30 October 2020

The Advisor (Networks, Spectrum & Licensing)
TRAI

<u>Our Comments on Consultation Paper Enabling Unbundling of Different Layers Through Differential Licensing dtd 20th August 2020.</u>

Q1. Do you agree that in order to attract investment and strengthen the service delivery segment, Network services layer and Service delivery layer needs to be separated by introducing specific license for Network Layer alone? Please justify your answer.

Answer: Yes, globally the Basic Services, Service Delivery and Application Services are demarcated as separate layers. TRAI's recommendations at various stages also suggest keeping all application services as separate from other services.

Network Layer Should be for UL Licensees. Service based layer should be for UL(VNO), Application Services like Audiotex, UMS / VMS etc.

The advent of 4G (now 5G imminent) means amazing data speeds. Computing power of mobiles today is more than computing power of desktops of early 2000s. That means applications (whether voice or data) are accessible to a multitude of people. It can mean a billion ideas. Regulation should create an enabling environment that these billion ideas using basic infrastructure can flourish into applications.

Q2. Should the Network Services Layer licensee be permitted to take the Service Delivery Category licenses and provide the service? If yes, what kind of restrictions and safeguards are required to be built, in order to protect the competition and innovation in service delivery segment? Please justify your answer.
Yes, as long as NSL licensee abides by the terms and conditions for each Service Class or Individually, they should be permitted.

Q3. Whether certain obligations should be imposed on the existing Unified Licensees, and other measures should be taken to encourage UL licensees to provide their network resources to VNO licensees particularly in mobile service segment? Please suggest the measures in detail.
No comments.

Q4. In case network layer and service delivery layer are separated by creating separate category of licenses, as proposed in Q1;
a) What should be the scope for Network layer license and Service Category licenses?
Global models such as Singapore should be followed. Service Category (Class) Licenses of Singapore include:
- Call-back/Call Re-origination Services
- Internet Based Voice and Data Services
- International Calling Card (ICC) Services

- Resale of Public Switched Telecommunication Services
- Store-and-Retrieve (S&R) Value-Added Network Services
- Audiotex Services including Audio Conferencing & Virtual Contact Center Services Providers
- Public Chain Payphone Services
- Store-and-Forward (S&F) Value-Added Network Services

Additionally a list of SBO(Individual) licenses should be promoted for individual use-cases. In general, operators who lease international transmission capacity for the provision of their services are licensed individually. Class Licenses are licenses that are gazetted.

b) Out of various responsibilities and obligations enumerated in Unified License, what should be the respective responsibilities and obligations of Network layer licensees and Service delivery category licensees? Please elaborate with justifications.
KYC and QoS should be the obligation of UL Network Layer Licensee.

As long as Service Based Licensee does not resell services and provides application services, there should be simple Licensing through Authorisation with clear guidelines and no requirement for KYC.

Interconnectivity of PSTN and Internet Voice should be permitted only if KYC of Internet Voice User is available with Service Based Licensee.

c) What mechanism should be put in place to regulate the access to network services of Network layer licensees by the service delivery Category licensees? Whether certain obligations should be imposed on Network layer licensees to provide the network resources in a time-bound, transparent and non-discriminatory manner?
These should be a pure commercial negotiation between Network Layer Licensees and Category Licensees.

d) What incentives (for example, lower license fee, lower SUC, etc.) could be provided to Network Layer licensees in the new unbundled licensing regime to encourage the investment in the Network layer? Please justify your answer.
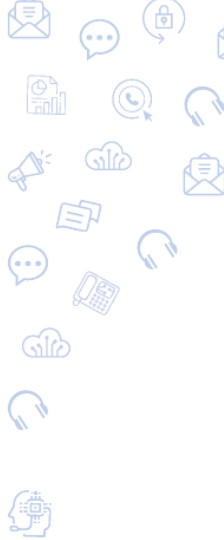No Comments.

e) Whether the existing Unified Licensees should be mandated to migrate to the unbundled licensing regime, or the new regime should be introduced, while keeping the existing regime continued for existing licensees till the validity of their license, with an option of migration?
No Comments.

f) Whether existing VNO licensees be mandated to migrate to service delivery category licenses as per unbundled licensing regime?

g) Whether service delivery category licensees be permitted to parent with multiple Network Service layer licensees? Please justify your answer.
Yes, Category Licensees should be permitted to parent with multiple Network

Service Licensees. NSLs are large enterprises with big balance sheets. If connectivity to only one NSL is permitted then Service Delivery Licensees will hardly have any negotiating / bargaining power and will not be able to use free market economics. Additionally keeping one NSL can also cause operational challenges to Service Delivery Licensees due to NSL performance and outages. Rather than regulate and form policies around this, it is better to let free market and competition permit SDL - NSL arrangements. SDLs with multiple NSL providers for same service should clearly show so in their network architecture.

Q5. Any other issue related to the subject may be raised with suitable explanation and justification.

With greater prevalence of digital data and voice communication; more and more innovative applications are being setup. These are all applications that are developed as value added services over basic services. Many TRAI recommendations have touched this in the past. Some of these are:

Pg 89/90 of **Recommendations after reconsideration to DoT's reference on "Guidelines for Unified Licence/Class Licence and Migration of Existing Licences" dtd. 12/May/2012** define Value Added Services or Application Services as:

> *"Value added services are enhanced services, in the nature of non-core services, which either add value to the basic tele services or can be provided as standalone application services through telecommunication network, the basic services being standard voice calls, voice/non-voice messages, fax transmission and data transmission."*

In the same paper TRAI has recommended 'Licensing through Authorisation' for such companies providing Value Added or Application Services.

TRAI's Recommendations on Application Services dtd. 12 May 2012, further suggested about Application Service Providers that

> 2.19...*However, under regular licensing like a unified licence, they (Application Service Providers) will be required to pay related entry & licence fee and meet other reporting requirements. This will put financial burden on ASPs and may impact the innovations of smaller entities. There are many small ASPs who are operating in the market with their innovative applications and may find it difficult or not have enough scale to deal with the financial and regulatory requirements under a typical licence.*
>
> 2.26 *The Authority recommends that Application Service Providers should be covered under Licensing through Authorisation.*

Further **TRAI Recommendations on Licensing framework for Audio Conferencing / Audiotex / Voice Mail Services** (which are Application Services as per UL guidelines) **dtd. 16 Dec 2016, reinforced a separate chapter for Licensing through Authorisation (para 2.38) and recommended Service Area (para 2.44) and financial guidelines (para 2.53).**

The **National Digital Communication Policy, 2018**, which has further recommended a simplified regime reducing license and regulatory compliance and light touch regulation for global competitiveness and proliferation of cloud based systems.

Recently in its **Recommendations on Review of Terms and Conditions for registration of Other Service Providers (OSPs) dtd. 21st Oct 2019**, TRAI has seeked opinion on Cloud Contact Center Service Providers (CCSP) and HCCSP (Hosted Cloud Contact Center Service Providers). However, it is important to note that:

1. There are no technical standards globally or from TEC (Telecom Engineering Centre) regarding CCSP / HCCSP.
2. Internationally in places like Singapore, these services like CCSP/HCCSP are all use cases of Store-and-Forward Services.
3. Virtual Telephony is a use case of TEC Standard on UMS (UMS TEC GR/UMS-01/02 Apr 2005).

Ad hoc definition of terms can potentially lead to ambiguity in interpretation and implementation of regulations. It is therefore humbly suggested that:

1. All SDO class or category regulations should be for services that are defined as per TEC Specification. Ad hoc use cases should not be added.
2. Regulations should be in line with globally standardised regulations and be light touch in nature.
3. In order to achieve a complete roll-out of Unified Licensing regime, meet the objectives of National Telecom Policy 2012 and to bring in greater innovation, vibrancy and competition in the SDO market the following TRAI recommendations should be implemented for SDOs:
   a. **Recommendations on Application Services dtd. 12 May 2012.**
   b. **TRAI Recommendations on Licensing framework for Audio Conferencing / Audiotex / Voice Mail Services dtd. 16 Dec 2016**

Yours truly,

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