

**CONSUMER PROTECTION ASSOCIATION
HIMMATNAGAR
DIST. : SABARKANTHA
GUJARAT**



**Comments
on
Cloud Services**

Q. 1. Whether there should be single industry body or multiple industry bodies of cloud service providers which may be registered with DoT? If multiple industry bodies, whether there should be any cap on their number? Should the industry bodies be registered based on the category or type of CSPs? Can a CSP be a member of multiple industry bodies? Please suggest with justification.

Comments :

- (i) Whether there should be single industry body or multiple industry bodies of cloud service providers which may be registered with DoT?**

Comments :

There should be multiple industry bodies of cloud service providers which may be registered with DoT. Because :

1. They are not per se " profit making " organizations, they are in reality front for cartels engaged in price – fixing, creating and maintaining barriers to entry of industry and other subtle self serving anti-competitive activities not in the public interest.
2. This may give more freedom to the industry as individual entity may have more choices to exercise before becoming member.
3. Anti Trust Concern as seen in DTH sector.
4. Anti competitive nature :
 - (i). We found anti-competitive nature of Industry in past. Under the guise of " Standard Setting ' Industry bodies representing the established player in an industry can set rules that make it harder for new companies to enter in a market.
 - (ii). We also found that trade associations are issuing guidelines and passing resolutions that restrict the trade and have anti competitive effect. There should be a code of conduct for trade bodies.
 - (iii). At the level of trade associations, it is important to bear in mind that :
 - (a) regardless of good intentions of the trade association and/or its members, if the effect of conduct is to restrict competition, the activity may be illegal, and

(ii) infringement does not require actual adverse effect on the market, the mere intention to impede competition is sufficient.

5. In the light of past experiences with specific concern regarding Industry Bodies, the type of activities are :

- (i) Co-ordination on pricing
- (ii) Co-ordination on market allocation and output quantities.
- (iii) collective boycott, collective negotiations
- (iv) Participation in Anti competitive meetings
- (v) Information exchange
- (vi) Anticompetitive agreement
- (vii) Anticompetitive indirect price fixing
- (viii) Market Allocation
- (ix) Standardization
- (x) Joint purchasing etc..

6. Multiple bodies will be helpful to avoid capturing of the single industry body by few big entities.

7. Our environment is fragmented and faces a wide variety of issues.

(ii) If multiple industry bodies, whether there should be any cap on their number?

Comments : Yes.

(iii) Should the industry bodies be registered based on the category or type of CSPs?

Comments : No. Because of overlapping of Activities.

(iv) Can a CSP be a member of multiple industry bodies? Please suggest with justification.

Comments : No.

Justification mentioned above.

Q. 2. What should be the eligibility criteria for an Industry body of CSPs to register with DoT? What is the list of documents that should be required to be submitted as proof of eligibility? What obligations should be cast upon the Industry Bod(y)(ies) after registration with DoT? Please suggest with justification.

Comments :

As per the legal norms.

(iii) What obligations should be cast upon the Industry Bod(y)(ies) after registration with DoT?

Comments :

- (1) To foster collaboration and innovation among stakeholders
- (2) To accelerate cloud computing adoption.
- (3) Security and best practice
- (4) To provide best practice and a taxonomy for cloud computing as well as cloud readiness index for end users and suppliers.
- (5) To educate providers as well as end users about the appropriate applications and related concerns.

- (6) They should offer for stake holders – hardware and software developers, carriers, enterprise users, policy makers and researchers – to collaborate on the requirement of the market from within, with expertise born of local knowledge.
- (7) They should accelerate the growth of the cloud market by helping obstacles and leveraging opportunities.
- (8) Works to ensure that the interests of the cloud computing industry are represented and to contribute to public policy.
- (9) Develops and promotes cloud-friendly security governance and best practices to enterprises and policymakers.
- (10) Share research findings and latest trends on analytics.
- (11) Become a trusted expert on data.

Q.3 What may be the threshold value of parameters such as the volume of business, revenue, number of customers etc. or combination of these for a CSP to mandatorily become member of a registered Industry body? Please suggest with justification.

Comments :

We suggest maximum industry body cap up to two or three. There are many business categories which we can include in the industry body like :

- | | |
|----------------------------|----------------------------|
| (i) Telco/SP | (ii) Enterprise cloud user |
| (iii) Hardware vendor | (iv) Software vendor |
| (v) Cloud service provider | (vi) Sys Integrator |

(vii) Government

(viii) University

(ix) Others

Their interest should be considered in the regulation.

Q.4 Whether entry fee, recurring fee etc, need to be uniform for all members or these may be on the basis of type or category of members? How such type or category can be defined? Should such fee be prescribed by DoT or be left to be decided by the Industry body ? Please suggest with justification.

Comments :

(i) Whether entry fee, recurring fee etc, need to be uniform for all members or these may be on the basis of type or category of members?

Comments :

The entry fee, recurring fee etc. should be on the basis of type or category of members.

(ii) How such type or category can be defined?

Comments :

There should be four membership categories based on companies annual revenue, employment and operation in other countries :

(i) For companies deemed market leaders in terms of :

(a) Revenue

(b) Size and

(c) Reach

And who may wish to develop deeper reach into existing market and/or explore emerging economies.

- (ii) For companies deemed market leaders within their own domestic economy, but who may wish to expand beyond their current market.
- (iii) For entrepreneurs who want visibly over regional development and opportunities.
- (iv) For corporate cloud consumers (e.g. Banks, Insurance companies, Analytics firms etc.) that are interested in participating in discussion related to cloud, and to be connected to other leading cloud service providers and consumers.
- (iii) Should such fee be prescribed by DoT or be left to be decided by the Industry body ?**

Comments :

DoT should prescribe higher cap of fee. Others should be decided by the Industry body.

Q.5 What should be the guiding principles for governance by an industry body? How would these principles/ organization structure ensure fair, reasonable and non-discriminatory functioning of body? Should structure of Governance be prescribed by DoT or should it left for the industry body to decide? How can the industry body achieve the desired deliverables efficiently and effectively? Please suggest with justification.

Comments :

(i) What should be the guiding principles for governance by an industry body?

Comments :

- (1) Apart from previous recommendations by TRAI :
- (2) Providing a platform for the members to debate growth strategies, share ideas, and establish policies and best practices relating to the cloud computing ecosystem;
- (3) Ensuring that the interests of the cloud computing community are effectively represented in the public policy debate;
- (4) Defining and supporting requirements that promote the cloud computing ecosystem;
- (5) Encouraging the rapid adoption of cloud standards;
- (6) Educating the business and consumer communities as to the value of cloud-based products and services;
- (7) Promote market demand for cloud products;
- (8) Collaborating with other organizations that have similar interests and goals;
- (9) Promoting the common interests and benefits of members;

(ii) How would these principles/ organization structure ensure fair, reasonable and non-discriminatory functioning of body?

Comments :

1. There should be an advisory group, includes representatives of state IT departments, consumer advocacy groups, industry experts,

representatives of law enforcement agencies and ministry of micro, small & medium enterprises (MSME) associations.

2. Close monitoring and periodically review of progress to ensure transparency and fair treatment to all CSP members.

(iii) Should structure of Governance be prescribed by DoT or should it left for the industry body to decide?

Comment :

Structure of the Governance should be left for the Industry body to decide with the representing member of DoT or TRAI under the close supervision.

Q.6 What policy may be adopted for initial formation of industry body for cloud services? Please suggest with justification.

Comments :

Pro-consumer Policy.

Q.7 Any other issue which is relevant to this subject? Please suggest with justification.