

July 25, 2016

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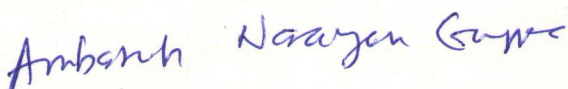
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Re: Comments on TRAI's Consultation Paper on Review of Voice Mail/Audiotex/Unified Messaging Services Licence dated June 14, 2016

Dear Sir,

Please find enclosed the comments of Knowlarity Communications Private Limited on the Consultation Paper on the review of Voice Mail/Audiotex/Unified Messaging Service bearing no. 12/2016 dated June 14, 2016.

Yours sincerely,
For Knowlarity Communications Private Limited


Ambarish Gupta
CEO

COMMENTS OF KNOWLARITY COMMUNICATIONS PRIVATE LIMITED ON TRAI'S CONSULTATION PAPER ON REVIEW OF VOICE MAIL/AUDIOTEX/UNIFIED MESSAGING SERVICE LICENSE DATED JUNE 14, 2016

1. Introduction

We would like to thank the Authority for giving us an opportunity to present our comments on the Consultation Paper for review of Voice Mail/Audiotex/Unified Messaging Services License dated June 14, 2016 (“**Consultation Paper**”). We also deeply appreciate your prerogative to include the voice of emerging businesses like ours in this process so that the regulatory framework of the country is up to date with new technological advancements and eases the business environment in line with the Digital India initiative of the Government of India.

2. Overview of Knowlarity's Position

2.1 Before providing our comments on the specific questions posed by TRAI, we would like to provide an overview of our position with respect to the various issues/questions posed in the Consultation Paper, which are stated below.

2.2 Scope of Audiotex Services to be enlarged

Traditionally, Audiotex services have been defined and understood to mean the automatic answering of calls and the subsequent provision of audio information to the callers. Audiotex service can be either passive – where the caller simply listens to a fixed service format or can be interactive where the caller can choose various information by interacting with the database computer via telecom network. A subscriber can retrieve the information at any time by interacting with the main data base computer by using the existing telephone line. However, for any interaction with the computer DTMF telephone instrument is required.

With the advent of technology and communications across the world being provided by the push of a button, the user experience has also undergone a change, where while the call can be interactive, there should also be an element of human voice involved as well. Similarly, point to point conferencing not being permitted is also a challenge in today's times since the user demands a variety of options to be able to initiate conference calls.

To keep up with the changing technology as well as meet the business needs, it is necessary to expand the scope of the Audiotex License, to include interactive as well as voice services via a telecom network and the conferencing facilities should include audio/video and web conferencing.

2.3 Outdated Regulation

The Guidelines for Voice Mail/Audiotex/Unified Messaging Services dated July 16, 2001 (“**Guidelines for Audiotex**”) was issued by the Department of Telecommunications, Government of India (“**DoT**”) to streamline the terms and conditions applicable to service providers providing Voice Mail, Audiotex and Unified Messaging Services. The Guidelines for Audiotex was issued in the background of the NTP-99 and TRAI Recommendations of December 29, 2000 (“**TRAI Recommendations (2000)**”), wherein it was recommended that:

- Audiotex is a generic term for interactive voice response equipment and services. Audiotex to a telephone instrument is what data processing is to a data terminal;
- The Voicemail/ Audiotex service provider was essentially a Content Provider and both the services are essentially Content Services and not a Carriage Service;
- As per the internet policy, pure Content Services are not to be licensed at all, and an identical policy should be followed for all kinds of content services;
- No Entry Fee should be charged but performance bank guarantee of Rs. 3 lakhs should be obtained;
- Licenses should be granted to cover Short Distance Charging Area (SDCA) on the basis of local dialling i.e. local call rates as far as charges for accessing the Mail Box is concerned. However, there should be no bar on accessing these Services on STD call basis.

The Guidelines for Audiotex have been in force since 2001, with the exception of amendments made by letter No. 846-38/96-VAS (Vol II)/80 dated 26.8.2004 and letter no. 846-110/2013-CS-I dated 6.12.2013. In view of changes in technology and resultant new user applications, it is stated that some of the provisions of the Guidelines for Audiotex of 2001 cannot be applied to the services which fall within the scope of Voice Mail/Audiotex/Unified Messaging Services, which notably include the following:

- Point to Point Conferencing not being permitted;
- Dial-out Facility not permissible if resources are taken by the Voice Mail/Audiotex service licensee from more than one service provider;
- Multiparty conferencing is allowed with the prohibition of point to point conferencing and illegal bypass of STD/ISD traffic of licenses access service providers.

With globalisation and technological advancement, the world has become smaller and with the press of a button, it is now possible to communicate with anyone in the world. For business enterprises and multinationals, it has become imperative for employees to participate in conference calls to minimise costs and maximise output. We can understand the apprehensions in the year 2001, of dial-out facility not being permitted if resources were to be taken from more than one service provider but it would be unfair to apply the same principles in the year 2016, where human lives are being ruled by technology. We note the Government’s need to recognise that a user should maintain his identity provided by a number irrespective of the telecom operator and an example of this principle has been in the adoption of Number Portability for consumers. In case of conferencing solutions, it should be made possible that participants use multiple telecom operators based on their preference and costs. Having constraints on the ability to dial out

to multiple operator's causes sub-optimal conferencing solutions available to customers. If Dial-out facility is permitted, the calls still happen through PSTN and hence the respective CDRs are available for inspection as and when required. Further, the term point to point conferencing has not been defined under the existing regime and needs to be defined or amended in the new regime envisaged.

2.4 Unified License Regime

One of the main issues which arises for discussion under the Consultation Paper is whether the Unified Licensing Regime should be applicable to the licensees of the Voice Mail/Audiotex/Unified Messaging Services. Notably, amongst the provisions which are being considered to be included are Entry Fee, License Fee, Performance Bank Guarantees, Financial Bank Guarantees. In addition to the financial sanctions, it is apparent that the applicability of the Unified Licensing Regime will entail a number of onerous obligations such as maintaining security, interception, monitoring etc, which in fact are not applicable to licensees of the Voice Mail/Audiotex/Unified Messaging Services.

It may be noted that a distinction has to be made between the services under the Unified Licensing regime and services provided by licensees of the Voice Mail/Audiotex/Unified Messaging Services as they are passive and interactive services which are non-real time communication services. The services are in the nature of content services and not carriage services. Even though the licensees of the Voice Mail/Audiotex/Unified Messaging Services provide services using telecom resources of telecom service providers, there is no by-pass of revenue since the cost of the local calls or STD calls are made to the respective telecom service provider. Application service providers take telecom resources from licensed TSP at commercial rates and build applications over and above it. Hence putting financial obligations on licensees of the Voice Mail/Audiotex/Unified Messaging Services such as payment of Entry Fee, License Fee, Performance Bank Guarantees, Financial Bank Guarantees would be onerous and burdensome and would on the contrary create tremendous financial stress on the businesses of such licenses.

One of the issues which has been discussed is on the overlap of the services of the licensees of Voice Mail/Audiotex/Unified Messaging with Basic Service licensees, UASL Licensees and UL licensees. It has been stated that the revenue earned through Voice Mail/Audiotex Services is also counted towards revenue for the purpose of licence fee in case of Basic Service Licence, UAS Licence and UL whereas there is no licence fee in case of Voice Mail/Audiotex/Unified Messaging Services Licence. This itself cannot form the basis for inclusion of the licensees of Voice Mail/Audiotex/Unified Messaging under the Unified Licensing Regime since it would be contrary to the level playing field. It would be incorrect to equate a Unified License holder who holds a license under a specific authorisation, provides a carriage based service and may/may not provide Voice Mail/Audiotex Services with a licensee of Voice Mail/Audiotex/Unified Messaging whose primary business is to provide content based services through Voice Mail/Audiotex/Unified Messaging.

3. Responses to Questions

Our response to the questions as stated in the Consultation Paper are given below:

- Q1. In view of the discussion in Para 2.13, is it necessary to have a separate standalone licence for Voice Mail Service? If so, why? Please provide detailed justification?*
- 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?*
- 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?*
- 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?*
- 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?*
- Q6. If the answer to the Q5 is in the affirmative, what should be the technical specifications for providing Audio Conferencing Service?*

Ans: Since the questions from 1-6 are similar, we are stating our response to these questions below:

- I. *Standalone Registration for Voice Mail Service, Audiotex Service and Audio Conferencing Service*

In our view, a standalone registration is required for Voice Mail Service, Audiotex Service and Audio Conferencing Service for the reasons stated below:

- (a) Voice Mail

Voice mail service is a content service and not a carriage service. It is the ability of a subscriber to access and retrieve stored messages in scenarios where there is no immediate or convenient direct communication with a caller. Voice Mail Services are an ancillary service on top of the PSTN network. It uses the telephony infrastructure as its backbone but is essentially an add on that should not be covered under a Unified Licence that includes core telephony infrastructure. The cases of subscribers of Voice Mail Service from a small business perspective are not about getting a network or carriage, but about their ability to interact and appropriately respond to their business leads/ customers where they were unable to connect in real time. This could be the case due to multiple

calls coming at the same time on their number, their sales agents being busy interacting with other leads/customers or the caller's attempt to reach the business outside of its operating business hours.

(b) Audiotex Services/Audio Conferencing

AudioTex/Audio Conferencing services are also an add-on service over and above the telephony infrastructure. They also are a content service and not carriage service. In themselves, the services under Audiotex licenses are nothing but a caller interacting with a database through a telecom network. The interaction could be passive - where a caller simply listens to a recorded message or interactive where the caller can choose various information by interacting with the database computer via a telephone network. Over the years, it also includes services like Voice-detection, Voice-interrupt, Conferencing, Fax on demand, Access to multiple sessions in the same call, Voice Mail & Live audio feed. All of these services are ancillary to a telecom network and use the telecom network as a backbone but provide an enriched content to a subscriber which is far advanced than the core telephony service.

In absence of a stand alone registration and coverage under a Unified License, the ability of start ups like ours that provide innovative solutions gets hampered. We exist in a business catering to SMBs. It is not considerable in size in comparison to retail telephony market and is not as easy to penetrate with considerable cost constraints that SMBs face. This is one of the reasons that end user retail penetration has been the focus of telecom operators. Hence, to continue encouraging innovation in this space in line with the Government's Digital India & Start Up India initiative, we propose that a stand alone registration be created (may be combined with other application service provider registrations).

Any amendment that creates entry barrier for start-ups like ours can be quite detrimental to the cloud telephony industry as well as thousands of SMBs who use our affordable and innovative technology applications. They have been traditionally marred by inefficiencies due to lack of technology adoption which in turn was difficult due to the high capital expense requirement for traditional solutions. Our applications provide them effective return on their investment and a pay-as-you-go operating expense model.

II. *Technical Specifications for Voice Mail Service, Audiotex Service and Audio Conferencing Service*

In our view, the technical specifications for Voice Mail Service, Audiotex Service and Audio Conferencing Service should be revised for the reasons stated below:

(a) Voice Mail

The existing technical specifications for Voice Mail need a revision with respect to accessibility and retrieval of the stored messages by the subscriber. The current access protocols are limiting in nature as the subscribers increasingly want non real time accessibility to stored messages through medium of internet or via email.

The technical specifications with respect to physical infrastructure and equipment should continue to be the prerogative of the telecom providers.

The revision is required in the current technical specifications for access to the subscriber. Currently only standard phone instrument is a possible mode. Even features like password for restricted access, personal identification number (PIN) and other optional features are possible through Dual-Tone Multi-frequency(DTMF)/Tone Pulse Switchable(TPS) instruments.

As the technology and business needs continue to evolve in the market, subscribers increasingly need deeper analytics, integration with their Customer Relationship Management(CRM) systems, and hence access and retrieval is required through mediums like email or directly accessible online via internet on a non real time basis.

(b) Audiotex/Audio Conferencing

The key changes for consideration are:

- Inclusion of stored as well as live voice (via conference) under the scope of registration.
- Clearer technical definition of some key terms to reduce multiple interpretations by various stakeholders
- Technical definition of point-to-point conference is necessary
- Define conference to accommodate technological innovation and evolving use cases - It should allow inbound leg as well as an outbound leg and a combination of inbound and outbound legs to the conferencing server. Outbound is critical as increasingly businesses want to take the onus of the cost of the call away from the end-user and customer. They will bear the cost of the interaction and hence basis a database, would like to dial out to a customer for whom an incoming call is free. This should in no way be construed as revenue loss to either a telecom operator or the Government in return as only the entity paying for a call is changing from end user to business but not the occurrence of revenue. It infact, it ensures higher business for SMBs, thereby increasing call volume and hence higher revenues for telecom operators and Government. It is also important to note that Call Data Records (CDRs) are available for each call with the telecom operator in this case.

- Re-selling of numbers - We are an application service provider that is built on telecom infrastructure and uses it as a backbone. The clause on re-selling should be broader in scope and the sale of this value added application on the edge of a PSTN should not be construed as re-selling of telecom assets. Hosted communication providers own the telecom infrastructure on which they provide the services and never re-sell the telecom assets. However, the delivery of the solution to customers requires telecom assets to be bundled into the solution for use by the customer during the period of subscription of service
- Presence of internet lease line and PSTN telephone lines on the same premises: As we are an application, the technical specifications should allow internet and PSTN on the same premises. Internet is needed for providing rule-based commands that are customised for a business need. The SMBs increasingly need real time call information, ability to modify their IVRs in real time, integration of their customer interactions with their CRM and other services which are helping them drive better efficiencies and improved customer interactions. The internet lines **are NOT** for transfer of any voice packets. The restriction on transfer of voice packets can be done at the internet service provider's end thereby eliminating any perceived security issues or toll bypass concerns. Internet can be allowed in the same premises as the PSTN telephone lines after placing the necessary precautions on the internet line. Current evolution of technology makes that possible.
- Dial out with multiple operators - The government recognises the need for a user to maintain his identity provided by a number irrespective of the telecom operator and hence adopted Number Portability for consumers. In case of conferencing solutions, it is possible that participants use multiple telecom operators based on their preference. Having constraints on the ability to dial out to multiple operators causes sub-optimal conferencing solutions available to an SMB. The calls still happen through PSTN and hence the respective CDRs are available.
- Remove SDCA based license - An SMB in today's age of internet and technology wants to cater to customers across the country. This in addition to our recommendation of allowing multiple operator dial out makes the license based on SDCA limiting in nature for an SMB's capability to cater to its customers. With the presence of over 600 SDCAs in the country, our ability to provide services to our customers across the country is also limited because of need for that many licenses.

Please note that neither of the above mentioned points above should be construed as bypass of STD/ISD as the calls occur on licensed TSP network and the relevant cost of the call is paid depending on the caller number and the called number. An indemnity bond can be added to incorporate this point

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 licence is also allowed to provide Unified Messaging Service? If so, why? Please provide detailed justification?

For the reasons stated above, we are of the view that a separate registration for Unified Messaging Service when holding an ISP licence is mandatory to provide the Unified Messaging Service and standalone ISP licence should be allowed to provide Unified Messaging Service. Please see our comments under Section 2.4 which would also be applicable to the Unified Messaging Service.

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

Please refer to our comments for Q2, 4 and 6.

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?

No. Voice Mail/Audiotex/Unified Messaging Services are an add-on service that uses the current telecom infrastructure at its background. As such they should not need a separate authorisation from a Unified License perspective. Please refer to our comments under Section 2.4

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, Secondary Switching Area) to bring in uniformity among the Service Areas of different services? Please provide detailed justification?

Not Applicable

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?

Voice Mail/Audiotex/Unified Messaging Services should not need a separate authorisation from a Unified License perspective thereby eliminating the need for an entry fee for authorisation. Even assuming that Voice Mail/Audiotex/Unified Messaging Services is made a part of the Unified Licence as one of the services requiring authorisation, the entry fee should be nominal.

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?

There should not need a separate authorisation from a Unified License perspective thereby eliminating the need for Minimum Net Worth & Minimum Equity.

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?

Voice Mail/Audiotex/Unified Messaging Services use the existing telephony infrastructure as backbone and are essentially add ons. The telecom service providers earn revenue for utilizing their telephony infrastructure. As this revenue already forms a part of AGR, there is no requirement of additional annual licence fee. Please refer to our comments under Section 2.4

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

Not Applicable

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?

We do not suggest the need for authorisation for Voice Mail/Audiotex/Unified Messaging Service under Unified License.

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?

It may be considered to make the term of the license with Voice Mail/Audiotex/Unified Messaging Services as 20 years.

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

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 authorization under Unified Licence?

Yes, the existing licensees should be allowed to continue under the earlier regime and should not mandate a migration to 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?

We recommend no additional fees in case of companies that do not migrate to Unified Licence. The current licensees have already complied with all financial stipulations as detailed at the time of obtaining these licenses. They should not need to take additional financial burden for providing services for which they already hold a license. The telecom service providers earn revenue for utilizing their telephony infrastructure. As this revenue already forms a part of AGR, there is no requirement of additional annual licence fee.

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

For additional comments, please refer to Section 2 of our response.