CONSULTATION PAPER OF MOBILE VALUE ADDED SERVICES No: 5/2011
Dt: 21st July, 2011

Introduction:

We thank the regulator for the consultation paper and believe that this is a big step in the right direction.

We are providing our feedback to specific questions as below:

CHAPTER III: ISSUES FOR CONSULTATION

4.1 Whether the current provisions under various licences (UASL, CMTS, Basic and ISP) are adequate to grow the MVAS market to the desired level? If not, what are the additional provisions that need to be addressed under the current licencing framework?

Mobile Value Added Services are services offered by various organizations to mobile consumers (consumers being serviced for mobile connectivity by their respective mobile operators). The MVAS industry, for on-deck services, seeks marketing and billing assistance from mobile operators.

We advocate "open access" to the consumer for MVAS. This will fuel healthy growth of MVAS with adoption and acceptance being directly proportional to value delivered to consumer. There is no need, in our opinion, for any licensing for MVAS.

4.2 Is there a need to bring the Value Added Service Providers (VASPs) providing Mobile Value Added Services under the licensing regime?

Post the initial success of ringtones, wallpapers, CRBT and music-on-demand there has not been any service that has seen major adoption. The need of the hour is to promote innovation to facilitate rapid introduction of new services. Innovation, world over, has always been driven by an open and non-licensed regime and we'd hope that the same be done in India.

The MVAS industry is still in its nascent stage and needs an open environment. It is our fear that licensing will impose unnecessary burden and may nip things in the bud. That said, we do advocate some "registration" process along the lines of KYC norms such that the industry can identified, uniformly follow best practices, adopt a code of conduct, have an industry body that can represent its interests/opinions/thoughts etc.

4.3 If yes, do you agree that it should be in the category of the Unified Licence as recommended by this Authority in May 2010? In case of disagreement, please indicate the type of licence alongwith the rationale thereof.

Not applicable. Please see reply above

4.4 How do we ensure that the VAS providers get the due revenue share from the Telecom Service providers, so that the development of VAS takes place to its full potential? Is there a need to regulate revenue sharing model or should it be left to commercial negotiations between VAS providers and telecom service providers?

It can be argued that any revenue sharing agreement is driven by business parameters between the parties engaged in business. For MVAS companies, especially for those offering on-deck services, the lack of alternate established payment collection mechanisms from the consumer have been a huge hindrance. This has thus allowed mobile operators undue advantage in any revenue share negotiations. If this (alternate established payment collection) were looked upon as a structural issue and addressed appropriately it could dramatically drive innovation. However, and in our opinion, regulating revenue share model would be hard.

4.5 At the same time, how do we also ensure that the revenue share is a function of the innovation and utility involved in the concerned VAS? Should the revenue share be different for different categories of MVAS?

We believe that price points eventually get discovered. There may be delay but the correct price point will never be lost. As mentioned earlier we strongly believe addressing structural issues to further open up the ecosystem, especially with respect to billing the consumer, would be the best step forward. We do not believe regulation is necessary.

4.6 Do you agree that the differences come up between the MIS figures of the operator and VAS provider? If yes, what measures are required to ensure reconciliation in MIS in a transparent manner?

Yes this is an area of concern. As a measure of fair business practice it is essential for the MIS to be made available online, reconciliation of any differences be done as per a defined process and timelines are met the dealing parties. Moreover, it is essential that payments are released in a timely manner. While there has been some positive movement in this case in recent times we do believe that this is an area where guidelines can be issued. Any major deviations from the guidelines could then be brought to the notice of the competent authority for suitable redressing.

(i) Does existing framework for allocation of short codes for accessing MVAS require any modifications? Should short codes be allocated to telecom service providers and VAS

providers independently? Will it be desirable to allot the short code centrally which is uniform across operators? If yes, suggest the changes required along with justification.

Yes it certainly does. There is an absolute need for a central agency that allows for:

A) Search of a short code across mobile operators across circles
B) Request for allocation
C) Registration and cleared for allocation

The commercials and integration could be discussed and closed between the MVAS player and the mobile operator.   However guidelines from TRAI can be issued for integration of the short codes allocated.

(ii) Should there be a fee to be paid for allotment of short code?

The centralized agency can offer a consolidated fee that includes processing charges for it's services as well as the fees that is to be paid out to the mobile operators. The fee to be thus paid to the mobile operators will be common to all allowing for a level playing ground.

4.8 Is there a need to provide open access to subscribers for MVAS of their choice? If yes, then do you agree with the approach provided in para 2.46 to provide open access? What other measures need to be taken to promote open access for MVAS? Suggest a suitable framework with justifications?

Yes most certainly.

4.9 What measures are required to boost the growth of utility MVAS like m-commerce, m-health, m-education & m-governance etc. in India? Should the tariff for utility services provided by government agencies through MVAS platform be regulated?

m-governance needs three major drivers,

a) Alternate Payment collection methodologies from consumers for services provided
b) Access to consumer data in well-formed schemas as inputs to MVAS services. Of course this has to come with appropriate checks and balances for proper use of this data
c) Access to and acceptance by these Government agencies for development of appropriate applications by 3rd parties

4.10 Any other suggestions with reasons thereof for orderly growth of mobile value added services?