Vodafone Response to TRAI Consultation Paper on Regulatory Framework for Over-the-Top (OTT) services dated 27 March 2015

I.   PREAMBLE

a. We would first like to commend the Authority on initiating a debate on these very important and topical issues of OTT and Net Neutrality. The debate is indeed very relevant as India looks to empower I billion subscribers by providing Internet access to all and meet the Government's objective of a Digital India and Broadband as a utility for every citizen.

b. We believe in open internet, offering choice to consumers and not in blocking or throttling any services. We are committed to and believe in being
- Pro Consumer - Providing an Open Internet & Internet for all
- Pro-Choice – allowing the customer to choose his device and services
- Pro-innovation – We do not block or throttle any services

We believe that an abiding commitment to these principles will lead to a pro-Digital India approach by all stakeholders and providing access internet access to the 1 billion Indians

c. One of the biggest success stories in India has been the mobile industry which has completely transformed the way people communicate, socialize or do business. This industry has, over the last two decades, empowered the Indian consumer to communicate anytime from anywhere at the most affordable rates [lowest in the world] and now with the increased proliferation of smartphones into the market, improved access to the Internet. It is estimated that over 90% of the internet users have their first experience of the internet through their mobile phones.

d. India is a market where 93% of internet users are mobile users (as of Dec 2014). It is also a market where 80% of the population still does not have the benefit of mobile broadband coverage and only 7% of the subscribers are availing mobile broadband services (as of Feb 2015). Thus, the immediate priority in India is for rolling out mobile broadband networks for which huge investments of the order of several hundreds of thousands of crores are projected as required. Further, the services need to be accessible as well as affordable and relevant to increase take up of services by the consumers. It is only then that we will be able to meet the targets of Digital India program.

e. The Government's 12th Five Year plan has envisaged 93% of telecom investment from private sector of Rs. 8,71,789 crores up to 2017. The Government's own Digital India program is expected to cost Rs. 1,13,000 crores.

f. The industry has already invested over Rs. 750,000 crores in setting up world class mobile networks over the last 20 years and is looking at investing another Rs. 500,000 crores in the next 5 years to rollout into rural areas and also upgrade existing networks to connect 1 billion Indians to the exciting world of the Internet. Mobile operators are already engaged in immediate rollout of 3G/LTE networks post conclusion of the recent auctions and are investing thousands of crores for the same to meet the dream of a Digital India.

g. At a time when mobile operators are making tremendous efforts to increase broadband proliferation, if they are subjected to any additional restrictive regulatory rules it will constrain operators in sustaining their investments and operations. This will directly impact the growth and take up of services especially for the low end users and the bulk of the Indian population will remain deprived of the benefits of broadband due to affordability concerns.

h. The industry requires a financial sustainable business model, an open and pro-innovative environment for all – device players, OTT and Telcos and an assurance of same rules for the same communication services.

i. We believe in open internet, offering choice and not in blocking or throttling any services. Operators need to manage their networks efficiently, which by its nature requires different traffic to be treated differently. Any net neutrality principles must be proportionate to promote the development of innovative new services and business models. This is particularly important at a time when huge investment commitments are needed to increase broadband and encourage a wide range of local and innovative content to develop, underpinning the creation of our Digital India. We are committed to safeguarding the principle of the best-efforts public internet, accessible to all. In our environment, where spectrum is scarce, this requires smart and efficient traffic management to ensure a good service for all over what is a limited resource.

j. There is a need to ensure regulation is fit for the Digital Age and introduce a concept of regulatory neutrality, i.e. the same services, same customer protection, whether offered by an OTT communication player or a TSP. The consumers have always been central to the success of the mobile industry and continue to be at the heart of all strategy and innovation by the operators.

k. We look to the Authority to formulate a forward looking regulatory framework that is future fit and meets the requirements of a digital world.

II.   ISSUE-WISE RESPONSE

Q1: Is it too early to establish a regulatory framework for OTT services, since internet penetration is still evolving, access speeds are generally low and there is limited

coverage of high-speed broadband in the country? Or, should some beginning be made now with a regulatory framework that could be adapted to changes in the future? Please comment with justifications.

    a. The global landscape for internet and communications services has changed fundamentally over the last few years. In 1995, less than 1% of the population had access to the internet – and now around 40% of the world's population has an internet connection today.

    b. India's Internet economy is predicted to grow to almost Rs 10 trillion (US$ 161.29 billion) by 2018, accounting for 5 per cent of the country's gross domestic product (GDP), according to a report by the Boston Consulting Group (BCG) and Internet and Mobile Association of India (IAMAI). India's Internet economy, which was about Rs 3.6 trillion (US$ 58.06 billion) in 2013, contributed 3.2 per cent to the GDP, the largest among the developing countries and sixth largest globally. About half the population, or 580 million Indians, will be online in the next three years, including people from all age groups, women and the rural population.

    c. Regulation must be adapted in order to be fit for purpose for this new world. There are clear advantages to implementing regulations now, when the market is still nascent so that services have time to adapt and to prevent consumer harm occurring. A new framework should be implemented which is light touch, to encourage innovation but which is also strong enough to protect consumers and ensure that there is a level playing field in relation to the same services. Essential consumer protection requirements (transparency, privacy, security, advertising etc) should be the same for all internet and communications services, setting a minimum baseline.

Q2: Should the OTT players offering communication services (voice, messaging and video call services) through applications (resident either in the country or outside) be brought under the licensing regime? Please comment with justifications.

    a. As acknowledged in the consultation paper, over the top (OTT) communications services ride on the networks of the TSPs and thereby provide services in competition with traditional telephony services of TSPs. These services are often free to the customer, being funded via advertising or other business models. This has led to a significant decline in revenue for telecoms operators, who are, at the same time, pouring increasing investment in networks and acquisition of spectrum, payment of licence fees, spectrum usage charges, etc to meet escalating demand. The OTT communication services are not subject to these costs.

b. Several of the OTT comms services have acquired significant dominance in the Indian market – for example Whatsapp now has over 70 million users in India[1]), Similarly VOIP services like Skype, Viber, etc have begun to erode the voice telephony revenues that are the mainstay of the TSPs, which in fact, support and facilitate the rollout and expansion of broadband services.

c. There is thus a pressing need to find a fair regulatory and commercial solution especially for VOIP telephony services, which if not addressed could endanger the entire Digital India program of the Government.

d. With the increase in competition between traditional telephony services and OTT communication services comes a need to review what regulation is still appropriate at the telecoms level and whether proportionate regulation should be extended to OTT communications services. We are seeing within Europe, and amongst many national regulators a recognition of the need to extend obligations to OTT communications services (a recent press report on EC's plan is attached as Annexure-1A). Consequently, we believe that this is a timely and opportune moment to establish a regulatory framework in India in order to reflect the new competitive landscape and also protect consumers in this new world.

e. There are a number of areas where there is a significant imbalance in the level of regulation, as recognized in the consultation paper, including obtaining a licence, acquisition of spectrum, payment of license fee & spectrum usage charges, proper record keeping, requirement for interconnection, adherence to quality of service, security, emergency services, transparency, lawful interception, privacy and other requirements. The competing OTT communication service providers, however, are not obliged to adhere to such regulatory obligations and do not have to bear any costs in relation to either regulatory compliance or investment in infrastructure and spectrum.

f. Our submission is that the Authority may first look at which obligations should be extended to all internet services – these could be obligations around transparency, privacy, security and consumer protection, to encourage growth, create a resilient and safe internet and build consumer confidence and trust.

g. Then the specific requirements needed for communications services can be considered, driven by clear policy requirements. The same rules should apply to the same services; but these may not be the rules that exist today. The new rules must be driven by clear policy requirements, and be proportionate open, transparent and non-discriminatory.

h. A licensing regime for all communications services should be underpinned by the following key principles:

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[1] http://techcrunch.com/2015/04/21/not-hatin-just-sayin/#.wzzvv8:HMf5

> - It should be light-touch, in order to encourage innovation and competition but also future proof
> - Outdated regulations/provisions should be removed
> - Valid past principles to be transferred to the entire digital space: this would include principles around pluralism, proportionality, openness non-discrimination, neutrality, public interest, standardization, security, consumer protection, etc.
> - Pure network regulation should be limited to that applicable only to the infrastructure, such as spectrum.

Q3: Is the growth of OTT impacting the traditional revenue stream of TSPs? If so, is the increase in data revenues of the TSPs sufficient to compensate for this impact? Please comment with reasons.

a. The traditional revenue stream of TSPs is being impacted by the growth of OTT services. The Authority in its consultation Paper has also noted the adverse impact on TSP revenues.

b. Messaging revenues have declined from 7%-10% to 3% due to the increased uptake of OTT messaging services such as WhatsApp, etc Increased calls through apps such as Skype, Viber etc have also impacted the voice revenues of the TSPs and the decline is, at present far more evident in the international calling segment.

c. While there has been an increase in the data revenues of the TSPs, this increase is not sufficient to counter the decline in the traditional revenue streams.

d. Going forward, we expect this trend of app to app calling or messaging to become even more prevalent with the increased uptake of smartphones, and wider 3G network coverage leading to greater take-up of 3G services and the imminent introduction of 4G services by various TSPs. Voice revenues, which constitute 80% of TSPs' revenues, are thus under severe threat.

e. It may also be appreciated that apart from the cost of spectrum, TSPs will also have to make huge investments in rolling out and expanding their networks not only to meet the significant rollout obligations that are imposed on them, but also by way of contributing towards meeting the Government's objective of a Digital India

f. Even now, and especially going forward, it is evident that the TSPs' data revenues (on account of increased uptake of OTT services, including both communication OTT & non-communication OTT) will not be sufficient to prevent erosion of TSPs' traditional revenues. Unless there is an opportunity for the TSPs to maintain a sustainable and viable business case, the TSPs will not be in a position to make the huge investments that will

be required to meet the increasing broadband demands of both customers as well the OTT players, which may potentially lead to poorer operational networks in the country.

Q4: Should the OTT players pay for use of the TSPs network over and above data charges paid by consumers? If yes, what pricing options can be adopted? Could such options include prices based on bandwidth consumption? Can prices be used as a means of product/service differentiation? Please comment with justifications.

a. In mobile networks, an over-congested or degraded network is in no one's interest. One way of ensuring a return on investments could be by recovering the total cost of network upgrades entirely from the consumers, by way of higher data tariffs. However such a solution will make the services unaffordable for the lower end and marginal consumers and will also inhibit the take up of services in the rural areas. This will adversely impact the national objectives of mobile broadband as a utility for every citizen.

b. Alternatively, one could instead look at the internet as a two sided market which involves the consumer and the content /app provider. The TSP is the platform that brings these two sides of the market together. Payment can come from either side of the market and a two-side payment approach is a win-win solution – for a content/app provider it will ensure a quality experience for its end user, which will fuel its growth and development, for the consumer, it will mean a more affordable service.

c. We therefore believe that the TSPs should have the freedom to develop and offer innovative new services and business models in consumer interest based on mutual commercial agreements with the OTT players.

Q5: Do you agree that imbalances exist in the regulatory environment in the operation of OTT players? If so, what should be the framework to address these issues? How can the prevailing laws and regulations be applied to OTT players (who operate in the virtual world) and compliance enforced? What could be the impact on the economy? Please comment with justifications.

a. Yes, there are significant imbalances in the regulatory environment when it comes to OTT communication services and traditional telephony services. For example, OTT communication players are not subject to any licensing or regulatory restriction whereas the TSPs are subject to a very strict and onerous licensing and regulatory regime.

b. As submitted by us above, there is a need to introduce a concept of regulatory neutrality, i.e. the same service whether offered by an OTT communication player or a TSP, should be subject to the same rules.

c. We would also like to at this juncture to bring in the concept of regulatory modernization. The licensing and regulatory framework was designed at a time when there was hardly

any internet; there were no smart phones and hardly any OTT services. The phenomenal growth of mobile telephony services, the increasing proliferation of smartphones has fuelled the exponential growth of OTT services. A new regulatory framework is needed which can support a Digital India for the future.

d. New regulation is needed for the digital world, which is light-touch, in order to encourage innovation and competition and also be future proof. This should be supported by clear policy drivers, which apply equally to all communication services irrespective of the underlying technology.

e. At the same time, de-regulation/removal of outdated regulatory restrictions needs to be done to account for the increased competition in communications, the need to encourage investment and also the creation of minimum standards to apply to all digital services.

f. There is in the meantime, however, a pressing need to find a fair regulatory and commercial solution especially for VOIP telephony services

Q6: How should the security concerns be addressed with regard to OTT players providing communication services? What security conditions such as maintaining data records, logs etc. need to be mandated for such OTT players? And, how can compliance with these conditions be ensured if the applications of such OTT players reside outside the country? Please comment with justifications.

a. The Authority has very comprehensively brought out in the consultation the various risks, challenges and security implications that are posed by the OTT services. There is undoubtedly a need to ensure that these concerns are addressed and there is level playing field between the TSPs and the OTT communication service providers.

b. The Authority may first look at which security obligations should be extended to all internet services. Then the specific requirements needed for communications services can be considered, driven by clear policy requirements. The same rules should apply to the same services; but these may not be the rules that exist today. The new rules must be driven by clear policy requirements, and be proportionate, open, transparent and non-discriminatory.

c. A licensing regime for all communications services should be underpinned by the following key principles:
  ➢ It should be light-touch, in order to encourage innovation and competition but also future proof
  ➢ Outdated regulations/provisions should be removed
  ➢ Valid past principles to be transferred to the entire digital space

Q7: How should the OTT players offering app services ensure security, safety and privacy of the consumer? How should they ensure protection of consumer interest? Please comment with justifications.

a. For general internet services, whether provided as apps or otherwise, there should be a baseline of consumer protection requirements which apply – for example setting out who is the provider and providing transparency on price.

b. Over and above that, a self regulatory approach has worked well, for example resulting in safety and privacy by design guidelines for apps on most major platforms, as can be seen here: http://www.gsma.com/publicpolicy/privacy-design-guidelines-for-mobile-application-development.

Q8: In what manner can the proposals for a regulatory framework for OTTs in India draw from those of ETNO, referred to in para 4.23 or the best practices summarised in para 4.29? And, what practices should be proscribed by regulatory fiat? Please comment with justifications.

a. At the outset we submit that the "interconnection" framework proposed by ETNO is not suitable or relevant for OTT as interconnection by its very nature entails peer-to-peer connectivity

b. The OTT players are not peering with the TSPs, they are riding on the network created by the TSPs. Thus we believe that it will be wholly inappropriate to draw on the pricing proposals put forward by ETNO.

c. We believe that the principles of
- Separate regulatory practices for communication services and non – communication services.
- Use of price discrimination on traffic to ensure development of broadband infrastructure.
- Use of a FRAND [fair, reasonable and non-discriminatory] approach in dealing with regulatory issues concerning OTT players

should be included into the regulatory framework formulated/proposed by the Authority.

Q9: What are your views on net-neutrality in the Indian context? How should the various principles discussed in para 5.47 be dealt with? Please comment with justifications.

Definition of net neutrality

a. There are **many definitions of net neutrality**. In its strictest form, net neutrality is defined as meaning all internet data traffic must be treated equally.

b. **However, in reality, traffic has never been treated equally in the Internet** and instead is managed efficiently in accordance with its needs.

c. This is because different traffic types have different delivery needs. Net neutrality in its strictest form would mean that all traffic /packets of data whether video, voice email or message will stand in the same queue and be treated equally.

d. Strict net neutrality would mean that the service provider would not distinguish between a video or voice packet which is more sensitive to delay and an email or message which is less sensitive to delay. If such rules were to be followed in practice, this would mean that calls will drop and video will buffer, as both of these services require higher priority to work effectively, as embedded in telecoms standards on a worldwide basis.

e. Traffic management provides a number of benefits to end users in terms of improved performance, innovation, protection and efficiency. Traffic management enables TSPs to maintain and improve the quality of service provided to end users. For example,
    o A delay sensitive service like voice, video-streaming, etc., will have to be given priority over services such as email or messaging in order to ensure the best overall quality for all.
    o Video services may be optimized, by compressing data, adapting content for mobile screens and reducing the cost to the consumer.
    o There are also many reasons why some data traffic needs to be blocked – for example in relation to illegal content, for security purposes, to protect minors or prevent spam, to name but a few.

f. It may also be noted that while the net neutrality requirements have traditionally been applied only to telecoms operators, other providers in the internet value chain such as content delivery networks, browsers and proxies can also differentiate in terms of quality and service.

g. The Authority has itself also noted several examples of a non-neutral approach being followed by several Internet players; for example,
    • Apple decides which software is allowed on their devices, both indirectly as well as directly

- Advertisement funded search engines like Google have an incentive to bias search results in favor of their paying advertisers

Similarly, a consumer cannot download MP3 files on a Nokia phone.

h. The Authority has rightly noted that network neutrality in the internet eco-system is dependent not only on TSPs, but device owners and search engines as well.

i. Traffic management is also used in the way services are provided to customers; to provide higher quality services to enterprise customers for example, to be able to offer data bundles capped at a certain level and to prioritise services such as voice over LTE.

Is there a net neutrality issue today in India?

a. Net neutrality is a US concept that has been exported to India; unlike the US however, Indian consumers have a wide range of operators to choose from and the freedom to switch to another operator while retaining their mobile number. Also, in practice, no net neutrality issues have arisen. Consequently, it would not be correct to take restrictive regulatory measures to address a problem that does not yet exist.

b. The competitiveness of the Indian telecom market and presence of robust regulatory systems as well as institutions including consumer fora, ensure that sufficient checks and balances are in place to prevent practices/arrangements that are harmful for consumers or are anti-competitive.

c. Further, we believe that given that the internet penetration is still evolving, access speeds are generally low and there is limited coverage of high-speed broadband in the country, it may be too early to be talking about net neutrality regulations at this stage.

What is our position on net neutrality

d. We support the open internet and believe that consumers, not companies, should decide what to do online. Our job is to enable consumers to benefit from that freedom. We are committed to safeguarding the principle of the best-efforts public internet, accessible to all. In our environment, where spectrum is scarce, this requires smart and efficient traffic management to ensure a good service for all over what is a limited resource.

e. We offer choice and do not block or throttle any services.

f. We believe that companies should be free to pursue commercial agreements which offer consumers innovative new content and services underpinned by new business models. This should include the option to pursue two-way charging models under which

operators and content providers implement bilateral agreements for the benefit of consumers.

g. In order to ensure that internet penetration grows and that access to the internet is possible at a good standard of quality, traffic management is essential, which is dependent on treating different traffic according to its needs. It is only in cases where any TSP is indulging in an anti-competitive behavior by prioritizing its own traffic /services to the detriment of the services offered by its competitors that there will be a cause for concern. However, as submitted above there are adequate safeguards in place, including the presence of various regulatory, competitive and other institutional safeguards to protect consumer interest.

h. As regards the principles stated in para 5.47
   i)   We support and we believe that effective competition amongst TSPs and user choice is already there in the market
   ii) We believe that traffic management is a technical and complex exercise and requiring the same to be declared may not be very useful for consumers. However, if at all these are required to be declared, the principles published by Ofcom may be considered.
   iii) The switching costs and barriers are already very low
   iv) The Authority has already issued QOS parameters for wireless data services and we believe that these provide the quality assurance mentioned by the authority and are adequate to protect consumer interest. It is further submitted that there is no basis for the concern that TSPs will degrade traffic to the detriment of any consumer.

Q10: What forms of discrimination or traffic management practices are reasonable and consistent with a pragmatic approach? What should or can be permitted? Please comment with justifications.

a. Traffic management has always been employed by operators so that the Internet can function effectively, efficiently and successfully, as it does today. Efficient network management does not, of course, mean that the Internet is distorted or that customers are not able to enjoy content, services and applications of their choice. It simply means that services work better and networks run more efficiently.

b. IP networks route packets according to their respective characteristics. First of all their destination must be considered, and this must further take into account the constantly changing availability of routes. Thus routing is simply not identical for each packet. Technical optimisation of packet routing must also recognise that while email packets can be slightly delayed (a matter of milliseconds) with no impact on customer experience, the same is not the case for real-time services such as voice or video. These latter two must happen in real time.

c. Traffic management can be used to optimise video, reducing the size and therefore the cost to the end user. It may also be used to manage quality based on distance from cell sites and interference from surroundings, amongst other things. Traffic management is a discipline in a constant state of innovation. Innovations are regularly/frequently being made to maximise network capacity and ensure quality for the end user. In this way, the investment in network capacity is complemented by active network management. We would hope that policymakers recognise the dual objectives of maximising network capacity and ensuring end user quality, and the importance of enabling innovation in network management towards those objectives.

d. Traffic management may also be used for the following purposes:

   o Network integrity: Protecting the network and customers from external threats, such as malware and denial-of-service attacks
   o Child protection: Applying content filters that limit access to age-appropriate content
   o Subscription-triggered services: Taking the appropriate action when a customer exceeds the contractual data-usage allowance, or offering charging models that allow customers to choose the service or application they want
   o Emergency calls: Routing calls to emergency services
   o Illegal content: to restrict access to unlawful content.
   o Spam – to block spam

All of these exceptions have been recognized in net neutrality laws imposed or proposed in the US and EU.

Q11: Should the TSPs be mandated to publish various traffic management techniques used for different OTT applications? Is this a sufficient condition to ensure transparency and a fair regulatory regime?

a. It may first be appreciated that traffic management being a complex and technical exercise, too much technical information could be counterproductive. In view of the above, we submit that mandate to publish traffic management techniques may not be desirable.

b. However, in the event that such a requirement is considered, TSPs should be given the freedom to communicate their traffic management practices to provide meaningful information and facilitate informed consumer choice.

c. In this regard, we submit that the six principles published by OfCom – viz. appropriate, accessible, understandable, verifiable, comparable and current, may be adopted by the Authority to meet the requirements of transparency. It is essential to provide sufficient

information to customers to be clear – too much technical information could be counterproductive.

    d. Further, such a requirement may also be applied on other elements of the Internet value chain.

Q12: How should the conducive and balanced environment be created such that TSPs are able to invest in network infrastructure and CAPs are able to innovate and grow? Who should bear the network upgrading costs? Please comment with justifications.

    a. As submitted above, the revenues from data alone are not sufficient to cover the costs of the TSPs. We submit that the TSPs should have the freedom to create new business models and enter into arrangements with the OTT players in order to defray the huge costs on investments required to increase the bandwidth and capacity to support the growth and take up of OTT services.

    b. This will be in the interests of all stakeholders – the consumers, the OTT players as well as the service providers.

    c. In addition, OTT communications services should be regulated in the same way as TSP communication services, removing opportunities for regulatory arbitrage and enabling TSPs to offer more compelling services to customers.

    d. We believe that the above measures will lead to **conducive and balanced environment** that fosters and incentivizes investments, competition and innovation and facilitates the rollout and take-up of mobile broadband services to meet the objectives of a Digital India

Q13: Should TSPs be allowed to implement non-price based discrimination of services? If so, under what circumstances are such practices acceptable? What restrictions, if any, need to be placed so that such measures are not abused? What measures should be adopted to ensure transparency to consumers? Please comment with justifications.

    a. Non price based 'differentiation" of services should be permitted.

    b. We submit that a very light touch regulatory regime should be adopted that is principles based. This will help drive innovative services, (e.g. e-health applications, telepresence, M2M, cloud services), as well as to consumers (e.g. gaming), while enabling more efficient utilisation of networks and thus ensuring more capacity is available for Internet access services.

    c. We support the principles set out in 4.29 [separate regulatory practices for communication and non-communication services, use of price discrimination on traffic to ensure development of broadband infrastructure, use of a fair, reasonable and non-discriminatory

approach while dealing with regulatory issues concerning OTT players]. It is submitted that regulatory oversight is required only in respect of any anti-competitive practices, if adopted by the TSP.

Q14: Is there a justification for allowing differential pricing for data access and OTT communication services? If so, what changes need to be brought about in the present tariff and regulatory framework for telecommunication services in the country? Please comment with justifications.

a. For various reasons given earlier we submit that regulatory and commercial framework for OTT communication services for voice is required which can include differential pricing after due consideration of all aspects.

b. There is no need for any change in the tariff regime as the present tariff regime already provides for forbearance - and differential pricing is permitted. The TTO 1999 already lays down the principle of non-discrimination - i.e. the TSP shall not discriminate between subscribers of the same class and such classification shall not be arbitrary. Thus as long as there is a clear differentiation in the classification of subscribers, differential pricing is permitted even under the existing regime. In fact the growth of the market has been fuelled by the various innovative tariff plans that have been designed by the TSPs to meet the wide and varied requirements of their subscribers.

c. An example of an innovative pricing model in the EU is the Kindle; an e-reader service which provides a one off cost for internet access, but which can be used solely to purchase books from the Amazon store at a lower cost.

Q15: Should OTT communication service players be treated as Bulk User of Telecom Services (BuTS)? How should the framework be structured to prevent any discrimination and protect stakeholder interest? Please comment with justification.

a. We do not support the views in Para 6.28.

Q16: What framework should be adopted to encourage India specific OTT apps? Please comment with justifications.

a. We believe that same service same rule should apply and at the same time a light touch regulatory framework will encourage innovation.

Q17: If the OTT communication service players are to be licensed, should they be categorised as ASP or CSP? If so, what should be the framework? Please comment with justifications.

a. A new framework would need to be designed which is proportionate and applies in the same way to all communications services as set out above.

b. However, in the meantime, however, there is a pressing need to find a fair regulatory and commercial solution especially for VOIP telephony services.

Q18: Is there a need to regulate subscription charges for OTT communication services? Please comment with justifications.

a. If OTT communications services are chargeable, prices should be transparent. As most OTT communications services are reliant on data collection/advertising models, transparency needs to be in place around the way in which personal data is used.

b. In addition, the increase in availability of communications services increases consumer choice and reduces the need for regulation of subscription charges.

Q19: What steps should be taken by the Government for regulation of non-communication OTT players? Please comment with justifications.

a. See answer to Q1 above.

Q20: Are there any other issues that have a bearing on the subject discussed?

New Delhi
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Annexure – 1A

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European Commission to regulate WhatsApp, Skype

NEW DELHI: The European Commission has decided to bring the over-the-top (OTT) players like WhatsApp and Skype under some kind of regulatory framework for creating a level-play field between them and the mobile operators, according to a *Financial Times* report. The development comes at a time when the Telecom Regulatory Authority of India (Trai) has come under severe criticism from the proponents of net neutrality for trying to do the same in the country. The Trai initiated consultative process is underway with stakeholders in the process of submitting the responses to the proposal but netizens got into an activist mode since Bharti Airtel launched its new platform, Airtel Zero, which offers usage of some apps to its consumers for free if their makers pay for the data charges.