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EBG FEDERATION RESPONSE TO TRAI CP ON REVIEW OF VOICE MAIL/ AUDIOTEX/ UNIFIED MESSAGE SERVICE LICENSES

EBG Federation (EBG) was established on 11th March, 2015 as a Section 8 company under the Companies Act 2013 in order to ensure long term stability and clarity on its purpose as a not for profit organization offering support and advocacy for European businesses in India. Founded as the European Business Group (EBG), in 1997, as a joint initiative of the European Commission and the European Business Community in India, EBG has come to be recognized by the Indian Government and the European Commission as the industry advocacy group representing the interest of European companies in India.

EBG Federation is supported by the Delegation of the European Union to India and represents the 27 Member States of the European Union, UK as well as accession countries and its partners in European Economic Area (EEA). The EU Ambassador is our Patron. Currently EBGF has Chapters in Delhi, Mumbai, Bangalore and Chennai with approximately 170 companies as Members including a number of companies from the Telecom Sector. Mr. TV Ramachandran is currently the Chairman of the Telecom Sector Committee of the EBGF.

The primary objective of EBGF is to actively support growth in India-EU trade relations, become the most relevant advocate for European business in India and ensure that the needs of European business are well presented to policy and decision makers.

Preamble:

As per TRAI (Amendment) Act, 2000 the Authority makes the following recommendations on Unified Licensing

“Technological developments are rendering service based divisions of Telecommunications, redundant. Increasingly, the services covered under one license can also be provided under another license due to such developments. Recent examples are several services such as Radio Paging, Audio Text Services, Video Conferencing, Data Services, Video Text Services, Electronic Mail, Voice Mail, etc. These services were identified as independent licensed services under NTP 1994 but have faded due to the technological developments in the services of other licenses. The regime would be best implemented through a license based on an authorisation process as is increasingly becoming prevalent in other countries. **Efforts should be made to develop an environment that fosters innovation and technology evolution.** Convergence in

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EBG FEDERATION

“carriage” of telecommunication has been evident for some time. This has occurred due to convergence of media on one hand and development of IP based transmission in digital format for voice, data and video on the other.”

This could not have been more judiciously put to answer the current questions. Legacy Licenses and rulings must be relooked at from time to time so that a healthy environment for progress is maintained.

However, our members are currently of two schools of thought on bringing all licenses under one umbrella.

There is a strong school of thought which says “same services same terms” and would like to see all stakeholders brought under the Unified Licensing regime.

The other school of thought is to allow the Stand alone licensee to continue. The idea is to categorise them as OSP’s and allow them to extend their licenses if their ROI is stable.

Our responses to queries by TRAI are submitted as follows:

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?

RESPONSE:

Existing standalone licensees have legal rights under their contract. They took the licenses based on business assessments of risk and investment against anticipated return on investments. While principally it would be an administrative benefit to bring all stakeholders under one license, **a painless and attractive migration package should be negotiated with them to incentivise them to migrate to Unified Licensing regime.**

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?



EBG FEDERATION

RESPONSE:

Yes, there is a need to review the existing technical specification in view of the fact that the license was written many years back and the technology advancement have happened many fold since. The world over things have moved from traditional PSTN based calling to VOIP or rather Everything on IP (EOIP). The horizon of audio conferencing is no longer domestic but predominantly global and accordingly there is a need for necessary amendment in the Audiotex license. Thus, there is a need to make changes in the existing Audiotex License to allow technological advancement especially in IP conferencing.

We also submit that the service area scope of the Audiotex license should be increased from SDCA to Circle level_ and all artificial barriers be removed and allow IP-PSTN connectivity at the bridge.

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?

RESPONSE:

Already responded in Q1..

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?

RESPONSE:

Yes, please see response given in Q2.

Q5. Whether there is a need for standalone licence for providing Audio Conferencing Service? If yes, whether the technical



EBG FEDERATION

specifications need to be explicitly defined? Please provide detailed justification?

RESPONSE:

There is **no need for a standalone licence** for providing Audio Conference as Multi-party Audio Conferencing is permitted under the Audiotex service for which the TSP/ISP is not required to have a standalone license. The audio conferencing should be part of the TSP licenses and only operators who do not have Telecom license are required to acquire Audiotex license (which we understand also covers Audio Conferencing).

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

RESPONSE:

already covered in our response to Q2.

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?

RESPONSE:

As per the clause 7.4 (Part I: General Conditions) of the Voice Mail/Audiotex/Unified Messaging Services Licence, a Unified Licensee with ISP authorisation is authorised to provide Unified Message Service as well as a standalone ISP licensee is also permitted to do so, hence **it is not necessary to have a separate license** for Unified Messaging Service.

We believe that regulatory licensing administrative activity cost can be reduced by incorporating the UMS conditions in ISP licenses of these existing UMS service providers thereby abolishing a separate category for UMS

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?



EBG FEDERATION

RESPONSE:

Not required

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?

RESPONSE:

As per answer to Question 1

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?

RESPONSE:

In view of our recommendation of broadening the scope from pure PSTN to also include IP based platform, it is thus, recommended that the license be issued on all India bases or at least on per circle basis. With the concept of One India , there is a need to remove these barriers related to circles, specially going forward when everything will move to IP.

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?

RESPONSE:

We believe that there should be some requirement for minimum entry fee for such authorizations to ensure that only serious player may enter in the market.The current fees may be continued.

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?



EBG FEDERATION

RESPONSE:

The Minimum Net worth & Minimum equity may be equal to ISP license so that only serious players enter the market.

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?

RESPONSE:

As per TRAI recommendations on “Definition of Revenue Base (AGR) for the Reckoning of Licence Fee and Spectrum Usage Charges” dated 6th January 2015 “Share of USO levy in LF should be reduced from the present 5% to 3% of AGR for all licences with effect from 1st April 2015. With this reduction, the applicable uniform rate of licence fee would become 6% (from the present 8%) of AGR viz. the 3% of LF that directly accrues currently to the Government will not change”.

As of 1st April 2015, share of USO levy in License Fee has been reduced from 5% to 3% for all licenses. With this reduction, applicable uniform rate of License Fee would become 6% (from the earlier 8%) of AGR, for all licenses.

in view of level playing field, it is suggested that the revenue earned by Audiotex be treated similarly to all other license. However, they be allowed to reduce the interconnection charge paid to other license holder while calculating AGR.

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?

RESPONSE:

Responded in Q13.



EBG FEDERATION

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

RESPONSE:

As mentioned earlier, there should be minimum Entry Fee Only Performance Bank Guarantee of 3 lacs may be taken for ensuring compliance to the requisite license conditions.

No separate Financial Bank Guarantee and Application Processing Fee is however envisaged. However, if the Authority decides to cover Auditex also under the license fees umbrella, then as per present practice, the FBG may be equal to two quarters License Fees.

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

RESPONSE:

Yes, duration of the license Voice Mail/Auditex/Unified Messaging Services authorisation may be made 20 years (perhaps with a codicil that in the case of emergent new technologies within this time span the license may be reviewed to ensure incorporation of latest technologies with maximum benefit to all stakeholders.)

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

RESPONSE:

EBG feels that the recommendations by TRAI for the purpose are adequately suitable:



EBG FEDERATION

(i) On migration, Unified Licence shall be for a period of 20 years from the effective date of UL, irrespective of the validity period of the Licence already held.

(ii) Entry fee applicable to migration to Unified Licence shall be equal to entry fee for new Unified Licence except for Internet Service Provider with BWA spectrum.

(iv) After migration, the terms and conditions of Unified Licence shall be applicable, however, Roll out obligation and any other relevant liabilities including financial dues and treatment of violations and imposition of penalty thereof, if any, associated with the existing Licences/spectrum shall remain applicable under the terms of existing licence even after migration 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 authorisation under Unified Licence?

RESPONSE:

DOT has never mandated migration to new license in past and the same system should be continued. Basic Service to UASL and UASL to UL are fine examples.

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 authorisation under Unified Licence?

RESPONSE:

The process for migration should be so simplified that existing licensees are encouraged to migrate to a manageable platform for both operator and regulator.

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More often than not it is the length of processes for migrating that discourages operators from changing.

Under the principles of equality, same service should be subjected to same rules.

For those who opt to migrate to the Service authorisation under Unified License and those who don't, the license fees and entry fees should be the same.

Applicable uniform rate of License fee should now be taken as 6% of AGR on par with that of other telecom services being provided by UL licensee with authorisation for Voice Mail/ Audiotex/ Unified Message Service

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

RESPONSE:

No comments