May 20, 2019

US-India Strategic Partnership Forum Comments: Consultation Paper on Review of Terms and Conditions for Registration of Other Service Providers (OSPs)

The US-India Strategic Partnership Forum welcomes the opportunity to comment on the *Consultation Paper on Review of Terms and Conditions for Registration of Other Service Providers (OSPs)* issued by the Telecom Regulatory Authority of India (TRAI). The Forum's members, which consist of small and large companies from sectors including technology, IT services, financial services, defense, aerospace, energy, healthcare, and agriculture, are committed to promoting bilateral trade and strategic partnerships between the U.S. and India in order to achieve economic growth, job creation, innovation, inclusion, and entrepreneurship.

The sector (OSP/BPO/ITES) currently is a USD 160 billion plus market and a major employment generator. The sector has the potential to reach USD 350 billion by 2025 according to Nasscom. Policies should encourage growth of the sector via a light touch regulatory framework which is forward looking and attracts continued investment.

The Forum supports governmental efforts to create enabling regulatory environments through updating or retiring obsolete regulations, streamlining existing regulations and creating flexible frameworks. As such, we agree with the Department of Telecommunication's sentiment reflected in their letter of September 10, 2018: "Keeping in view the vast changes in technology and evolution of different network architectures and solutions for setting up the OSP network and the resultant new user applications and service delivery scenarios, there is a need to review the technical, financial and regulatory requirements, scope of operations and the terms and conditions of registration of OSPs in a comprehensive and holistic manner." We further support DoT's call for a technology neutral framework to promote innovation while delivering services in a cost-efficient manner while maintaining security.

We support efforts to move from a prescriptive registration framework formula to one that enables OSPs to provide innovative solutions that meet their clients' unique needs, recognizing that many solutions are designed to meet client specifications that may be modified over the life of the contract. Elements of a framework would embody the following core principles:

- The framework should be flexible, forward looking, location-agnostic and technology neutral.
- Provide flexibility to utilize infrastructure and connectivity options in the most efficient way possible to meet the users' needs, including permitting the seamless interconnection between IP-based services and the public network.
- Registration requirements should be minimal to facilitate the government's statistical reporting interests.
- DoT's compliance/audit mechanisms should be flexible to reflect the bespoke nature of the services.

- There should not be any data / server localization mandates as it exists in the current framework.
- The guidelines should promte and encourage new players in the eco-system, such as cloud hosting providers, to serve the requirements of OSP companies.

Following are specific comments:

- Definition. We do not believe data services (built upon use of Internet/broadband, VPN, IPLC, etc.) should be included in the definition for registering as an OSP, which is tantamount to requiring licensing of Internet- and IP-based services. The terms "Application Service" and "IT-enabled Services" have evolved since the definition was originally written and now encompass a variety of Internet-based and cloud-delivered services that do not appropriately fall under this category. We believe the definition should be limited to activities related to outsourcing through inbound/outbound voice calling.

- Converged services. Allowing for the use of converged services is an imperative in today's digital environment. A wide array of innovative offerings often depends on using IP and PSTN endpoints simultaneously, particularly in order to extract maximum benefits. A good example of this is collaborative videoconferencing, unified communciations, where multiple end users join a single meeting in which they meet via video, chat via electronic message, and work on documents and virtual whiteboards in real time. For a variety of reasons, including bandwidth limits for some users and physical equipment limitations for others, many participants connect their audio to the meeting via PSTN endpoints, while others may connect directly via IP from laptops and smartphones. Prohibiting IP-PSTN mixing limits the reach and effectiveness of this kind of collaboration service.

- Future proof. The need to accommodate converged services also extends to new and emerging uses of Internet-of-Things services. While the core of most IOT services rests on machine-to-machine communications, many applications include a communication layer that enables factory managers or other observers to interact with each other in real time based on the data the IOT service delivers. As with collaboration services, this capability is most valuable when it is open to all end users, including those that do not have ready access to an IP endpoint. There is little doubt that the IP-PSTN barrier will impact a wide array of innovative services that are still on the drawing board. These include applications ranging from connected homes, to connected classrooms, to healthcare, and to autonomous vehicles. The future scale of the potential impact is immense.

- Eliminate location as a basis of registration. Cloud-based services have been widely deployed in India, enabling companies to collaborate worldwide in a cost-effective and time-efficient manner, rendering the requirements on physical presence obsolete. If the registration process continues, it is more relevant to be based per company than on location.

- Eliminate artificial barriers. Our members note a number of restrictions that inhibit the use of cost-effective systems solutions. These include: uncertainty regarding the placement of EPABX can stifle the adoption of cloud-based solutions; multiple conditions and restrictions on interconnection of OSP centers has impacted the use of centralized infrastructure and efficient use of telecommunications resources; restricted use of IP telephony impact on new service adoption; restrictions on the use of closed user groups limits the use of productivity solutions; and impractical requirements for "work from home" limit business and operational flexibility.

The Forum looks forward to future participation in this proceeding. As always, we thank TRAI for the opportunity to comment and appreciate the transparent and predictable process the Authority provides to stakeholders.