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Sent: Saturday, July 15, 2023 11:46:24 PM

Subject: comments regarding Consultation Paper on Encouraging Innovative Technologies, Services, Use Cases, and Business Models through Regulatory Sandbox in Digital Communication Sector

Respected sirs/madams,

Please find attached my comments regarding "Consultation Paper on Encouraging Innovative Technologies, Services, Use Cases, and Business Models through Regulatory Sandbox in Digital Communication Sector" released on 19/06/2023 for your kind consideration.

Warm regards,
Harish

Consultation Paper No.09/2023, Consultation Paper on Encouraging Innovative Technologies, Services, Use Cases, and Business Models through Regulatory Sandbox in Digital Communication Sector dated 19th June, 2023

Section 3.15 solicit comments from stakeholders on Addition/Deletion/Modification to be done in above Draft Framework.

2 comments are submitted and it is given below this horizontal line

Comment 1:

Section 1.22 talks about Regulatory Sandbox for emerging technologies like AI and ML and cite papers

- “Leveraging Artificial Intelligence and Big Data in Telecommunication Sector”, dated 05.08.2022 cited from URL https://www.trai.gov.in/sites/default/files/CP_05082022.pdf
- Y.3172 : Architectural framework for machine learning in future networks including IMT-2020 (<https://www.itu.int/rec/T-REC-Y.3172-201906-I/en>)

Glancing through both of those papers, they don't seem to talk about the actual devices the uses (consumer devices) that are part of the sandbox.

- Section 1.10. Defines a platform for intra sector collaboration between different stakeholders in the digital communication industry, including Telecom Service Providers (TSPs), equipment manufacturers, academicians, and developers,
- Section 1.6 "Testing new ideas in the digital communication industry" subsection i. Scale
- Section 1.6 "Testing new ideas in the digital communication industry" subsection iii. Regulatory compliance
- Section 1.6 "Testing new ideas in the digital communication industry" subsection iv. High cost of failures
- Section 1.11 talks about customers, in case of trai would refer to Indian citizens mostly and Sandboxing framework making testing infrastructure, the existing infrastructure
- Section 1.11 talks about customers, in case of trai would refer to Indian citizens mostly providing a complementary approach which offers far richer testing environment.
- Section 1.13 " some risks and limitations" sub section iv. mentions failed experimentation,
- Section 1.14 mentions safeguarding customers while framing directions for sandboxing.
- Section 3.2 mentions the scope and objectives of the proposed framework need to be carefully considered to ensure that it align with the needs of all stakeholders" mentions data privacy and security, consumer protection, transparency, confidentiality and regulatory compliance.
- Section 3.9 "effectiveness of a sandbox framework that can be evaluated and monitored" through performance metrics, independent reviews, and stakeholder feedback
- Section 3.10 "sandboxing framework can provide numerous benefits for the digital communication industry" mentions consumer protection

Given the government plans regarding regulations related to data protection (The Digital Personal Data Protection Bill, 2022) at link https://www.meity.gov.in/writereaddata/files/The%20Digital%20Personal%20Data%20Potection%20Bill%2C%202022_0.pdf and Information Technology Act, 2000 reference with link (https://en.wikipedia.org/wiki/Information_Technology_Act,_2000) has punishment for cybercrime, would the sandbox allow Principal Applicant or Applicant to deploy the product/service/application only in end-user devices that provides reasonable and verifiable safeguards to end user or end user's data while not enabling cybercrime ?

Would any of the sections of Annexure-1 mentioned below,

- Annexure-1 "ANNEXURE-I DRAFT FRAMEWORK FOR ENCOURAGING INNOVATIVE TECHNOLOGIES, SERVICES, USE CASES, AND BUSINESS MODELS THROUGH REGULATORY SANDBOX (RS) IN DIGITAL COMMUNICATION SECTOR" , section IV, subsection vii. Risk Mitigation and subsection xii. Consumer protection
- Annexure -1 "ANNEXURE-I DRAFT FRAMEWORK FOR ENCOURAGING INNOVATIVE TECHNOLOGIES, SERVICES, USE CASES, AND BUSINESS MODELS THROUGH REGULATORY SANDBOX (RS) IN DIGITAL COMMUNICATION SECTOR" section V. SUPPORTING DOCUMENTS REQUIRED TO BE SUBMITTED WITH APPLICATION, subsection xii. Details of safeguards planned for protection of consumer interests and prevent any harm to consumers.
- Annexure -1 "ANNEXURE-I DRAFT FRAMEWORK FOR ENCOURAGING INNOVATIVE TECHNOLOGIES, SERVICES, USE CASES, AND BUSINESS MODELS THROUGH REGULATORY SANDBOX (RS) IN DIGITAL COMMUNICATION SECTOR", Section V "SUPPORTING DOCUMENTS REQUIRED TO BE SUBMITTED WITH APPLICATION" , subsection xvi. Details of proposed transition strategy and ability to deploy the product/service/application on a broader scale

Require the deployer/developer of product/service/application to specify the specifications and design of the end user systems that it would operate in while providing reasonable protections against cybercrime and complying with data protection laws.

Who would be held liable for non-compliance to such regulations, if arbitrary end user devices that by design cannot comply with such regulations, ends up running the product/service/application

since Annexure-1 ""ANNEXURE-I DRAFT FRAMEWORK FOR ENCOURAGING INNOVATIVE TECHNOLOGIES, SERVICES, USE CASES, AND BUSINESS MODELS THROUGH REGULATORY SANDBOX (RS) IN DIGITAL COMMUNICATION SECTOR"" section IV. "ESSENTIAL CONDITIONS TO BE FULFILLED BY PRINCIPAL APPLICANT AND APPLICANT: " Sub section xviii. Statutory and Legal Issues" limits DoT/TRAI 's liability for any act but telecom sector is regulated at both the end user device level and at service provider level.

Comment 2:

Sections 1.15 to 1.18 talks about sandboxes in other sectors, mainly focussing on fintech

It must be noted that the focus on co-opting practises from the fintech sector is repeatedly mentioned in chapter 1.

The literature survey presented in chapter 2, and may be even chapter 3 mostly make references of fintech related sandboxes.

The exception being Singapore's, Infocomm Media Development Authority (IMDA) sandbox for 5G drones for emergency response and block chain-based supply chain management.

Is it government policy or would the regulatory sandbox, by design focus primarily on product/service/application that encourage the coupling of fintech and telecommunications technologies or help reinforce it.

Or would it be open to people/entities that use telecommunications tech innovations for something other than marketing and sales or loans or investment (fintech).