

# Comments on Consultation Paper

---

*Consultation Paper No. 01/2018 on Inputs for Formulation of National Telecom Policy – 2018*

## Question 1:

**Stakeholders are requested to give their comments on structure and contents of the proposed inputs for National Telecom Policy, 2018, clearly outlining the specifics along with justification.**

Phonon Communications Pvt Ltd is one of the companies working under the broad definition of Application Service Providers<sup>1</sup>. Application Services, colloquially, are also being called as Cloud Telephony Services. Though, in this case the Cloud does neither mean VoIP component nor any VoIP-PSTN inter-connect. *Cloud Telephony simply means telecom services provided on a shared / pay-as-you-go model to enterprises.*

However, at the same time these Application Services are:

1. **Easily accessible Value Added Telecommunication Services**, for Micro, Small and Medium enterprises who are unable to afford large complex telephony systems for their requirements and therefore making them more competitive in the national and global arena.
2. **Innovative services available to even large enterprises**, which would probably have not been thought of by line managers due to their operational focus on routine matters, constraint of time or capital expenditure on capital expenditure or other such providers. The costs of such innovation easily distributed across multiple implementations.
3. **Provided in an operator-agonistic model** and therefore de-risking delivery of services, and providing higher quality of services.
4. **Already provided by global service providers** and would therefore had led to precious foreign exchange drain. Even by conservative estimates, a fledgling industry of Application Services in

---

<sup>1</sup> TRAI's response to DoT suggestions on 'Guidelines for Unified License / Class Licenses and Migration of Existing Licenses' on 16<sup>th</sup> April, 2012, please refer Pages 86 through 92, where the Authority recommends the definition of Value Added Services or Application Services as "*Value added services are enhanced services, in the nature of noncore 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.*". The Authority further recommends details of and clarification on Licensing through Authorisation.

India would atleast annual revenues north of Rs300 Crores between the top 10 such service providers in India, if not more. (Notwithstanding here the employment, Intellectual Property, Innovation, investments generated by these business.).

5. Services that are **part of the Fourth Industrial Revolution** connecting and automating customer service systems leveraging databases, CRM systems, call center automation and thereby Automating Interactions which would normally have been done by agents providing Just In Time and Near Real-Time customer service experience. Automation through Cloud Telephony provides version 2.0 of exactly the same value proposition of efficiencies and better quality of services that offshore outsourcers and call centers provided in the 2000s.

The above are in all in line with the following objectives of the Consultation Paper, viz:

#### Chapter I

##### D Government's proposed telecom policy statement of 2018

7. Objectives of National Telecom Policy 2018: ....Quality of Services, Ease of doing business and Absorption of new technologies including 5G and IoT.....

8. ... Encourage innovation....

#### Chapter II

##### A. Preamble:

10 (i) facilitate development of communication infrastructure and services to achieve inclusive socio-economic growth in the country, and (ii) to propel India to become the front-runner in the Fourth Industrial Revolution.

##### B Mission

- To fulfil the communication needs of the people, enterprises, and industries at affordable prices;
- To develop state-of-the-art secured communication infrastructure for delivering high-quality quality services to man and machines in urban as well as rural areas;
- To establish India as global hub for internet and data communication systems and services in a net-neutral environment;

##### C Objectives

(h) To leapfrog India amongst top-50 nations in international rankings in terms of network readiness, communications systems, and services;

(j) To attract an investment equivalent to USD 100 billion in communication sector;

(k) To become net positive in international trade of communication systems and services;

**Our Suggestion 1 therefore is that Authority considers adding Application Service Providers or Cloud Telephony Service Providers as one of the stakeholders while considering the National Telecom Policy 2018.**

One such place where this may be done is by wording section H of Chapter II as *Strategies to establish India as a global hub for data communication systems and services.*

## Question 2

**Stakeholders may also suggest any other issue related to Policy Framework which stakeholders feel is important for growth of telecom sector, along with justification.**

In order to achieve the objectives of National Telecom Policy, suggestions on the following have been invited:

D. Common Strategies to leapfrog India amongst top-50 nations

(d) By restructuring of legal, licensing and regulatory frameworks for reaping the benefits of convergence;

(e) With the separation of network and service layers, by separating licenses/permissions for rollout of networks, and provisioning of services;

(f) By working towards One Nation – One License for services;

As an Application Services Provider, our suggestions comprising Suggestion 2 are as under:

### 1. Ease of Innovation:

- a. In line with the government view of liberalization, Licensing of government owned resources, right-of-way etc should be separated from Value Addition or Resell of Services.
- b. Light-touch: Services delivered on top of leveraging licensed services should not require to be licensed.
- c. A broad set of guideline may be provided and Licensing for Application Services be done through Authorisation with services being evaluated based on TEC specifications.

2. **Ease of Scalability:** Overtime, there has been little differentiation between SDCA, Circle or NLD. Charges across all services are the same, to the extent of unlimited calling. Therefore, functionally Application Service Provider may be permitted across the common definition of Circles (A, B and C). This will permit ease of scale for Application Services.

3. **Ease of Market Access:** Like in most developed nations including North America and Europe, Numbers under National Numbering Plan should be made independent of Access Service Providers. Application Service Providers or end consumers may procure numbers from a central database and be free to choose the Access Provider of their choice based on service quality offered. This will lead to natural selection of best services in a Free Market.

The above suggestions are based on global market trends and in congruence with the various recommendations provided by the Authority over the years<sup>2</sup>.

Yours truly,

Ujwal Makhija  
Managing Director  
Mob: 922 772 8888  
Email: [ujwal@phonon.in](mailto:ujwal@phonon.in)  
Friday, January 19, 2018

---

<sup>2</sup> 1. Sr. 2.21, pg 34 of TRAI's recommendation on Spectrum Management and Licensing Framework dtd. 11th May 2010 recommends introduction of Licensing through Authorization in respect of Voice Mail / Auditotex / VoiceMail Services being referred as Application Services.

Sr. 2.23, pg 34 of the recommendations at Reference 1 gives adequate justification and re-strengthening of cause for Licensing by Authorization by mentioning that *"bringing them (ASPs) under a simply licensing scheme, (it) will be desirable that only serious players enter the industry and also meet the requirements of security monitoring by government agents."*

2. Sr. 2.22, pg 34 of the recommendations of TRAI's recommendations on recommends Licensing through Authorization and guidelines for the same.