

Bharti Airtel Response to the Consultation paper on Review of Voice Mail/Audiotex/Unified Messaging Services Licence

Q1. In view of the discussion in Para 2.13, is it necessary to have a separate standalone license for Voice Mail Service? If so, why? Please provide detailed justification?

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Q2. If the answer to the Q1 is in the affirmative, whether the existing technical specifications need to be revised or redefined? What should be the revised technical specifications?

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Q3. In view of Para 2.17 and present technological developments, is it necessary to have a separate standalone licence for only Audiotex Service? If so, why? Please provide detailed justification?

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Q4. If the answer to the Q3 is in the affirmative, whether the existing technical specifications need to be revised or redefined? What should be the revised technical specifications?

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Q5. Whether there is a need for standalone licence for providing Audio Conferencing Service? If yes, whether the technical specifications need to be explicitly defined? Please provide detailed justification?

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Q6. If the answer to the Q5 is in the affirmative, what should be the technical specifications for providing Audio Conferencing Service?

Airtel's Response:

1. At the outset, we would like to respectfully submit that the timing of this paper is quite appropriate as unlike other telecom licences, the licence for these services has not been updated to attune it to the prevailing market conditions, technology developments as well as the new licensing framework. Consequently, instances of non-level playing field and exploitation of regulatory arbitrage have occurred due to the presence of these outdated and imbalanced licence provisions.

2. We recommend that there should not be any standalone license for Voicemail/Audiotex/ Audio Conferencing services and these services (in fact all telecom services) should now be offered under the Unified Licensing framework. Pursuant to the issue of Unified Licence guidelines (August 2013), DoT has not issued a standalone licence for any telecom service permitted under Section 4 of

the Indian Telegraph Act 1885 and all service authorizations are now being given only under the Unified Licence.

3. Any separate treatment for these services will only undermine the Unified Licensing framework, which is unwarranted. Further, any disparity under which these services are offered under different licences will only distort the level playing field.
4. For example, currently, the services of Voice Mail/ Audiotex/ Audio Conferencing can be offered either under UASL/UL (AS) or under a standalone License. These services offered under UASL/UL (AS) are subject to License fee, entry fee and other stringent licence conditions including penal provisions, which is entirely absent on the services rendered under the Audiotex License. Absence of equitable provisions enable licensees, having standalone license, to take advantage of the regulatory arbitrage and often expand their services beyond the scope of the license without the fear of any penal outcome.
5. Therefore, the licence conditions are clearly skewed in the favor of such standalone licensees and are disadvantageous to UASL/UL (AS) operators. This not only impacts the level playing field but is also in violation of the principle of non-discrimination. Similar services should be governed and subject to same rules irrespective of the kind of license under which they are being offered.
6. We also seek TRAI's attention to the contents of Para 2.18 of the Consultation paper which reads as under:

"In the licence agreement document (Part IV: TECHNICAL CONDITIONS), it is mentioned that the technology for Voice Mail/Audiotex/Unified Messaging Services shall be based on standards issued by TEC. The TEC specification V/ATS-01/01.September, 1994 is referred which defines the parameters of the Audiotex Service, scope of service, its key element, service description and quality of service to be provided by a licensee. In this TEC specification there is a provision of optional additional facilities 21 in the service description which includes: "conferencing (enabling two or more callers to speak to each other, or to listen to others speaking)".

Thus, it is evident that the scope of current Audiotex license does not cover any conferencing service but the same seems to have wrongly been included therein via a TEC specification. Thus, this TEC specification cannot tantamount to rewriting the scope of Audiotex License as this is ultra vires.

In light of the above, there is an urgent need to ensure equitable terms and conditions for Voicemail/Audiotex/ Audio Conferencing services. Further, there should not be any standalone license for Voicemail/Audiotex/ Audio Conferencing services and these services should now be offered under the Unified Licensing framework.

Q7. Is it necessary to have a separate licence for Unified Messaging Service when holding an ISP licence is mandatory to provide the Unified Messaging Service and standalone ISP licensee is also allowed to provide Unified Messaging Service? If so, why? Please provide detailed justification?

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Q8. If the answer to the Q7 is in the affirmative, whether the existing technical specifications need to be revised or redefined? What should be the revised technical specifications?

Airtel's Response:

1. As explained above, we do not recommend the issuance of any standalone licence for any telecom services. All telecom services should be offered only under the Unified Licence regime.
2. Moreover, as mentioned in the consultation paper, there are only two entities providing the UMS as on date out of the sixty license holders. Hence, there is no need to have a standalone license for the same.
3. The Unified Messaging Services can be provided by any licensee who holds a standalone license for offering such services or by holding Unified License (either Access or ISP service authorizations). Thus any operator who is willing to offer these services can do so under the Unified Licence. The same will also bring uniformity & transparency amongst all telecom licenses and will remove any possible arbitrage opportunities.
4. We believe that similar services should be governed and subject to same rules irrespective of the kind of License under which they are being offered. It should be ensured that terms of operation and regulatory levies are consistent for the same service across licenses.

Q9. In case Voice Mail/Audiotex/Unified Messaging Service requires a licence should they be made a part of the Unified Licence as one of the services requiring authorisation? Please provide detailed justification?

Airtel's Response:

1. The Voice Mail/ Audiotex/Unified Messaging Service license is currently a part of Unified Licence (Access Service Authorization). Thus, we suggest that there is no need for a separate authorization under the Unified Licence and such services may be provided under the Unified Licence (Access Service Authorization) only.
2. A separate license / authorization for the aforementioned services shall mean that there are two kinds of licenses available for running the same services in the country, first being a standalone service authorization and second being Unified Licence (Access Service Authorization). Moreover, following benefits are evident by converging such services under UL (Access Service Authorization):
 - LI Compliance and availability of E2E CDRs.
 - Right to inspect.
 - End customer QoS can be measured and enforced.
 - Customer KYC and CAF regulations.
 - Confidentiality of end customer information.
 - Entities are operated by Indian Citizens.
 - Domestic traffic shall not be routed from outside India.
3. However, if TRAI still decides in favor of having separate authorizations for offering such services under Unified Licence, it should be ensured that the terms for offering these services under different service authorizations under Unified Licence are uniform in all respects. This is essential to maintain a level playing field and to prevent any regulatory arbitrage. Further, existing UASL/UL (AS) operators should also be allowed to hold a separate authorization for offering these services under Unified Licence.

Q10. If the answer to the Q9 is in the affirmative, what should be Service Area? Whether Service Area may be similar to the Service Area of ISP (National Area, Telecom Circle/Metro Area, and Secondary Switching Area) to bring in uniformity among the Service Areas of different services? Please provide detailed justification?

Airtel's Response:

1. In the standalone licence for Voice Mail/Audiotex/UMS services, the service area is defined as the Short Distance Charging area (SDCA) within which an operator may operate and offer the services as given in Schedule "A" of the License. The license also states that an applicant will be required to submit separate application for each service area i.e. SDCA.
2. At present, there are total 2617 SDCAs across India (as per census 2011). It is not feasible for any licensor to grant such a large number of licences if any operator intends to provide the services across the country.
3. Hence, it is recommended that to bring uniformity and to improve transparency, such services should be offered under Unified License, with minimum authorization for **at least one LSA**.

Q11. If Voice Mail/Audiotex/Unified Messaging Services is made a part of the Unified Licence as one of the services requiring authorisation, then what should be the Entry Fee?

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Q12. Whether there should be any requirement for Minimum Net worth and Minimum Equity for Voice Mail/Audiotex/Unified Messaging Services authorisation under Unified Licence?

Airtel's Response:

1. As explained above, Voice mail/ Audiotex / Unified Messaging Services should be provided under Unified License (*with Access Authorisation*). Thus, the Entry Fee, Minimum Net worth and Minimum Equity should also be the same as that applicable under UL (Access Service Authorisation).
2. These factors are an important benchmark for ascertaining the commitment of an operator and segregating the fly by night operators from the serious long term players.

Q13. The annual licence fee for all the services under UL as well as for existing UASL/CMTS/Basic Service/NLD/ILD/ISP licensees have been uniformly fixed at 8% of AGR since 1st April 2013. Whether it should be made same for Voice Mail/Audiotex/Unified Messaging Services authorisation under Unified Licence? If not, why?

Airtel's Response:

1. Currently, DoT is levying a uniform licence fee at 8% across all telecom licences. A uniform licence fee has addressed all the concerns of revenue diversion and arbitrage among different licences.
2. We suggest that the same licence fee rate may be made applicable on the revenue from Voice mail/Audiotex/Unified Messaging Services under the Unified Licence regime.

Q14. In case the answer to the Q13 is in the affirmative then what should be the definition of AGR for Voice Mail/Audiotex/Unified Messaging Services authorisation under Unified Licence?

Airtel's Response:

1. We suggest that the existing definition of Adjusted Gross Revenue as prescribed under UL (Access Service Authorization) for Voice Mail/Audiotex/Unified Messaging Services should be followed. The same is reproduced as below:

Clause 2.1 (a) (vi)] related to Voice Mail/ Audiotex/ Unified Messaging Services:

(vi) The Licensee may also provide Voice Mail/Audiotex/Unified Messaging services, Video Conferencing over its network to the subscribers falling within its SERVICE AREA on non-discriminatory basis. All the revenue earned by the Licensee through these services shall be counted towards the revenue for the purpose of paying License Fee under the LICENSE AGREEMENT.

2. Additionally, all revenues earned from subscribers through these services should be considered for the purpose of levy of license fee of 8%.

Q15. What should be Performance Bank Guarantee, Financial Bank Guarantee and Application Processing Fee for Voice Mail/Audiotex/Unified Messaging Services authorisation under Unified Licence?

Airtel's Response:

1. The terms of Performance Bank Guarantee, Financial Bank Guarantee and Application Processing Fee are already prescribed under UL (Access Service Authorisation).

2. The same terms and conditions should be made applicable to existing licensees offering Voice Mail/Audiotex/Unified Messaging Services under the Unified Licence regime.

Q16. Whether the duration of the licence with Voice Mail/Audiotex/Unified Messaging Services authorisation be made 20 years as in the other licence authorisations under Unified Licence? If not, why?

Airtel's Response:

We agree that duration of the licence with Voice Mail/Audiotex/Unified Messaging Services authorization should be made 20 years which is in conformity with the existing rules.

Q17. What should be the terms and conditions for the migration of the existing Voice Mail/Audiotex/Unified Messaging Services licensees to Unified Licence?

Airtel's Response:

1. Under the Unified Licence guidelines, DoT has already defined the process of migration of existing telecom Licensees to Unified Licence. We recommend that all existing Voice Mail/Audiotex/Unified Messaging Service Providers should be mandatorily migrated to a Unified Licence (Access Service Authorization).
2. Further, DoT has already defined the process of granting the Unified Licence (Access Service Authorization) wherein Voice Mail/Audiotex/Unified Messaging Services can be offered. Thus, new players interested in offering these services can follow the procedure laid down for obtaining the Unified Licence. Therefore, all the necessary formalities such as submission of application fee, non-refundable processing fee, non-refundable entry fee, minimum net worth and paid-up capital, performance bank guarantee, financial bank guarantee, etc. can be followed.

Q18. Whether the existing Voice Mail/Audiotex/Unified Messaging Services licensees may be allowed to continue or it would be mandatory to migrate to the Voice Mail/Audiotex/Unified Messaging Services authorisation under Unified Licence?

Airtel's Response:

1. We suggest that all existing Voice Mail/Audiotex/Unified Messaging Services licensees should be mandatorily migrated to the Unified Licence (Access Service Authorization) within a prescribed timelines; say 3 - 5 months.
2. At present, these services can either be offered under a separate / standalone Voice Mail/Audiotex/Unified Messaging Services license or under UL (Access Service Authorization)/UAS License. However, for offering the same services, the terms and conditions are not uniform and are skewed in favour of standalone Voice Mail/Audiotex/Unified Messaging Services licensees. This in turn distorts the level playing field in the market and also causes huge revenue loss to national exchequer.
3. For instance, such services when offered under UL (Access Service Authorization) /UASL are subject to license fees of 8% along with payment of entry fee and submission of bank guarantees etc. However, in case of a standalone Voice Mail/Audiotex/Unified Messaging Services license, the licensee is not subject to any License Fee, Entry Fee & FBGs.
4. It is also pertinent to mention that the aforementioned arbitrage is being exploited by some Audiotex licensees to provide OTT services/Call back services, Point to Point Conferencing Services which are beyond the scope of their license and it defeats the very purpose of having a standalone license designed in the past.
5. Thus, it is essential to create a level playing field wherein all clauses of Voice Mail / Audiotex / Unified Messaging Services should be equally applicable on all providers offering these services and this can be made possible through **mandatory migration** of these standalone licenses to Unified Licence (Access Service Authorization).
6. There might be a view that since DoT has not forced any existing telecom service provider to migrate to a Unified Licence regime with relevant service authorization, thus there should not be any mandatory migration of these licensees as well. However, the migration to Unified License regime is relevant in this case vis a vis any other cases where there is hardly any difference between the licence conditions, regulatory levies between operators offering telecom services say mobile, basic, NLD, ILD under a standalone licence and under a Unified Licence with same service authorization. However, in this case, if a standalone Voice Mail / Audiotex / Unified Messaging Service provider is not mandatorily migrated to a Unified Licence, then it will only escalate a non-level playing field between old and new licence holders.

7. Thus, we are of the view that there should be mandatory migration of the existing Voice Mail/Audiotex/Unified Messaging Services licensees to Unified Licence (Access Service Authorisation) else the issue of regulatory arbitrage will not be addressed. Otherwise, the terms and conditions of a standalone licence should be brought at par with Unified Licence.

Q19. What should be the annual licence fee for existing Voice Mail/Audiotex/Unified Messaging Services licensees who do not migrate to the Voice Mail/Audiotex/Unified Messaging Services authorization under Unified Licence?

Airtel's Response:

1. All existing and new operators offering Voice Mail/ Audiotex/Unified Messaging Services should be subject to 8% licence fee as is applicable on other licences. Any differential regime on licence fee will only create a non-level playing field amongst operators offering similar services.
2. As mentioned in our reply to Q18, we reiterate that all existing Voice Mail/Audiotex/Unified Messaging Services licensees should be mandatorily migrated to a Unified Licence Regime (Access Service Authorization) within a prescribed time frame. In case the Authority does not agree to the mandatory migration then such standalone licensees should also be subject to the same terms and condition including but not limited to levy of a uniform licence fee of 8%. This is essential for maintaining a level playing field.

Q20. Please give your comments on any related matter, not covered above.

Airtel's Response:

Not applicable