial services as a part of their business services to their customers. These OSPs however, do not take the Audiotex license, claiming benefit as OSPs. This creates an unlevel playing field between OSPs and Audiotex service providers.



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- c. **Unlevel Playing field with Telemarketers providing Auto Dialer Services:** The Telecom Commercial Communication Customer Preference Regulation (TCCPR), 2018 define Outbound “Auto Dialler Call” (in Sr (e) means *a call which is initiated automatically by an equipment, in accordance to a stored and/ or programmable instruction(s), to a telephone number(s), already stored or a list auto generated by the software, and once the call has been answered, equipment either plays a recorded message; or connects the call to a live person*).

As per the TEC Specification for Audiotex Services, Audiotex (TEC SR: [61054:2021](#)), Sr. **2.5 Outbound Audio Play** is a licensed activity. However, TCCPR 2018 allows Telemarketers to make Outbound Auto Dialer calls on behalf of PE without any licensing requirements.

Both of the above create a regulatorily uneven playing field against the Audiotex and Audio Conferencing Service Licensees. Many companies in the market use these ambiguities in the licensing framework to remain out of the licensing regime.

- d. Comparison with Other Application Service Providers that use basic services to deliver their services on top of basic services including:
- M2M Service Providers (who require basic Authorisation and no licensing). They provide their services on top of SIM cards purchased from telecom service providers.
 - Video and Audio Conferencing Services such as Google, Microsoft etc are provided over the Internet provided by Internet Service Providers however, do not require licensing.

Audiotex and Audio Conferencing Services (as per TEC SR: [IT/ACS-01/02/JUN-20](#) Definition Sr. 2.1, which means connects *two or more Audio Conference Terminals*) are similarly, Application Services, i.e. provided as non-core services using services of basic infrastructure providers and therefore should be used similarly.

- e. The SARAS portal reports that the total LF receipts from both Audiotex Standalone and Unified Licensees for the year 2023-24 stands at approximately ₹10.2 Crores of total ₹35,672Cr, which is less than 0.03% of the total LF receipts by the government. Even after close to 2.5 years of the unified licensing regime there are very few takers.
- f. Of the [30 licensee companies holding the standalone license on 31.12.2021](#), only [10 have migrated to the unified licensing regime as on 31.03.2024](#). It may be noted that out of these 10, there are 2 or 3 new companies who have opted for this license.

The above items at Sr. d and e demonstrate that there is either no requirement for this license in the market, or companies are using the above mentioned



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ambiguities to deliver the services. Given the presence of large brands and successful startups in the sector as licensees, our belief is that it is the latter.

Given the above it is our suggestion that the Audiotex and Audio Conferencing Services should be brought under a light touch regulation like Authorisation through Registration or even equivalent to OSPs given the self-regulatory regime brought for them with no Registration requirement on the same lines as M2M Service Provider registration.

That said, we disagree with including only the essential aspects of the authorisation, such as service area, period of validity, scope of service, list of applicable rules, authorisation fee etc., and the remaining terms and conditions to be included in the form of Rules to be made under the Telecommunications Act, 2023 as this would lead to ambiguity, uncertainty and lack of transparency.

It is our submission that the Authorization document under the new Act, which is equivalent to license agreement under the old Act, should contain all the terms and conditions of such authorization for the reason of transparency and business /regulatory certainty. Provision of telecom service is an infra intensive business and it is desirable to have regulatory certainty in the terms of Authorization for these services.

Referring to any applicable Rules will make the Authorization document vague and uncertain. Applicable Rules which are made for the purpose of grant of such Authorization or which include terms of such authorization should be governed by extant provisions of the new Telecom Act as well as Section 11 of the TRAI Act to safeguard the interests of the proposed Authorized Entities and Rules should be promulgated only after consulting TRAI as per Section 11 of the Act.

Any change in the applicable Rules prescribing terms and conditions of the Authorization should be done after following process under Section 11 of the TRAI Act and same needs to be specifically mentioned in the terms and conditions of Authorizations for services as well as in the Rules.

Irrespective, all the applicable Rules which form part of or impact terms and conditions under which Authorization will work and service will be provided by the Authorized Entities, such applicable Rules should be framed only post due consultation with TRAI under Section 11 of the TRAI Act and any changes in the terms and conditions of such Applicable Rules should also follow the same process.

Q3 In case it is decided to implement the authorisation structure as proposed in the Q2 above, -

- (a) Which essential aspects of authorisation should be included in authorisation documents?**
- (b) What should be the broad category of rules, under which, terms and conditions of various authorisations could be prescribed?**
- (c) Whether it would be appropriate to incorporate the information currently provided**



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through the extant Guidelines for Grant of Unified License and Unified License for VNO, which included, inter alia, the information on the application process for the license, eligibility conditions for obtaining the license, conditions for transfer/ Merger of the license etc., in the General Rules under the Telecommunications Act, 2023?

(d) What could be the broad topics for which the conditions may be required to be prescribed in the form of guidelines under the respective rules? Kindly provide a detailed response with justifications.

Response:

We disagree with shortening of the Authorization document as above and the same should be as comprehensive as the present day applicable license agreement as no visible benefit is seen from the same.

- a. Without prejudice to above, if such a precisement of Authorization document is proposed , such Authorization document should contain scope of service ,service area, period of validity, Renewal of authorization, modification in terms and conditions of Authorization, Applicable Entry / Authorization Fees & Applicable list of Rules.
- b. Broad Category of Rules can be General Conditions of Authorization, Financial Conditions of the Authorization including tariff, Technical Conditions of Authorization, Operating Conditions of Authorization, Security related conditions of Authorization and Rules for Spectrum Allocation & Usage. All these Rules should be framed in consultation with TRAI under provisions of Section 11 of the TRAI Act and no changes to such Rules be made by the Central Government without following the due process of consulting TRAI. This will ensure transparency and a system of check and balances , as envisaged in the statutory scheme.
- c. It would be appropriate that separate Guidelines are issued for Grant of Authorization which include, inter-alia, the information on the application process for the authorization , eligibility conditions for obtaining the authorization, conditions for transfer/ Merger of the authorization etc. as is being done for license regime under the old Act.
- d. Not applicable in view of response to c. above.

Q4. In view of the provisions of the Telecommunications Act, 2023, what safeguards are required to be put in place to ensure the long-term regulatory stability and business continuity of the service providers, while at the same time making the authorisations and associated rules a live document dynamically aligned with the contemporary developments from time to time? Kindly provide a detailed response with justifications.

Previous License Regime was introduced in 2013 for Unified License and UL VNO License in the



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year 2016. Comprehensive changes were done in the year 2021 as part of telecom reforms wherein contentious license fee related issues were simplified in accordance with TRAI recommendations of 2015.

Since a new Authorization regime is being promulgated under the new Telecom Act 2023 in place of existing unified license regime under the old Act, it gives us an opportunity to make changes in the regime wherever required.

However, despite the importance of the issues involved and their long term ramifications, time provided for responding to this very important Consultation is very inadequate and it is our submission that any hurried consultation is an incomplete consultation and may not fulfill the mandate of Section 11 of the TRAI Act. Having said that it is our submission that any changes from the terms and conditions in the existing license regime while devising new Authorization regime should be such that it should be better than existing terms in the old regime and new Regime should provide for an almost automatic path for migration to the new regime depending upon willingness of the licensee.

Frequent changes in the Authorization regime should be avoided in the interest of regulatory certainty and stability once the terms are decided. Any change in the terms of the Authorization including changes in the Applicable Rules for the Authorization should be done in consultation with TRAI as per provisions of Section 11 of TRAI Act and that this would be done, should form part of the Authorization document to be issued by the Central Government to the Authorized Entity .

There should not be any unilateral power with the Government to change the terms of Authorizations and/or applicable Rules in the name of making the authorisations and associated rules a live document dynamically aligned with the contemporary developments from time to time and changes should be made as per statutory scheme and with total transparency and in a non-discriminatory manner.

Q5. In addition to the service-specific authorisations at service area level, whether there is a need for introducing a unified service authorisation at National level for the provision of end-to-end telecommunication 44 services with pan-India service area under the Telecommunications Act, 2023? Kindly justify your response.

Response:

In India, there is hardly a justification left for service area level specification. With number portability and almost zero end-user cost for NLD (these costs being bundled by Access Service Providers in their rentals), the concept of one-service, one-nation should be brought in. Of course, the government can consider having regional or circle level categories to promote regional players. But this categorisation should be from the perspective of enhancing innovation rather than for any technical or administrative barriers. SDCA based licensing was valid when BSNL was the large state-owned provider. Now all licenses are provided at state or circle level



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and then at national level. This should be promoted.

We have no opinion on Q6 through Q14.

Q15. Whether there is a need for clubbing the scopes of some of the other authorisations into a single authorisation under the Telecommunications Act, 2023 for bringing more efficiency in the operations? If yes, in your opinion, the scopes of which authorisations should be clubbed together? For each of such proposed (resultant) authorisations, -

(a) What should be the scope of the service?

(b) What should be the service area?

(c) What terms and conditions (technical, operational, security, etc.) should be made applicable? Kindly provide a detailed response with justification.

The demarcation between OSPs and Audiotex / Audio Conferencing Service providers should be removed. Please refer to Para [para 2.b.](#) of our **response to Q2** above. The scope of services and conditions for both are the same: i.e. they provide Application Services. These should be provided for the national service area.

TRAI's recommendations on '[Guidelines for Unified License / Class Licenses and Migration of Existing Licenses](#)' dtd. 16th April, 2012 Section III, pg 28 Sr. 1 through 14 mention the terms and conditions under which such authorisation should be granted for Licensing through Authorisation for Application Services such as Audiotex and Audio Conferencing services.

Further, [Recommendations on Guidelines for Unified Licence/Class Licence and Migration of Existing Licenses \(w.r.t. the reference received from DoT on the recommendations of 16th April 2012\)](#) dtd. 12th May 2012, also detail further conditions at pgs 86 and 87. Each are not quoted for brevity as they may be referenced directly from the online links available.

Q16. Whether there is a need for removing some of the existing authorizations, which may have become redundant? If yes, kindly provide the details with justification.

We reiterate our response to Q2 above.

Additionally, in case the Authority feels that it is not wise to club OSP and Audiotex / Audio Conferencing Services, then Authorisations for Audiotex and Audio Conferencing may also be considered to be removed as:

1. There is a significant overlap between services offered by OSPs, TM - Telemarketer for Principal Entities - PE (under TCCCPR, 2018) as per response to Q2 [para 2.b.](#) and [para 2.c.](#) respectively.
2. The LF receipt by the government as mentioned in response to Q2 [para 2.e.](#) of the Background note is marginal and it actually prevents many more innovative service providers from entering the market.



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Q18. In view of the provisions of the Telecommunications Act, 2023 and technological/market developments, -

(a) What changes (additions, deletions, and modifications) are required to be incorporated in the respective scopes of service for each service authorisation with respect to the corresponding authorizations under the extant Unified License?

(b) What changes (additions, deletions, and modifications) are required to be incorporated in the terms and conditions (General, Technical, Operational, Security, etc.) associated with each service authorisation with respect to the corresponding authorizations under the extant Unified License?

Kindly provide a detailed response with justifications.

Response:

Amendment in the ApGR definition in various service Authorizations

Present ApGR definition with the suggested only addition being in point (i) below is reproduced below:

“Applicable Gross Revenue (ApGR):

ApGR shall be equal to Gross Revenue (GR) of the licensee as reduced by the items listed below:

(i) Revenue from operations other than licensed telecom activities/ operations.

(ii) Revenue from activities under a license/ permission issued by Ministry of Information and Broadcasting.

(iii) Receipts from the USO Fund.

(iv) List of other income* to be excluded from GR to arrive at ApGR

a. Income from Dividend

b. Income from Interest

c. Capital Gains on account of profit of Sale of fixed assets and securities

d. Gains from Foreign Exchange rates fluctuations

e. Income from property rent

f. Insurance claims

g. Bad Debts recovered

h. Excess Provisions written back

*Subject to conditions given in Annexure VIII.”

The addition above is in line with the clarification given by DoT and needs to be included to bring adequate clarity and to avoid multifarious interpretations. It may be noted that no licensee fee should be charged on activities other than licensed telecom activities / operations.



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We have no comments on Q19 through Q61.

Thank you for your consideration and we look forward to providing any clarifications that may be needed.

For Audiotex & AudioConferencing Service Providers Association of India

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