

Response of



On

Telecom Regulatory Authority Of India

Consultation Paper no. 05/2011

On

Mobile Value Added Services

Submitted by:

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4.1 (2.14)-

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?

Ans– There is a need to define OffDeck VAS services, where services are provided by 3rd parties using operators network and billing infrastructure.

4.2 (2.22)-

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

Ans–There is no need of VAS license; however there is a need to bring some form of regulation / registration for VAS services so that Ondeck services can grow aswell as issues related to VAS are addressed.

4.3 (2.23)-

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 along with the rationale thereof.

Ans–There is no need to bring VASPs under Licencing Regime. Licensing will discourage small VAS entrepreneurs to enter the market.

4.4 (2.32)-

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?

Ans - There should be some form of policy for OFFDECK VAS services, which govern: Issue of shortcodes / MIS transparency / Interconnect Charges (Revenue Share), Pricing etc.

4.5 (2.33)-

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?

Ans –Each OffDeck player should be allowed to launch new services and define its pricing / marketing plan. Operator should only retain the fixed interconnect charges, and pass rest of the revenues to the VAS Player. The interconnect charges should be defined for each domain, viz., sms / ivr / data. We believe with pricing flexibility and better margins, VAS players can focus on building innovative products.

4.6 (2.36)-

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?

Ans –Yes, getting timely and correct MIS is a problem. The Operators needs to provide Real Time / Online MIS to their VAS partners. This will solve most of the issue. The authority should also consider setting up a neutral body for MIS / Revenue settlement for Offdeck VAS services.

4.7 (2.40)-

(i) Does existing framework of allocation of shortcodes for accessing MVAS require any modifications? Should shortcodes be allocated to telecom service providers and VAS providers independently? Will it be desirable to allot the shortcode centrally which is uniform across operators? If Yes, suggest the changes required along with justification.

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

Ans - (i) Yes, existing framework of allocation of shortcodes for accessing MVAS require modifications. Presently there is no Central body which controls allocation of shortcodes. VAS provider survives on mercy of an Operator to allocate/open a new shortcode on various domains viz, SMS / USSD / IVR. If a central authority is assigned for same, it will encourage many entrepreneurs to invest in VAS & thence resulting in innovations.

(ii) Shortcode allocation may have nominal fee. SLA needs to be defined for shortcode activation.

4.8 (2.48)

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? (Please advice)

Ans – Yes, Open Access Approach may be considered, if feasible.

4.9 (2.58)

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?

Ans – To boost utility MVAS, Govt should consider giving tax benefits to Offdeck VAS. This will encourage small and medium enterprise to join the VAS and build new and innovative applications that will benefit the nation.

MVAS services' tariffs should not be regulated by Govt. Tariff should be decided by Offdeck VAS Player.

4.10

Any other suggestions with reasons thereof for orderly growth of mobile value added services? (Please advice)

Ans – Relevant suggestions have been provided above.