Reliance Jio
Infocomm Limited

RJIL/TRAI/2015-16/52
24th April 2015

To,

Shri A. Robert J. Ravi,
Advisor (TD & QoS),
Telecom Regulatory Authority of India,
Mahanagar Doorsanchar Bhawan,
Jawaharlal Nehru Marg,
New Delhi - 110002

Subject: Comments on TRAI's Consultation Paper on 'Regulatory Framework for Over-the-Top (OTT) services' dated 27th March 2015.

Dear Sir,

Please find attached comments of Reliance Jio Infocomm Limited on the issues raised in the Consultation Paper No. 2/2015 dated 27.03.2015 on **'Regulatory Framework for Over-the-Top (OTT) services'**.

Thanking You,

Yours sincerely,
For **Reliance Jio Infocomm Limited,**

Kapoor Singh Guliani
Authorised Signatory

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Encl.: As above.

RELIANCE JIO INFOCOMM COMMENTS ON TRAI'S CONSULTATION PAPER ON 'REGULATORY FRAMEWORK FOR OVER THE TOP (OTT) SERVICES' DATED 27.03.2015

General Comments

1. National Telecom Policy -2012 has the vision to provide secure, reliable, affordable and high quality converged telecommunication services anytime, anywhere for an accelerated inclusive socio-economic development. It envisages leveraging telecom infrastructure to enable all citizens and businesses, both in rural and urban areas, to participate in the Internet and web economy thereby ensuring equitable and inclusive development across the nation.

2. Further, it is submitted that the Government of India on 20th August, 2014 has launched **"Digital India" – A programme to transform India into a digitally empowered society and knowledge economy. Under this initiative, government is aiming that every Indian will have a smartphone by 2019 and to use mobile as delivery mechanism to offer one stop shop for all governmental schemes.** The programme has key focus on Broadband highways, mobile connectivity, e-governance and public internet access and is to be implemented in phases from the current year till 2018. The Digital India is transformational in nature and would ensure that Government services are available to citizens electronically. The Hon'ble Prime Minister's vision of 'Digital India' mandates establishment of a reliable and robust telecom network capable of providing affordable high speed internet access at a large scale across the Country.

3. The Hon'ble Prime Minister also initiated the **'Make in India'** campaign, an initiative of the Government of India, on 25 September 2014 to encourage companies to manufacture their products in India. In the spirit of **'Make in India'**, the Authority in its recent recommendation on 'Delivering Broadband Quickly - What we need to do' dated 17 April 2015 recommended that there is a need to facilitate a **'Host in India'** campaign by providing tax-holidays for companies (on the lines of industrial parks, SEZs etc.) that deliver digital content or services through servers based in India.

4. Reliance Jio Infocomm Limited (RJIL) welcomes the Authority's decision to come out with a comprehensive consultation paper on the "Regulatory Framework for Over-the-top (OTT) services". We believe that before the data penetration and OTT adoption in India explodes, this is a timely consultation to address various new issues and challenges facing the telecom regulatory structure of the country. And at the same time, it would be possible to implement a regulatory framework that enables rapid growth of data penetration and catalyses the 'Host in India' initiative while prioritising consumers' interest.

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5. At the outset, we would like to emphasise that **RJIL strongly supports the concept of 'Net Neutrality'**, in order to make sure that an increasingly essential need of people, internet, is made available to all without any discrimination or distortion. We have committed significant amount of capital to be able to provide internet access to the farthest corners of the country. We are also aware of the strong network characteristics of the internet and therefore are committed to making sure that internet is made available to everyone to gain the maximum benefit out of it for the entire ecosystem.

6. Besides the basic need of Net Neutrality, it must also be recognized that service providers that offer network capacity, online services, applications, content, and devices partner as well as compete against one another to offer broadband and related services. For example, few service providers are partnering with Facebook or Google to develop and advance their messaging platform, at the same time they also compete in providing the same OTT based services. This kind of mix-and-match competition is flourishing in network as well as participants in the internet arena and it is good for consumers and expansion of internet services.

7. The Indian context is most unusual and unique in the world. Here hyper competition with 7-8 telecom service providers holding onto very limited spectrum resources coexists with the lowest tariffs in the world. Therefore competition takes care of many such issues which confound developed nations.

8. Besides, **National Security and consumer's security, safety and privacy are of paramount importance and should not be compromised at any cost.** Most of the OTT providers, who are providing communication services within India, have their servers outside the country, which leaves Indian security agencies powerless to exercise their rights. Such practice of having servers outside the country also endangers privacy of the Indian Citizens' personal and/or sensitive data since service provider operating in a particular country is bound by its legal system. The laws of that country may force such service provider to permit the legal officials of that country to access the data and any encryption keys that are stored within the nation's geographical boundaries. Even if the service providers and/or security agencies try to capture the information flowing in the network, they can get only the raw data, as most of the OTT players use special encryption and it is extremely difficult for the Government and service provides to obtain decryption keys. TRAI itself has sited the protracted negotiation between security agencies and Blackberry. We should not have to follow the same course with each OTT player. Therefore, we are of the view that some sort of regulatory framework needs to be evolved so that National Security and consumers' security, safety and privacy issues are addressed

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along with ensuring the independence and ease of being a developer of the OTT applications and services.

In addition to RJIL's general comments submitted as above, the comments on the Questions raised in the Consultation paper follow seriatim in this document.

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RELIANCE JIO INFOCOMM COMMENTS ON TRAI'S CONSULTATION PAPER ON 'REGULATORY FRAMEWORK FOR OVER THE TOP (OTT) SERVICES' DATED 27.03.2015

Question 1: Is it too early to establish a regulatory framework for OTT services, since internet penetration is still evolving, access speeds are generally low and there is limited coverage of high-speed broadband in the country? Or, should some beginning be made now with a regulatory framework that could be adapted to changes in the future? Please comment with justifications.

Response:

(1) As per the State of the Broadband report of September 2014, published by ITU, India has a 15% Internet user penetration and is ranked 142nd, way below some of its neighbouring countries like Bhutan and Sri Lanka. Other facts such as low internet penetration and limited coverage of high speed broadband mentioned in the above question are all undeniably existent. In fact the Authority itself reflected dismal position of India in respect of broadband in its recent recommendations on 'Delivering Broadband Quickly - What we need to do' dated 17 April 2015. The Authority has also recommended steps to remove bottlenecks in broadband proliferation. The main issue is to analyse need for regulatory framework for OTT services in the context of existing situation of broadband in the country.

(2) It is submitted that the Indian telecom success story started post the issuance of CMTS licenses and has thrived with the regulations. Indian Telecom Regulatory framework has evolved from initial days of tariff regulation to a mix of forbearance, light touch regulation, co-existence of authorisations and registration along with Licensing over time. The Indian telecom story would not have been such if the regulatory framework was not present. In fact the regulatory framework has acted more as a catalyst than a barrier.

(3) Now when TSPs have an evolved and progressive framework for telecom service working well in the country, it would be a fallacious assumption that the low internet penetrations and speeds warrant that the OTT services should be kept out of regulatory framework just to facilitate their growth. In fact India's OTT landscape is still taking shape and we believe that for increasing the broadband penetration and growth of OTT services to ensure greater good to the common public, it is the right time to put in place an appropriate regulatory framework. Subsequent to enhancement of the ecosystem, it would be difficult to implement a new regulatory framework. Timely establishment of regulatory system will also allow all stakeholders to take informed decisions.

(4) An appropriate regulatory mechanism at this point can also be used to promote the growth and development of OTT applications and content providers, especially those that may be small in size and therefore expect a level playing field to be able to compete effectively.

(5) Besides, **National Security and consumers' security, safety and privacy are of paramount importance and should not be compromised at any cost.** Most of the OTT providers, who are providing communication services within India, have their servers outside the country, which leaves Indian security agencies powerless to exercise their rights. Such practice of having servers outside the country also endangers privacy of the Indian Citizens' personal and/or sensitive data since service provider operating in a particular country is bound by its legal system. The laws of that country may force such service provider to permit the legal officials of that country to access the data and any encryption keys that are stored within the nation's geographical boundaries. Even if the service providers and/or security agencies try to capture the information flowing in the network, they can get only the raw data, as most of the OTT players use special encryption and it is extremely difficult for the Government and service provides to obtain decryption keys. TRAI itself has sited the protracted negotiation between security agencies and Blackberry. We should not have to follow the same course with each OTT player. Therefore, some sort of regulatory framework needs to be evolved so that National Security and consumers' security, safety and privacy issues are addressed along with ensuring the independence and ease of being a developer of the OTT applications and services.

(6) To address such security concerns, regulatory and licensing framework for the Telecom Service Providers (TSPs) have evolved over the time. Some of the important security compliances applicable to TSPs are as follows:

(a) Setting up Lawful Interception and Monitoring (LIM) systems to enable Authorised security agencies to monitor/ intercept the messages transmitted over the telecom networks.

(b) Verification and authentication of consumers of telecom services.

(c) Restriction on switching of domestic calls/ messaging from outside the country.

(d) Restriction on sending user information abroad.

(e) Right to inspect the sites/ network used for extending the service, by the Licensor.

(f) Providing necessary facilities for continuous monitoring of the system, not employing any bulk encryption equipment, taking prior evaluation and approval of Licensor for any encryption equipment for specific requirements.

(g) Switching/ routing of voice/ messages in P2P scenario.

(h) Maintaining CDR/ IPDR for Internet including Internet Telephony Service for a minimum period of one year.

(i) Maintaining parameters of IPDR as per the directions/ instructions issued by the Licensor from time to time.

(j) Responsibility for ensuring protection of privacy of communication and confidentiality of subscriber information.

(k) Applicability of Indian Telegraph Act, Indian Telegraph Rules, The Code of Criminal Procedure, and the Information Technology Act and their different rules pertaining to intermediaries and interception.

(7) Lawful Interception (LI) of every message is legally approved. It is an important tool with the security agencies for investigation of criminal, anti-national and anti- social activities. TSPs are under the obligation to provide LI access to their networks/ services. However, no such provisions are there for OTT providers, who use data access channel of the telecom service providers to reach the customer with similar voice and messaging services.

(8) It is understood that the licensing regime, as applicable to the TSPs, may not be desirable for the OTT providers, however, to comply with the National Security requirements and to ensure consumers' security, safety and privacy, an appropriate regulatory framework is required to be established for OTT service providers as well. The nature of services offered by the OTTs, especially the communication OTTs, are very similar to that of the TSPs as far as voice and data services are concerned, and therefore it is logical that the OTTs are required to adhere to the same set of security standards. Other OTTs (who strictly do not offer any communication services) need not have to adhere to such security requirements, however there may be certain sector specific requirements that may be relevant for these OTTs and therefore it is only fair that there is a clear and transparent regulatory mechanism in place that addresses such requirements.

Question 2: Should the OTT players offering communication services (voice, messaging and video call services) through applications (resident either in the country or outside) be brought under the licensing regime? Please comment with justifications.

Response:

(1) We agree with Authority's broad classification of OTT players into communication and non-communication services. The communication OTT service are essentially services that require real time transmission of messages. These purely fall under the

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ambit of Indian Telegraph Act and are being provided by licenced telecom service providers. The TSPs operate these services under strict licensing framework the most important part of which are compliances with the security conditions and service standards. The security framework has evolved over the years along with growth and proliferation of telecom services.

(2) In order to address national security concerns and consumers' security, safety and privacy, we support an appropriate regulatory framework to be established for OTT communication services (voice, messaging and video call services). It may not necessarily be through licensing, and could be implemented through a registration or authorization requirement with a nominal entry fee and minimal license fee. In the absence of similar security requirements, there is the risk of these applications being misused for nefarious designs.

(3) There are already increasing number of cases of misuse of the communication applications. We would like to highlight the recent case of an OTT application called Voxox that enables its subscribers to make regular voice calls by not only masking their identity but by assuming the identity of another person (altered CLI can also be sent to the called party in India and this altered CLI is recorded in CDR also). We understand that there are other such applications also. This is a very dangerous application that can easily be misused for malicious purposes and should be immediately restricted.

(4) Similarly, revelation by Edward Snowden about snooping activities has raised significant concerns regarding security and privacy of data on a global scale. Several countries have taken steps in response to this so as to protect their national cyber security and citizen privacy.

(5) We are not proposing any kind of commercial charges on the OTT communication services, however we are suggesting that they should also be subject to the same security requirements that a traditional TSP has to adhere to as the service offered is of a similar nature. There are precedents of this kind of requirement in other countries.

(6) By way of registration/ authorization Government may mandate OTT providers providing communication services to put their servers in India and comply with other security guidelines. This will address security concerns of the country and also support 'Make in India' and 'Digital India' initiative of the Government.

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Question 3: Is the growth of OTT impacting the traditional revenue stream of TSPs? If so, is the increase in data revenues of the TSPs sufficient to compensate for this impact? Please comment with reasons.

Response:

(1) In order to decide regulatory framework for OTT, its impact on the traditional revenue stream of TSPs is not of much importance in a competitive market driven industry. Currently we consider data revenue as an integral part of traditional revenue stream of TSPs, however it was not so till a few years ago. The evolution of technology is always a forward march and the revenue streams shall align itself accordingly. We have seen that because of OTT messaging services revenue of TSPs from SMS has decreased, however, these OTT services have led to increased demand for data services and therefore TSPs revenue through subscription from data services has increased correspondingly. The TSPs are best placed to balance their business model to capture the changing dynamics of the industry.

(2) The market forces will take care of any revenue imbalances. Today, data is kept at much lower tariffs in order to increase proliferation of data, however if and when the OTT communication services start cannibalising the voice revenue of TSPs in a significant manner, the market forces may react in the form of correction in data tariffs or other revenue streams may start.

(3) As we are all aware, India has a highly competitive telecom industry, and the operators have been able to offer the cheapest tariffs to customers. Data tariffs in India are already amongst the lowest in the world, and we believe the operators will keep the tariffs efficient because of competitive forces. This has been partly made possible by enabling operators to follow market based pricing of products and develop revenue streams through other innovative mechanisms.

(4) Therefore we believe that the market dynamics will take care of imbalance created because of innovation in technologies and services. The consumers will always be benefitted because of these developments.

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Question 4: Should the OTT players pay for use of the TSPs network over and above data charges paid by consumers? If yes, what pricing options can be adopted? Could such options include prices based on bandwidth consumption? Can prices be used as a means of product/service differentiation? Please comment with justifications.

Response:

(1) The fact of the matter is that it costs a large amount of money to build telecom networks and the OTT players sell their wares using these telecom networks without any direct payment to the TSPs. Some of their product are directly competing with the telecom services being provided by the TSPs. However, on the other hand, the consumer pays data charges to the TSP to consume the service on offer by OTT players.

(2) As the data charges are under forbearance, TSPs have complete control over their data revenue. In hyper competitive scenario of Indian market, wherein 7-8 TSPs are vying for same customers, the market dynamics itself govern the pricing of various telecom products.

Question 5: Do you agree that imbalances exist in the regulatory environment in the operation of OTT players? If so, what should be the framework to address these issues? How can the prevailing laws and regulations be applied to OTT players (who operate in the virtual world) and compliance enforced? What could be the impact on the economy? Please comment with justifications.

Response:

(1) As elaborated in our response to questions 1 and 2, there is imbalance in the regulatory environment in the operation of OTT players. In order to address the National Security concerns and for ensuring consumers' security, safety and privacy, we support putting in place light touch regulatory framework for OTT services.

(2) Promoting India based OTTs and encouraging/ mandating the international OTT players to have physical presence in India as well as mandating some form of registration/ authorisation will ease enforcement of security conditions. Large population and growing demand of internet in India generates sufficient traffic for these OTT players to maintain servers in India.

(3) Economy of the country and ICT has a recursive relationship, they help each other to grow. Affordable broadband connectivity, services and applications are essential to

modern society. OTTs working within the suggested regulatory framework will definitely help in enabling country-wide facilities like health care, education, energy, job training, civic engagement, Government performance and public safety to ensure continued economic growth of the country.

Question 6: How should the security concerns be addressed with regard to OTT players providing communication services? What security conditions such as maintaining data records, logs etc. need to be mandated for such OTT players? And, how can compliance with these conditions be ensured if the applications of such OTT players reside outside the country? Please comment with justifications.

Response:

(1) Security conditions are intrinsic and should be mandatorily complied with by all OTT providers providing communication services. As discussed in our response to questions 1 and 2, the security conditions shall form the bulk of the OTT players' obligations under their registration/ authorisation.

(2) For OTT players providing communication services, at-least following should be mandated:

(a) Taking permission/ approval of the Licensor for any new service.

(b) Hosting services from within India.

(c) Setting up Lawful Interception and Monitoring (LIM) systems.

(d) Verification and authentication of consumers of telecom services.

(e) Providing necessary facilities for continuous monitoring of the system, not employing any bulk encryption equipment and taking prior evaluation and approval of Licensor for any encryption equipment for specific requirements.

(f) Providing decryption keys to the Government.

(g) Restriction on switching of domestic calls/ messaging from outside the country.

(h) Maintaining CDR/IPDR for Internet including Internet Telephony Service for a minimum period of one year.

(i) Maintaining Parameters of IPDR as per the directions/instructions issued by the Licensor from time to time.

(j) Responsibility for ensuring protection of privacy of communication and confidentiality of subscriber information.

(k) Measures against CLI masking as highlighted earlier.

(3) As mentioned earlier, promoting India based OTTs and encouraging/ mandating the international OTT players to have physical presence in India will ease enforcement of

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security conditions and also have positive impact on economy. Large population and growing demand of internet in India generates sufficient traffic for these OTT players to maintain servers in India. There are precedents of these kind of restrictions in other countries such as France, Germany, UAE etc.

Question 7: How should the OTT players offering app services ensure security, safety and privacy of the consumer? How should they ensure protection of consumer interest? Please comment with justifications.

Response:

(1) Security, safety and privacy of consumer information is intrinsic for the growth of both telecom and OTT services. Only effective privacy controls and information security can build consumer confidence required for growth. The TSPs are license bound to ensure the above mentioned controls whereas no such regulations exist for OTTs.

(2) There are number of OTTs having capability to identify and record location, activities and daily movements of consumers. The need for maintaining privacy and securing personal data is increasing as the OTTs attach value to the personal data and share it with third parties. Framework regarding user's privacy and personal data protection is still evolving. Some regulators, including the European Commission with its current proposal on Data Protection Regulation, and Brazil with its Internet Civil Framework Act, are pushing for OTT players to abide by the data protection rules of their customers' countries. At present, most OTT players are not subject to the regulations of their users' countries as the players are often based elsewhere, hence it is difficult to enforce rules on them. In the coming years, such framework will evolve and if OTT players will be under a regulatory framework, it will be easier to enforce such rules.

(3) Security, safety and privacy of consumers is required to be maintained for all types of OTT services and prescribing rules for it should be a mix of telecom regulation and those of a particular sector e.g. health, retail, finance etc. In addition to our comments submitted in reply to Questions 1, 2 and 6 regarding security measures, it is mentioned that the Authority may in consultation with other sector regulatory bodies prescribe an explanatory list of "Good to have" things for OTT applications for consumer security, safety and privacy. This list may include disclosure of information on the use of https: protocol for financial transactions, disclosure on existence of a fraud management policy and information security policy, disclosure for the framework put in place for ensuring consumers' security, safety and privacy etc.

Question 8: In what manner can the proposals for a regulatory framework for OTTs in India draw from those of ETNO, referred to in para 4.23 or the best practices summarised in para 4.29? And, what practices should be proscribed by regulatory fiat? Please comment with justifications.

Response:

(1) As highlighted by the Authority in the consultation paper, the regulatory frameworks for OTT players are evolving the world over including in developed countries.

(2) We shall always seek to identify and evaluate the best practices internationally, however their applicability in Indian context needs to be debated. It is desirable to come up with a regulatory framework which is flexible and allows all stakeholders to experiment with different models. Such regulatory frameworks should be developed after debating all aspects and obtaining views from all stakeholders.

(3) In addition to our suggestion of regulatory framework for all OTT services, we believe that some of the key practices, as mentioned in Para 4.29 of the consultation paper dated 27.03.2015, reproduced below may be suited in Indian environment:

   (a) Separate regulatory practices for communication services and non-communication services (e.g., Germany, France);

   (b) Use of a FRAND (fair, reasonable, and non-discriminatory terms) approach in dealing with regulatory issues concerning OTT players (e.g. Korea, ETNO).

Question 9: What are your views on net-neutrality in the Indian context? How should the various principles discussed in para 5.47 be dealt with? Please comment with justifications.

Response:

(1) Net Neutrality has no widely accepted definition, but at the most basic level it implies that the service providers shall not discriminate in different data packets in any manner. It usually means that TSPs charge consumers only once for internet access without discriminating between content providers and content over the network.

(2) RJIL strongly supports Net Neutrality and wishes to promote Net Neutrality. There should not be any discrimination based on content or nature of service, subject to

the issue around security that we have already highlighted and a prudent level of network management.

(3) In light of security issues as elaborated in response to earlier questions and keeping in view the diverse position of India, there is need to have definition of net neutrality looking into the Indian context. In India, the adoption of digital services is at nascent stage and needs to be encouraged. Another important aspect is presence of hyper competition with 7-8 TSPs vying for same customers. Any anti-competitive behaviour by one operator will immediately result in loss of business to other operators, and therefore the market dynamics will make sure that all operators work in the interest of consumers at all times.

Question 10: What forms of discrimination or traffic management practices are reasonable and consistent with a pragmatic approach? What should or can be permitted? Please comment with justifications.

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Question 11: Should the TSPs be mandated to publish various traffic management techniques used for different OTT applications? Is this a sufficient condition to ensure transparency and a fair regulatory regime?

Response:

(1) Prudent level of traffic management is important for any communication services network. E.g. even in non-OTT scenario, the TSP networks prioritize voice calls over all other TSP traffic on a device. The consultation paper mentions common traffic management techniques in practice, which should be permitted provided they are done transparently and with consumer knowledge.

(2) Network and traffic management is in the interest of consumers and all stakeholders at large as it enables prioritisation of important/ time critical data packets over others. Health services, news, financial services, communications, live unicast etc require real time transfer of data and therefore should be prioritised over mails, file transfers or software upgrades etc which are not time critical.

(3) Transparency is a hallmark of any good regulatory regime and the TSPs may be mandated to publish the philosophy related to traffic management and various classification and techniques employed for traffic management.

Question 12: How should the conducive and balanced environment be created such that TSPs are able to invest in network infrastructure and CAPs are able to innovate and grow? Who should bear the network upgradation costs? Please comment with justifications.

Response:

The TSPs will be willing to invest in the networks and up gradation of networks as long as a predictable regulatory regime ensuring a non-discriminatory environment is in place. Content and Application Providers (CAPs) cannot be forced to bear the network up-gradation cost.

Question 13: Should TSPs be allowed to implement non-price based discrimination of services? If so, under what circumstances are such practices acceptable? What restrictions, if any, need to be placed so that such measures are not abused? What measures should be adopted to ensure transparency to consumers? Please comment with justifications.

Response:

(1) There should not be any intervention in the way TSPs conduct their business as long as they are compliant with the License terms and conditions. Regulatory interventions shall happen only in cases of proven market failure.

(2) Please see response to questions 10 and 11 with respect to traffic management. The TSPs may be mandated to disclose these policies on their website.

Question 14: Is there a justification for allowing differential pricing for data access and OTT communication services? If so, what changes need to be brought about in the present tariff and regulatory framework for telecommunication services in the country? Please comment with justifications.

Response:

We believe that the Authority's position elaborated in the Telecom Tariff Order viz. ***"TSPs shall not, in the matter of applications of tariffs, discriminate between subscribers of the same class and such classification of subscribers shall not be arbitrary"*** should be adhered to. Thus as long as pricing is compliant with regulatory principles of inter-alia, non-discrimination and non-predation, it should be allowed.

Question 15: Should OTT communication service players be treated as Bulk User of Telecom Services (BuTS)? How should the framework be structured to prevent any discrimination and protect stakeholder interest? Please comment with justification.

Response:

The diversity of commercial and technical arrangement between content providers and service providers is important for internet's functioning. We believe that in the interest of innovations and benefit to subscribers, in the competitive scenario like in India, bilateral agreements between stakeholders may be permitted. However there should not be any regulatory mandate to adopt or not to adopt BuTS.

Question 16: What framework should be adopted to encourage India specific OTT apps? Please comment with justifications.

Response:

(1) As suggested in response to previous questions that to address consumers' security, safety and privacy concerns, the OTT providers offering communication services should be mandated to put their servers in India and comply with other security guidelines. This will address security concerns of the country and also support 'Make in India' and 'Digital India' initiative of the Government.

(2) The India specific OTT apps will be developed as the internet and broadband penetration increases in rural areas. The authorities shall ensure that conducive environment is created for the same by taking specific measures such as:

- Removing bottlenecks in fibre roll out by issuing a comprehensive Right of Way policy.
- Ensuring that more spectrum is available.
- Providing tax and license fee breaks for rural coverage.

(3) Besides these, as already submitted in response to Question 6, to comply with the security requirements, hosting services within India should be mandated for OTT offering communication services. Further, the Authority should also encourage datacentre and content hosting in India through means such as allowing differential tariffs for the same. Once reliable infrastructure is available coupled with traffic increase with broadband penetration, it will ensure that even global giants will create India specific OTT apps.

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(4) Some form of price prioritisation for India based OTT apps could also be considered within the contours of net neutrality as it is a fact that cost to make data available from India based OTT apps will be lesser than other apps and this benefit could be attributed to India based OTT apps. However, this should be done responsibly without breaching any net neutrality principles or anti-trade principles.

Question 17: If the OTT communication service players are to be licensed, should they be categorised as ASP or CSP? If so, what should be the framework? Please comment with justifications.

Response:

The framework shall be minimal and simplistic as discussed in our reply to questions 1 and 2. Given certain specific security aspects are proposed for the OTT communication service players, it may be required to categorise them in a specific manner as against the other OTT service players.

Question 18: Is there a need to regulate subscription charges for OTT communication services? Please comment with justifications.

Response:

The current OTT services are highly competitive and are either offered free or at very competitive rates. Regulating subscription charges for OTT communication services will interfere with the business model adopted by OTT providers. Telecom tariffs are largely under forbearance with good results, the same should be continued for OTT services.

Question 19: What steps should be taken by the Government for regulation of non-communication OTT players? Please comment with justifications.

Response:

(1) All types of OTT services should be brought under minimal and simplistic regulatory framework as discussed in our reply to questions 1 and 2.

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(2) Non-communication OTT players need not be required to adhere to the security related requirements that should be applicable for communication OTT players. However certain sector specific requirements may be applicable for the non-communication OTT players.

Question 20: Are there any other issues that have a bearing on the subject discussed?

Response:

Nil

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