8 December 2006

The Secretary
Telecom Regulatory Authority of India
TRAI House, A2/14 Safdarjung Enclave
New Delhi - 110 029.

Facsimile: (11) 2671 3442

> Sub: Response to Consultation Paper on UCC

Dear Sir,

We are privileged to enclose information requested by you with our recommendations in response to your Consultation Paper No. 15/2006 on Unsolicited Commercial Communication.

IdentLogic Systems offers end to end Information Technology based solutions in transaction processing, relationship marketing, customer loyalty and identity management.

We have done a number of projects relating to identity information handling and unsolicited communication handling for our clients. We have the capabilities to handle the entire scope of activities that would be needed to implement & manage a UCC solution.

We look forward to receiving your views on our Response.

Thanking you

Yours truly
for IdentLogic Systems Private Limited

S. Banerji
Managing Director

Attached: as above - 14 pages including this page

TELECOM REGULATORY AUTHORITY OF INDIA

RESPONSE TO

CONSULTATION PAPER NO. 15/2006

ON

UNSOLICITED COMMERCIAL COMMUNICATION

8 DEC. 2006

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Introduction

The Telecom regulatory Authority of India (TRAI) proposes to prevent Unsolicited Commercial Communication (UCC). IdentLogic Systems Private Limited (iLSPL) is responding to the Consultation Paper No. 15/2006 issued by the TRAI as iLSPL is uniquely qualified to participate in this venture.

iLSPL is dedicated to the design, creation & implementation of relationship marketing systems; ongoing control of unsolicited communications, handling, management & de-duplication of identity data; and; address doctoring (enhancing addressability & evaluating deliverability of postal mail).

The company is promoted by individuals who have been working in the relationship marketing space and have considerable experience in these areas in system design, development and operations at DIREM Marketing Services and other marketing organisations.

Directors

Sanjay Banerji, Managing Director, IIT Kanpur, IIM Calcutta;
- Previously with ONGC, Procter & Gamble, Origin Technology
- Also, Director of DIREM Marketing Services (Mumbai) Pvt Ltd

Leena Basrur, Director, M.Sc. (Statistics);
- Previously with Everest Advertising, Ogilvy & Mather
- Also, Managing Director of DIREM Marketing Services (Mumbai) Pvt Ltd
- Executive Vice Chairperson, Interdirect Network (an International Consortium of independent Direct Marketing agencies)
- Founder Member ICDM (Indian Confederation of Direct Marketing) - Member Postal & Best Practices Committees which are addressing issues of "Do Not Call" & Spam

Full Service Capabilities

iLSPL is part of the main group company of DIREM Marketing Services (Mumbai) Pvt Ltd. Together, with other sister companies, they offer a wide range of services under one roof including:

Service	Details	Examples
Customer De-duplication	Remove duplicates from customer list from legacy data	Tata Share Registry, HDFC, Ranbaxy

Service	Details	Examples
Program development and operations management	Carry out concept development, program development, program launch and ongoing management	Program Managers for PetroBonus, ICICI Bank High Rise Tata AIG Giant Steps, HLL Vijeta, HDFC League of Masters
Data centre services	Data entry, cleanup, merge / purge, de-duplication, validation, data extraction & summarization, mail merge and personalization	Data centre services across clients. Handle over 2 lakh daily transaction for BPCL, 3 lakh daily transactions for Yahoo! Mobile
Data analytics	Transaction data analytics incl. Scoring and propensity models, RFM (Recency, Frequency, Monetary Model), LTV (Life Time Value), customer satisfaction index, design of experiments for testing, hypothesis testing for campaigns, dashboards, market research	Analytics services across clients. Developed RFM based scoring models for Yahoo! Mobile, BPCL PetroBonus.
Creative services	Art and Copy, full fledged studio for all collateral. 3 senior creative teams, 2 in Mumbai and 1 in Kolkata. Teams supported by junior staff, studio, and production team.	Across all clients. Services include development of relationship brands
Fulfilment	Mailing and fulfilment services. DIREM is registered as a bulk mailing house. Assembly, stuffing, franking, packaging and mailing.	Across all clients
Web and Interactive media	Email, Web, SMS including Micro sites for campaigns, Email and web based points statements. **FINE LEVEL CONTROL OF PERMISSION BASED EMAIL.** Developed web applications for sales contact tracking.	Websites for PetroBonus (www.petrobonus.com, www.mysmartfleet.com) Redemption websites for ICICI Bank Home Loans (www.myhighrise.com, www.myrisingstar.com)
Teleservices, Response management	Inbound and outbound telecalling services. Helpdesk service. Email response handling on Talisma (an eCRM package).	8 seats in Mumbai, 15 seats in Kolkata. Providing help desk services for HLL Vijeta, Tata AIG Giant Steps, ICICI Bank High Rise. Email response handling on Talisma for BPCL – 6 seats.

Partial Client Base

Client & Brand	Audience / Target segment	Role of iLSPL	Member base and years managed
BPCL PetroBonus™	Vehicle owners (individual drivers)	Writing system specifications, design, develop, maintain, system integrate & operate solution; email & voice customer contact centre	20 lakh members; 6 years
Hindustan Lever's Vijeta	FMCG Trade: Wholesalers	as above	16,000; 3 years
Tata AIG General Giant Steps	Producers, Developers	as above	1,000 1.5 years
Ranbaxy	Doctors	De-duplicate data extremely varied in both format & quality	2 lakhs Recent
Leading IT house	Insurance customers	Provision software	30 crores Immediate

Representations

Identity Systems

iLSPL is the Identity Systems (IDS) dealer for India, Bahrain, Bangladesh, Nepal, Sri Lanka and the United Arab Emirates. IDS is the world leader in identity searching & matching (de-duplication) solutions. The largest published installation base is about 15 billion records (nearly twice earth's population). Please visit their web site http://www.IdentitySystems.com.

iLSPL and IDS are continually working together to improve the quality of identity search tailored to the Indian population.

AddressDoctor

iLSPL has tied up with AddressDoctor a global address validation & verification solution. It can improve & assess the quality of deliverability for addresses across the globe for 240 countries. Both parties are continuously working to further improve the quality of the India specific solution. Please visit their web site at http://www.AddressDoctor.com.

iLSPL's Approach to the TRAI Request for Information

iLSPL has the capabilities to handle the entire scope of activities that TRAI may need to be executed.

iLSPL's qualification for managing a National UCC solution

iLSPL currently manages a sophisticated system for 2 crore customers for "contact" or "do not contact" on behalf of DIREM for a major client. Here there are explicit permissions for "contact for program communications", "contact for other communications" & "contact for partner promotions", each with an option of mail or email. The history of each permission change is time stamped and archived for reference in case of any investigation of unauthorised contact. This operates over another communication layer of "stop mail", "bounces" / "undeliverable mail", hot list, etc.

iLSPL Answers to TRAI Consultation Questions in Chapter 4:

Q.1. Do you agree with the definition of UCC as mentioned in ¶1.19? If not, please give your definition and explain it.

We agree with the definition.

Q.2. How have the measures thus far (by the RBI or other agencies, banks, and service providers) been effective in reducing the number of unsolicited messages and calls?

Based on non rigorous & not extensive studies, there seems to be a general perception that there has been a reduction of UCC in the last few weeks.

Q.3. Which of the suggested proposals will be appropriate for India? Please suggest alternate proposals, if any.

A combination of various initiatives will be needed. Social problems are not solved merely by technology & needs a legal / rule & administrative, investigative & appeal infrastructure.

Please see the section below on our Proposed Solution.

Q.4. Should TRAI consider a centralized DNC register or go for a distributed approach in which each service provider has their own DNC register where subscribers can list? Should the development of a centralized DNC register be left to market forces?

Due to the all India nature of UCC the DNC should be centralised. However, there should be an "emergency recovery / business continuity" provision of

having an alternate site which should be transparent to customers, telemarketers & service providers.

Customer centric decentralisation should be facilitated by toll free numbers for IVR, free SMS for opt in / opt out & language specific IVR on toll free numbers.

Since this whole initiative is prompted by telemarketing activity neither the customer nor the Government should be overly burdened with the cost and effort.

Please see the section below on our Proposed Solution.

Q.5.   In case the telemarketer-oriented approach is followed, what action should be taken against a telemarketer either by service provider or the Government that makes an unsolicited commercial communication to subscriber listed on any DNC register?

They should be penalised after due process of investigation & a review of possible appeal is completed.

Please see the section below on our Proposed Solution.

Q.6.   If any of the service-provider oriented approaches are followed, what should be the action taken against service providers (originator/terminator) that allow unsolicited commercial communications to reach subscribers on any DNC register?

They should be penalised after due process of investigation & a review of possible appeal is completed.

Please see the section below on our Proposed Solution.

Q.7.   With reference to the problem posed in ¶3.12, what additional measures are needed to be implemented?

Enforcement & control of ad hoc and/or transient and/or low level activity will always consume disproportionately more resources. This will require more effort & investment by service providers to track calls made after a UCC complaint is made & to investigate & ensure penalty realisation.

Q.8.   Should a subscriber who receives UCC calls in spite of being listed on a DNC register be compensated? If yes, how should this be done for the solution you recommend? What should be the level of compensation?

In order to prevent initial overload, compensation should be introduced only after the rest of the entire solution is implemented and is running stably for some time.

Due process of receiving complaint, investigation, penalty, appeal & compensation should be available.

The compensation level should be a high percentage of the fine recovered from offenders less cost of investigating & "managing/administrating" the enquiry, say 75% of the fine amount.

Please see the section below on our Proposed Solution.

Proposed Solution

<u>Recommendations</u>

Many recommendations are distributed within our response. Some significant ones are repeated below:

- The Registry should enable registration of both "call" & "do not call" permissions
- The CTI / IVR (Computer Telephony Integration / Interactive Voice Response) handling the phone registration should handle all standard Indian languages (to the extent possible). Some phone numbers should be dedicated to a particular language. An early choice in the initial language selection menu could be in the local language of the location of the originating call.
- Each phone or mobile should be restricted to register only for its own usage, i.e. a phone or mobile can register or inquire only for itself and not for another number
- SMS should also be used as an additional medium to register & inquire mobile phones
- Each medium should support automated status enquiry. Additionally Web & email may be used later to inquire about any phone or mobile (robot data extraction discouragement techniques will be needed to prevent mass download of numbers).
- Although customers have rights to privacy the registry may not be free of cost. If people call a charged number (1-900) or SMS to register or inquire they should be charged, possibly at discounted rates and a revenue sharing model should be established with the telecom companies. These rates, however, should be flat all over the country. This will discourage frivolous use. Alternately, use of a toll free number (1-600) will entail higher costs from the Telemarketing Agencies & possible higher subsidy from TRAI. Note: Email may enjoy free usage for enquiry due to its very nature of functioning.
- It is desired that the registry have legislative backing to ensure higher compliance. This would also lead to higher social acceptance and perceived utility of the registry, as well as discourage misuse & abuse. The Criminal Procedure Code should also be amended, if possible.
- Service providers should be persuaded to participate as a third party verifying agency in case of disputes / complaints arising out of situations where a customer receives calls despite registration. Service providers will need to send details of calls made by telemarketers to the registry. This may need legislative action before they agree to disclose call details.

Details of calls made by agencies to the customer will provide further proof and in turn would require more preparation & operational resources.

- In future, customers should not have the option of making a certain number of exceptions in case they wish to receive calls from select registered organisations, particularly entities with which they have an existing relationship
- The project should be run on a pilot basis in a selected city, and then rolled out across the country
- In the future, service providers may be persuaded to do bulk registration of group or company numbers after obtaining authority in a prescribed manner from the administrative contact of the group who will be able to opt in / opt out for all numbers within their jurisdiction
- Customers should have an option of not including their details in telephone directory / CD / Web enquiry provided by some service operators. This will help in partially preventing misuse in the first place.

Further details

1. It is recommended that telemarketers upload their telemarketing prospects list (containing say x numbers) to the registry, which performs the comparison of the supplied list with the numbers registered on its database and provides the telemarketer (through download) with:
   a) a list of numbers from their supplied list that they cannot call (y)
   b) a list of numbers to which telemarketing can take place (x-y)

   It is not advised to give telemarketers download rights to the entire list as it makes the system vulnerable to possible abuse, i.e. an employee of the telemarketing agency, especially from smaller agencies with looser controls, may find the entire list of "do not call" people irresistible for unauthorised use.

2. The proposed system will operate as follows:

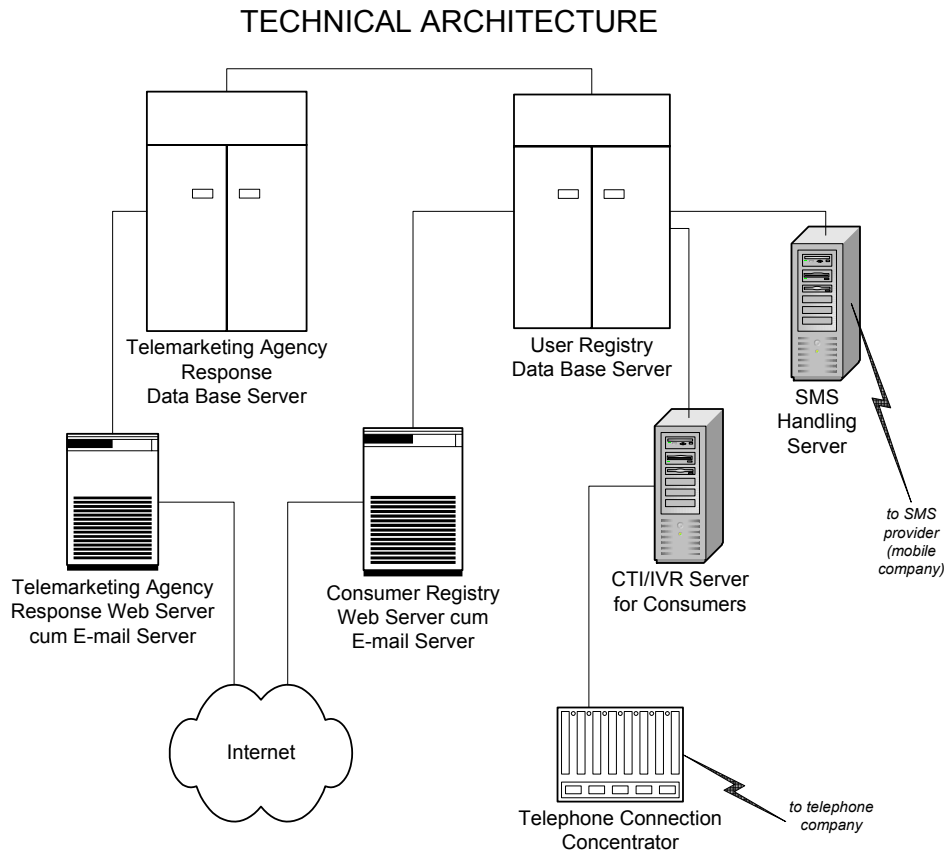   The customer can apply for delisting a particular communication medium using only that medium.
   a) Call from a landline or mobile to register that number for "call" / "do not call" / "inquire status" through CTI / IVR
   b) SMS from a mobile to register that number for "call" / "do not call" / "inquire status"
   c) One can register for one's own personal contacts only
   d) One can send a request for enlisting, delisting, re-listing (in case one changes mind after delisting) and status update

   Once the customer sends (call / SMS / email) a request for registration it is mapped on the registry database on systems server through a CTI / IVR (computer telephony interface) and a history check is made across all records. The request is accepted and a confirmation is sent to the customer by:

a) Immediate voice response in case the customer has called
b) SMS back in case it is an SMS request

The registration is recorded and updated on the database distributed across servers (at different physical locations) equipped with RAID enabled drives for data security.

3. The Technical Architecture of the proposed systems is as follows:

TECHNICAL ARCHITECTURE

Telemarketing Agency
Response
Data Base Server

User Registry
Data Base Server

SMS
Handling
Server

to SMS provider (mobile company)

Telemarketing Agency
Response Web Server
cum E-mail Server

Consumer Registry
Web Server cum
E-mail Server

CTI/IVR Server
for Consumers

Internet

Telephone Connection
Concentrator

to telephone company

Notes:
- Both the database servers may initially be on the same machine; similarly for both Web cum E-mail Servers - at pilot stage all 4 may be on the same machine
- Replication method between data base servers to be determined after transaction sizing
- Hot, warm or cold off site backup decision will decide replication method (not shown in this preliminary RFI diagram for simplicity)
- Connection lines mainly used to indicate logical connectivity - switch(es) will be used in actual set up
- Backup, Security handling & other utilities not shown here
- SMS handling may be planned for later

4. Graded Security: Each agency would be allotted a grade which would depend on expected volume, frequency & medium (voice, SMS, fax, email, mail). Each grade would have a different fee structure & security access. The highest would entail a smart card based key, next use of cryptographic key string, then use of password device (keychain sized device which generates a new password every few minutes) & the lowest at plain password level.

The best method for all grades would be for the Telemarketing Agency to log on to the website using the security mechanism for them, upload their file in standard format & after processing would be able to download their results. Job status & billing enquiry for one's own submissions would be available.

Use of TCP/IP address restrictions for higher grades can be considered for even further security.

5. A web site would offer an enquiry facility, i.e., it would confirm if a phone number or email is registered as debarred, allowed or no information. Additionally the CTI / IVR would have an enquiry facility for the phone making the enquiry & similar for SMS. An email with the phone number in the subject line sent to a standard email id (e.g. enquiry@donotcall.TRAI.in) would result in an automated message to the sending email id giving the same result.

6. We propose a three pronged approach for financing the registry:
  i.   Customer pays: Phone calls & SMS are charged at a higher rate using 1-900 services and enhanced charges for the SMS number
  ii. Telemarketing Agency pays (varies by grade):
       a. Joining fee
       b. Periodic (Monthly / Quarterly / Half yearly / Yearly / Multiple year) membership fee with rebates for increased period fee payments
       c. Per upload fee
       d. Per transaction enquiry fee - with reducing discount for repeated enquiry for the same number)
  iii. TRAI subsidises part of the expenses

Accounting: Each agency would have a credit limit & would be shut out if usage exceeds limit. This can be negative, i.e. -10,000 means agency is shut out if balance drops below Rs. 10,000.

The following commercial structure should be used:
  o   One time set up fee
  o   Monthly management fee
  o   Per Customer Transaction by type (phone, email, future options) fee
  o   Per Telemarketing Agency usage fee - by grade of agency / by upload / by transaction

7. The solution should belong to the Service Provider & the data to TRAI. TRAI may desire to purchase the solution at a later date.

8. The system / software will have a "complaint investigating" facility which will extract all activity relating to the contact with timestamp. Optionally this can include the super set of activities from the backup server and from records from the phone company. The software will indicate if the claim is true, false or indeterminate.

Complaints can be entered through the CTI / IVR, SMS, Web & Email. Acknowledgement of complaint will be automated. Email complaints handling, if allowed, may require some manual intervention.

Ultimately the complaint resolution will have to be handled by people. Ideally a team from the service provider, TRAI & third parties should act as an ombudsman committee.

9. Cost Elements

Essential cost elements are listed below. At this preliminary stage it may be too early to discuss costs as some basic decisions would have tremendous variation in resource usage, e.g. just use of email or web & email combination for phone registration (not recommended) is not resource demanding, however, ensuring that the email is properly related to the phone being registered would need both equipment & manual work. Storage of phone company records as a third party proof that a transaction took place would require a set of additional resources.

SOLUTION COST ELEMENTS FOR MOST BASIC SOLUTION

a) Database Server
    - Dual Intel Xeon processors
    - 2 GB RAM
    - 80 GB RAID 1 Disk
    - DAT Drive
b) Web Server
    - Dual Intel Xeon processors
    - 1 GB RAM
    - Dual 40 GB RAID 1 Disk
c) Database, Application Server, Software
d) CTI including software - configuration type to be chosen after sizing
e) Internet Date Centre Hosting & associated services (monitoring, firewall, backup, antivirus, etc.)
f) Bespoke Software
g) CTI / IVR set up (scripting)
h) Systems Integration
i) Telemarketer authentication infrastructure
j) Phone set up
k) Phone usage

l) SMS handling infrastructure set up
m) SMS usage
n) Manpower
o) External security audit
p) Third party "hacking" test audit

Sizing & resources

For just phone registrations the data storage requirements are not excessive. Even if 200 million phones are registered, the basic data is estimated at 4 GB (200 million * [10 digit number + 10 digits for timestamp]). However, archival of Telemarketing Agency inquiries will increase resource requirements; addition of email some more.

Phone, SMS, email & Web handling will be almost entirely automated. Postal mail enquiry handling will require a substantial increase in personnel & postage cost.

SMS outbound confirmations may prove expensive.