

**Response to TRAI Consultation Paper on Mobile VAS
(Consultation Paper No 5/2011)**

Response of Zee Network



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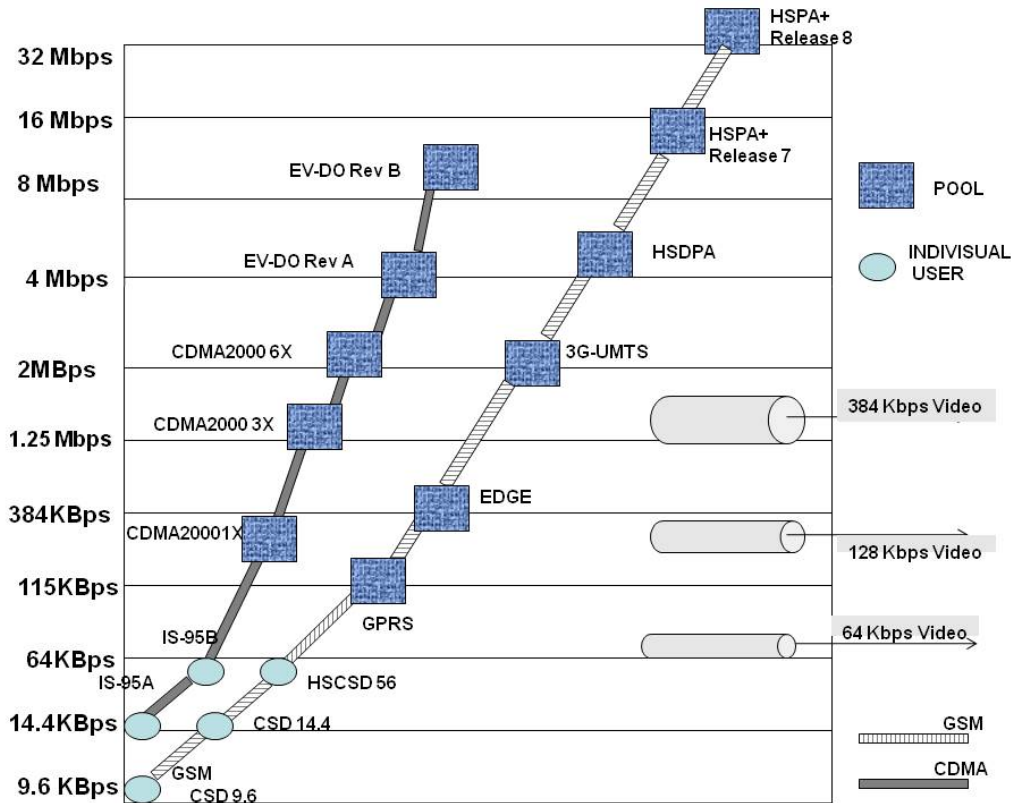
Response of Zee Network to TRAI Consultation Paper on Mobile VAS (Consultation Paper No 5/2011)

Introductory Comments

The Zee Network welcomes consultation on the issue of Mobile Value Added Services. At the outset we would like to express our extreme consternation on the manner in which mobile services have been defined, and consequently the services to which the recommendations will become applicable. We find that (for example para 13) all services ranging from 3G, BWA, National Broadband Plan and Next Generation Services (NGN) have been clubbed in the same manner so far as the consideration of value added services is concerned. Many of these services such as the broadband plan are the extensions of the wire-line broadband networks and not related to mobile technologies. Similarly the NGN comprises of networks which will replace the current wireline networks such as the PSTN. The licensees of NGN will subsume those of fixed services and may include those from the CMTS networks.

Hence caution is needed as to how we address the issues relating to definition and licensing of mobile VAS. In the present framework, we suggest that these include only the CMTS networks i.e. 3G and 2G services including those of :

- (i) GSM networks and GSM evolved services such as 3G-GSM,HSDPA,HSPA
- (ii) CDMA networks and CDMA evolved services such as EVDO(1x and 3x)
- (iii) Mobile WiMAX services defined under IEEE 802.16e-2005



We further suggest that the Fixed BWA services (including WiMAX IEEE802.16-2004), and Wi-Fi be considered extensions of fixed wireline networks and the resultant recommendations be applicable to a limited set of devices which use the above technologies.

Our comments above are based on the fact that the treatment of services provided over mobile layers need to follow the relevant 3GPP and 3GP standards and those of the WiMAX forum. India cannot and should not stand alone in defining its own architectures of services, which will make it incompatible with frontline technology developments globally. Similarly Open Access to VAS (as provided in Section E of the consultation paper) is possible only if the VAS are defined in accordance with the 3GPP standards and also interface to networks such as Mobile WiMAX is defined as per IP Multimedia System (IMS).

In summarizing our introductory comments we would like to say that the Mobile services need to be defined precisely based on their technologies before we can go on to define mobile VAS. At the same time the TRAI should start working on the NGN services and how the migration of existing licensees will take place to the NGN.

Issues for Consultation

3.1 Whether the current provisions under various licences (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 licencing framework?

At present the mobile services are defined only under the CMTS framework. The UASL-Basic and ISP can provide "switched telephone service" and Internet services respectively. However there is no framework available for them to provide services in a mobile framework. If Fixed line networks are to be able to access mobile devices, the interfaces, which are globally accepted by the standardization bodies such as the 3GPP should be adopted by the TEC and be made applicable to the licensees both mobile and fixed line. In case fixed networks are to interface to mobile devices there are only two types of architectures:

- (i) IP Multimedia System
- (ii) NGN

For example if a fixed line operator such as BSNL wants to be able to reach mobile device applications (in order to provide VAS) in say Vodafone network , a commonly standardized architecture should be used.

Figure 1 below is an example of a mobile device operating in a mixed configuration network comprising of fixed line and mobile networks and Figure-2 provides an example of a standards based architecture in which networks can provide services on different networks.

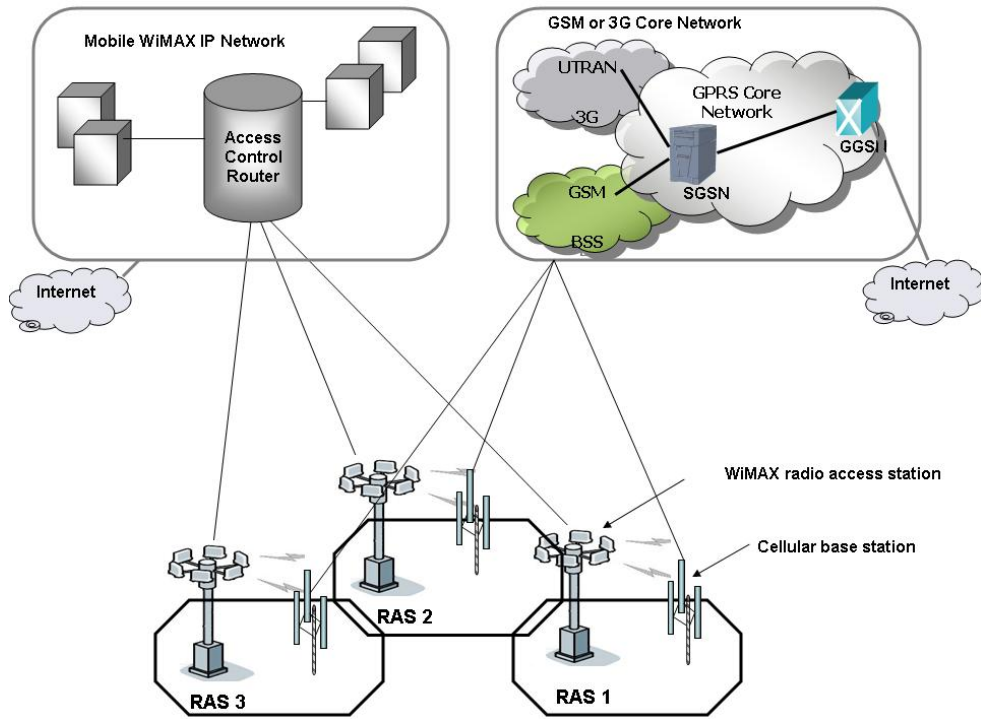


Figure-1 : A typical Mixed Operating Environment

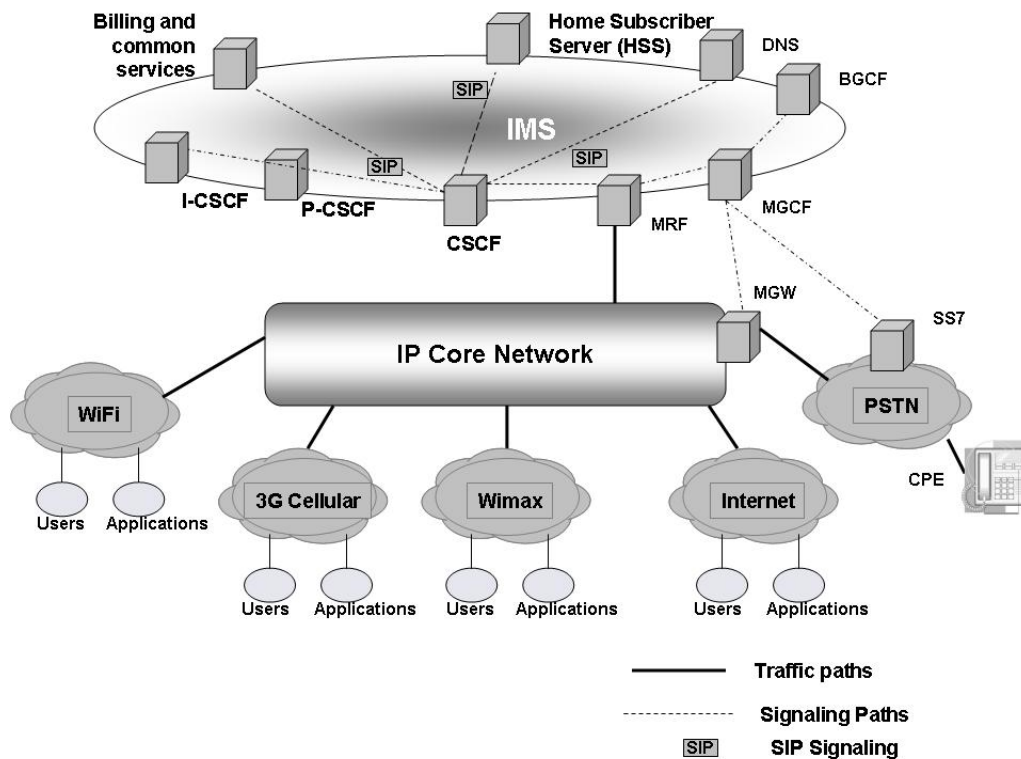


Figure-2 An Example of a regulatory structure which enables addressing mobile devices from different networks (for example 3GPP-IMS).

We recommend that the TEC should lay down recommendations, based on global standards for these services through which the different networks can be connected. We also would like to clarify that we are not recommending a specific application or technology. However a common regulatory structure is required to be defined and be made a part of licensing process.

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

Value added Service providers can be multifarious and provide various services such as Video-streaming, services such as Facebook, Twitter, Linked, Gtalk or one of thousands of others. By the very nature of such services which are dispersed internationally they cannot be brought under the licensing regime. However each country has its own cyber laws which allow such operators to provide services, subject to the compliance of these laws.

3.3 If yes, do you agree that it should be in the category of the Unified Licence as recommended by this Authority in May 2010? In case of disagreement, please indicate the type of licence alongwith the rationale thereof.

The implications of this question are not clear. If it is intended to seek answer to the question whether the VAS providers should be under the UASL regime, the answer would be in the negative. By their very nature the VAS providers can add value to a variety of services such as banking or commerce amongst others. There is no rationale that such services should be brought under the UASL licensing regime.

3.4 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?

VAS providers largely operate using access services provided by the mobile (CMTS or Mobile WiMAX) networks. A mobile VoD provider may for example use 16 different mobile networks. They need to have their own commercial arrangements such as user name password (subscription based service) or a mobile wallet which can be refilled by commercial payment mechanisms.

It is best to allow such mechanisms operate independently and not make the telecom service provider responsible for it. There can of course be commercial arrangements where VSA providers may like to use the payment mechanisms of the mobile operator. But again, it is best left to the service providers themselves. We recommend total forbearance in this regard as the market dynamics would take care of the commercial arrangements.

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?

We do not believe that the TRAI would have the resources to be able to actively implement the mechanisms of revenue share or that it would even be in the interest of the MVAS sector. The services themselves are very dynamic and there are many considerations for providers to provide these services such as market share, capital appreciation rather than just revenues (for example Skype or You Tube). Moreover based on market forces the realization (if any for such services) may change rapidly and cannot be the subject of a regulated revenue share structure. As already pointed out hereinabove, forbearance rather than regulation be the norm.

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?

As suggested in 3.5 we do not recommend that the TRAI be involved in the revenue share or in the mechanisms of reconciliation. This is extremely dependent on the specific systems used for customer services and the providers need to agree on a suitable mechanism for the same. The MIS should always be **systems generated** to avoid disputes and facilitate reconciliation. Finally the services of an independent audit agency can be used.

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.

Short codes need to remain the property of Mobile operators rather than VAS providers as in any numbering scheme. There cannot be a mechanism to allot them centrally.

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

Short codes are limited in number- accordingly the mobile operators would be entitled to charge for the same.

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 justifications?

Yes, it is essential that the subscribers should be able to access the MVAS provider of their choice.

In this regard we would like to cite the case of AT&T and Verizon USA which had restricted access to mobile TV and other services which were provided by them as captive (walled garden services). However FCC mandated that customers should be able to access services available via any other cellular or fixed line network. (FCC press release dated 7-Apr-2011)



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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See MCI v. FCC, 515 F.2d 385 (D.C. Circ 1974).

FOR IMMEDIATE RELEASE:
April 7, 2011

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FCC TAKES ACTION TO EXPAND CONSUMERS' ACCESS TO MOBILE BROADBAND, SPUR COMPETITION IN THE WIRELESS MARKETPLACE

Washington, DC – The FCC acted today to promote increased consumer access to nationwide mobile broadband service by adopting an *Order* that requires facilities-based providers of commercial mobile data services to offer data roaming arrangements to other such providers on commercially reasonable terms and conditions, subject to certain limitations.

Consumers expect mobile data services that will allow them to remain connected wherever they go; a data roaming rule will help ensure that consumers' services are not interrupted and that coverage is available on a competitive basis.

The widespread availability of data roaming arrangements will allow consumers with mobile data plans to remain connected when they travel outside their own provider's network coverage areas by using another provider's network. This promotes connectivity and nationwide access to mobile data services such as e-mail and wireless broadband Internet access.

The rule the FCC adopted today promotes investment in and deployment of mobile broadband networks, consistent with the recommendations of the National Broadband Plan. This new investment in broadband will increase competition and benefit consumers; without data roaming guarantees, consumers will be limited in their choices, especially in rural areas.

To resolve any data roaming disputes, parties may file a petition for declaratory ruling under Section 1.2 of the Commission's rules or file a formal or informal complaint depending on the circumstances specific to each dispute. Disputes would be resolved on a case-by-case basis taking into consideration the unique facts and circumstances in each instance. Commission staff may require both parties to provide their best and final offers.

The Commission implemented a data roaming obligation pursuant to its authority under Title III of the Communications Act, which provides the Commission with authority to manage spectrum and establish and modify license and spectrum usage conditions in the public interest.

Action by the Commission April 7, 2011, by Second Report and Order (FCC 11-52). Chairman Genachowski, Commissioners Copps and Clyburn with Commissioners McDowell and Baker dissenting. Separate Statements issued by Chairman Genachowski, Commissioners Copps, McDowell, Clyburn and Baker. FCC No. 11-52.

Also FCC rules explicitly prohibit last-mile ISPs from discriminating against any application or service based on the content of the bits. However this issue is still under the attention of the FCC whereby AT&T and other operators provide unlimited data plans for OTT TV provided by themselves as against charge per byte provided by other operators.

The following describes the nature of the problem:

"With online-content delivery providers like Netflix and voice services like Skype experiencing explosive growth, competitors see consumption-based billing as a convenient way to slow that growth by making the use of online services more expensive.

This anticompetitive aspect is particularly apparent when one stops to consider that AT&T's U-verse is a television service delivered as Internet data traversing a network. Similarly, Comcast is testing its own Internet-based television platform in Massachusetts. So it's no surprise that bandwidth caps would not apply to the data—e.g., TV shows—that AT&T and Comcast are delivering via broadband, but only to a third party's data—e.g., TV shows from Netflix"

In India the TRAI would do well to avoid such anticompetitive practices.

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?

All these services require government participation as an important initiative. We have already seen some benefits of the on-line filing of returns in many areas as well as mobile booking of various types of tickets etc.

However it is the government sector which must take a major initiative. The m-commerce initiative of Korea is a good example to emulate. Similarly Taiwan had launched an initiative called the M-Taiwan initiative. However, the tariff aspect should be left to market forces and be under forbearance.

Annexure-1 Provides the details of the M-Taiwan initiative.

Annexure-1 Details of the M-Taiwan Initiative as an example of Proactive Governance

The M-Taiwan project is a major initiative in Taiwan by the government in association with the industry, operators and product vendors to take the major cities in Taiwan to a new level of mobile wireless connectivity. As this is one of the major countrywide and directed efforts for broadband wireless connectivity, we will take a look at the features of the initiative.

The objectives of the M-Taiwan project broadly are:

- (i) To provide Mobile WiMAX infrastructure in selected cities and special zones (The M-City initiative).
- (ii) To create a complete ecosystem for mobile WiMAX i.e. applications, networks, CPEs, and chipsets to encourage quick adoption
- (iii) To encourage services sector (including the government and the public sector units) to provide their services online via broadband wireless networks(called the M-Service initiative).
- (iv) To encourage development of applications such as IPTV over WiMAX, Video calling and interactive applications
- (v) To contribute in the standards development process for mobile WIMAX and broadband technologies.
- (vi) To provide special services such as education, surveillance etc on the broadband wireless networks (the M-learning initiative).

The M-Taiwan project has government budgetary support as well as tax incentives and grants for those involved in providing infrastructure or services on the network.

It is claimed that Taiwan supplies over 80% of the WiFi CPE products globally. The M-Taiwan program, a complete ecosystems from chipsets, networks, certification labs, test beds to customer end equipment and applications also has the objective to position the country in the same prominent position in the WiMAX technologies.

It is no surprise therefore that some of the major developments in CPEs and chipsets are now coming from Taiwan based companies such as Gemtek, Zyxel, Tatung, D-Link, Tecom, dmedia, Zcom and Accton. Some of these products have been covered earlier in the book in the chapters on CPEs and chipsets.

The developments in the M-Taiwan program are therefore important not only for Taiwan itself, but also the entire global community.

Applications in M-Taiwan Program

The distinguishing feature of the M-Taiwan program must be stated to be its focus on delivering relevant and ready to use applications rather than technologies or networks. It is this effort which has brought together a number of industry participants to take part in specific initiatives.

An M-Taiwan application lab has also been set up at Hcinshu and is managed by the Industrial Technology Research Institute (ITRI).The application lab will serve as the proof of concept lab for the applications. The initial technology for the application lab is being supplied by Alvarion.

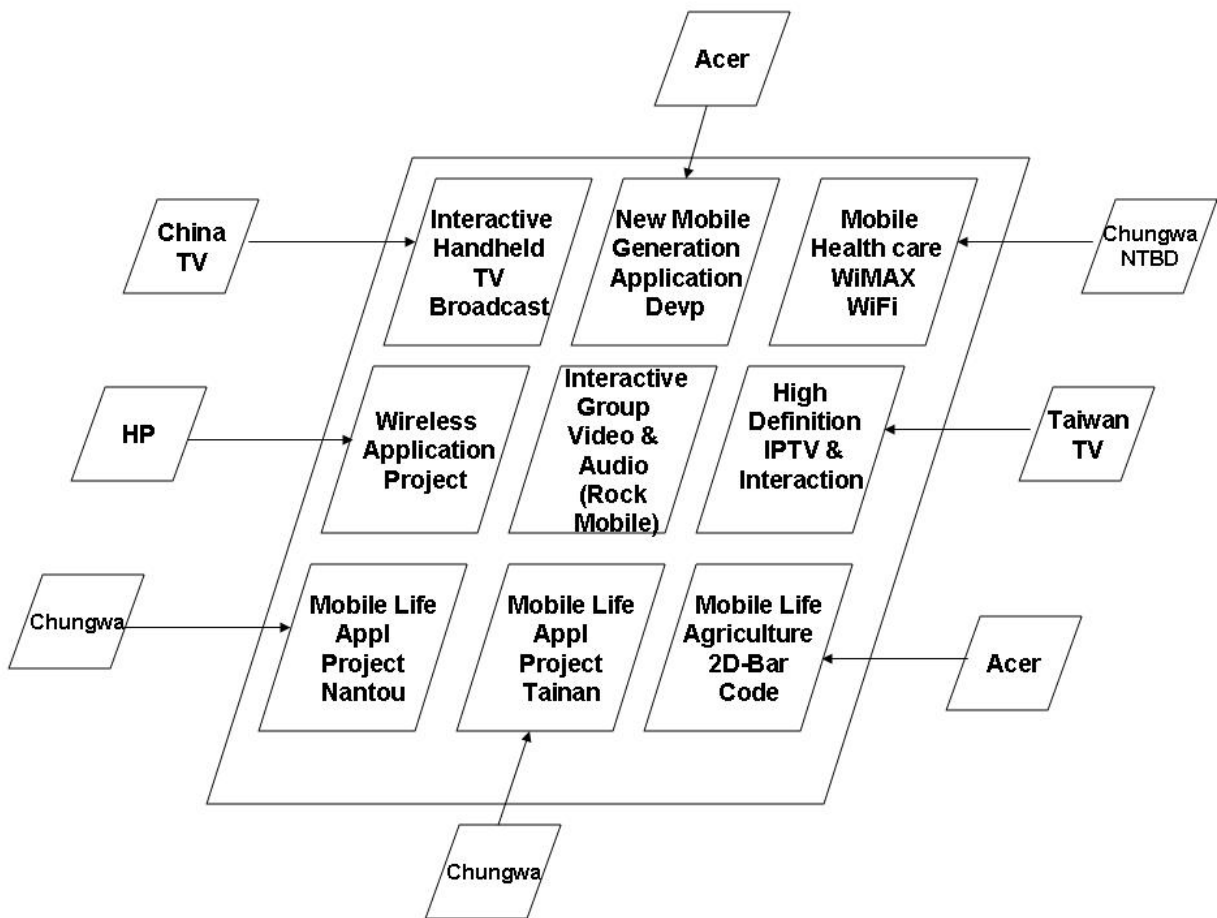


Figure: Applications in M-Taiwan project

Infrastructure for M-Taiwan Project

The infrastructure for the M-Taiwan project is based on a multilevel build out and integration of wireline (DSL, FTTH, Cable), Wireless (WiFi and WiMAX) and Cellular mobile (GSM, GPRS, 3G and PHS) systems.

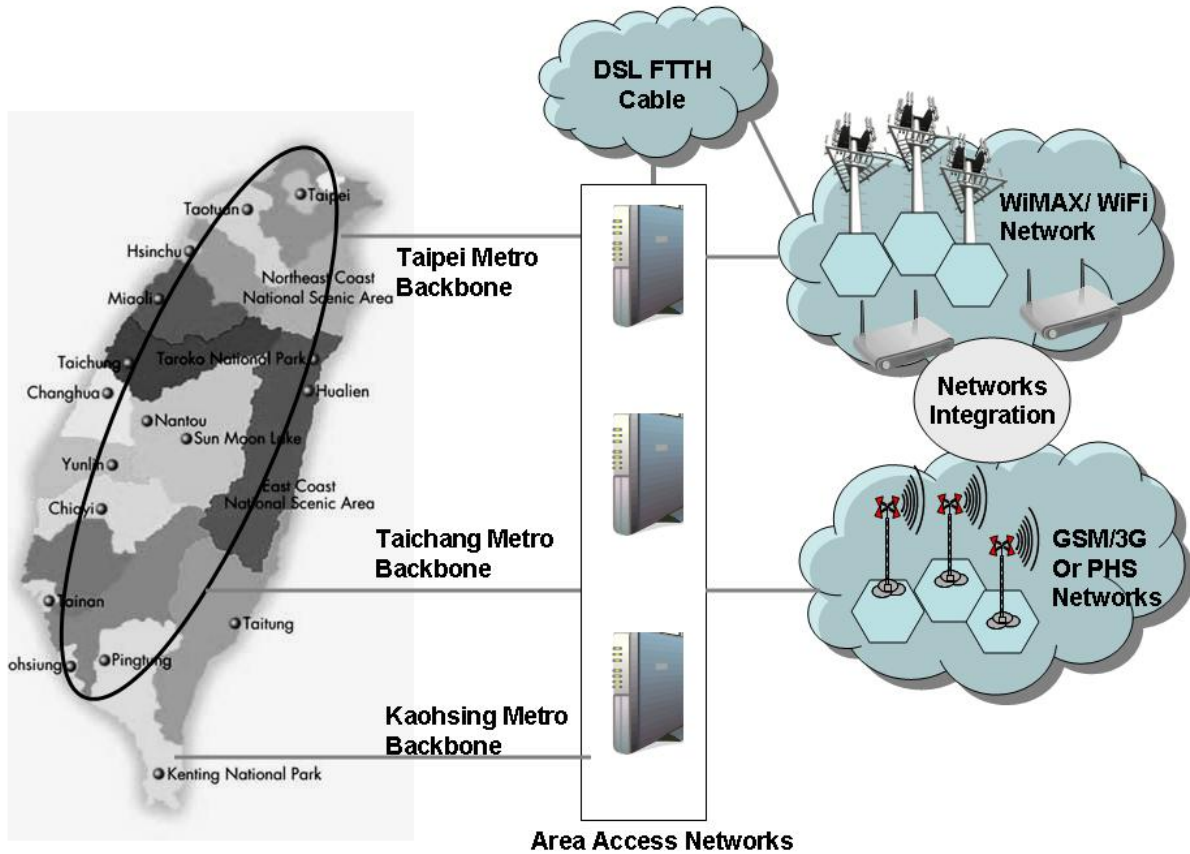


Figure: WiMAX Infrastructure initiative spans Wireline, Cellular mobile, PHS and Wireless (WiFi and WiMAX) buildouts

The infrastructure initiative has been based on supporting applications which can be used in any environment i.e. at home, in office or while on the move. The infrastructure build out is aimed at supporting a complete integration of all the technologies of wireline, wireless and mobile to provide a countrywide uniform access.

In order to have the build out of networks and applications over 60 individual sub-projects were assigned to individual companies or operators. Some of the infrastructure initiatives are shown in Figure below.

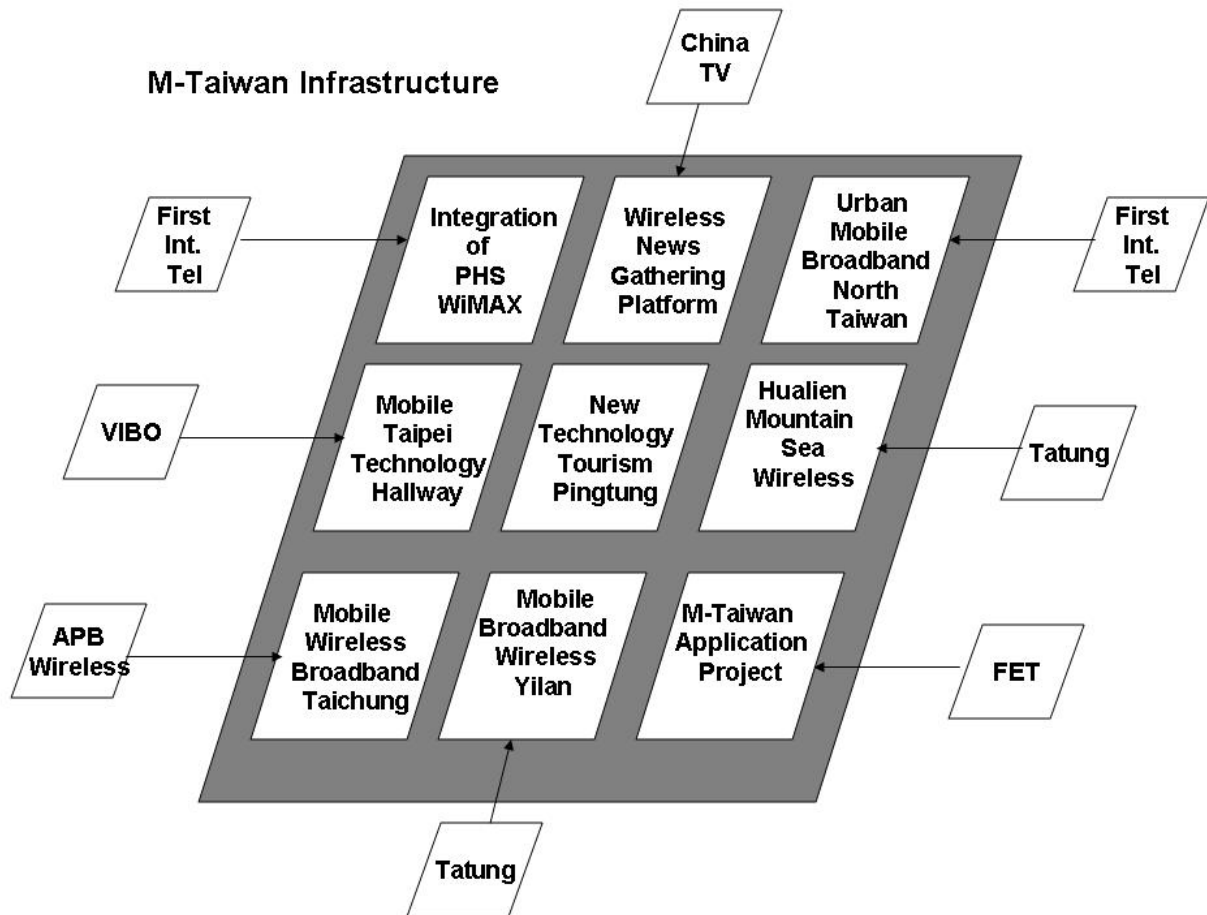


Figure : Infrastructure initiatives in M-Taiwan Project

While Infrastructure for the M-Taiwan project is based on multiple technologies, WiMAX technologies play a special role in these initiatives.