

VODAFONE RESPONSE TO TRAI's CONSULTATION PAPER

ON REVIEW OF UCC REGULATIONS

We are pleased to submit our views on some of the broader regulatory issues that we believe require consideration in the current review of the UCC Regulations.

It would be relevant to acknowledge at the outset that the existing UCC Regulation of 2007 has helped in reducing unsolicited commercial calls (UCC). However, a lot more still requires to be done.

For example, registrations on the national do not call (NDNC) registry needs to be further improved, but then a lot of customers may not register because receiving such calls / messages may not really be a source of disturbance.

It is further worth noting that the NDNC has been instrumental in managing to eliminate a large part of the problem arising out of voice calls. Today, almost all complaints from customers are on account of unsolicited text messages.

And we feel there is a **core underlying economic** reason for this, which can easily be addressed by the regulator in its current review. It is essentially an arbitrage opportunity for telemarketers, which, once plugged, would serve to remove a large part of the problem today.

We would request the Authority to kindly consider our submission on the possible remedies to help eliminate the problem on account of text messages.

Of course, there would continue to be one final fundamental issue, which is a significant contributor to the ineffectiveness of the NDNC regulations today. There are no existing regulations / laws that act as a serious deterrent to telemarketers from violating the NDNC Regulation.

ECONOMIC INCENTIVES THAT ENCOURAGE UCC

The 2007 regulations clearly specified a disincentive in the form of a higher tariff and disconnection of services for telemarketers who disturb customers registered in the NDNC. This proved to be disincentive enough to reduce unsolicited voice calls.

However, this did not prove to be a significant enough disincentive for text messages. Telemarketers continue to acquire bulk SMS capacities and flood customers with spam messages – at near zero cost to them.

It is here that establishing a minimum economic / price threshold for SMS would go a long way in providing an economic disincentive to telemarketers. This threshold has to be in the form of a termination charge for SMS – since for every SMS received by a network, there are resources and infrastructure being used.

We would thus earnestly request you to kindly re-examine the principle of introducing a termination charge on SMS – that would compensate the terminating operator for the work done and at the same time not permit telemarketers to SMS capacity at near zero cost – which removes all motivation to comply with regulations.

We do understand that this issue may already be under consideration by the Authority and would urge you to kindly address this in context of the current review itself. We are confident, that introducing this minimum termination charge on SMS would go a long way in removing the text based UCC problem.

STREAMLINING OF THE EXISTING SYSTEM

We would also submit that, there is a need to streamline and strengthen the complaint resolution process itself and a direction or guideline to enable this would improve the effectiveness of the current system significantly.

The following are our suggestions for your kind consideration:

1. Just like the current process permits customers to register themselves on the NDNC simply by sending an SMS, customers should be able to register complaints over SMS – and this practice has to be supported by all operators across all circles
2. The resolution effectiveness for DND complaints would be faster and better if the above is implemented.
3. It is essential to provide customers the choice to select whether they want to receive messages from all operators or some specific operators – or maybe only their current service provider. The option of choosing a non-intrusive channel such as SMS, USSD etc can also be provided.
4. In the existing regulation, there is penalty for the telemarketer. However there is no penalty for the vendor or the company on whose behalf the calls or SMSs are triggered.
5. It would be a big step forward in strengthening the current system if a penalty were to be imposed on vendors too.
6. The levels of penalty imposed should be increased especially for repeat complaints from the same sender ID – a much heavier penalty amount should be imposed to deter violations.
7. If an operator today disconnects one offending number the telemarketer can easily obtain another. This should be prevented by discouraging issue of any new numbers from the same or any other operator for a minimum duration of time.
8. There are instances where an offending sender ID is disconnected and then the same ID is re-issued. It is necessary to specify a minimum time frame of 6 months for such re-issue.
9. A database of black listed telemarketers should be created and shared across all service providers – including TRAI.
10. TRAI should institute a monthly / appropriate periodic review from all operators to take stock of the progress on compliance.
11. Service providers should be asked to submit an action taken report and this can be taken up for discussion in the reviews.

PROPOSED NATIONAL DO CALL REGISTRY

As mentioned in our introduction, we strongly believe that the existing regulation has proved to be effective but not nearly as much as it could have been. This is a good opportunity to review and streamline some of the existing processes and also to introduce some new measure that would further strengthen the system as a whole.

We do not see the introduction of a completely new regime in the form of a Do Call Registry to be any better – in fact it would reverse some of the benefits derived from the current system.

The do call system would in all probability not work at all, because there would be no punitive liabilities on telemarketers for violating it. In the absence of this all subscribers who do not register would be open to calls.

The existing system has succeeded in significantly curbing the voice call problem. We would strongly request that the Authority thus to consider strengthening the NDNC system rather than replacing it.

However, if at all the Authority decides to do so, it would have to consider and address the following:

1. What would be the penalty for calls to customers who are not registered on such a registry?
2. In the absence of a strong deterrent the chances of a do call registry succeeding are low
3. For customers who do register for receiving calls they should be able to opt out or opt in for a specific type of communication channel– be it SMS, USSD, voice, etc.
4. It would also help to provide a choice of specific industry type from where a customer wants to receive messages say banking, insurance, telecom, retail etc

We request you to kindly take our views into consideration before arriving at any final decision on this matter.