

# **Information note to the Press (Press Release No. 6/2009/QoS)**

## **Telecom Regulatory Authority of India**

### **For Immediate release**

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## **TRAI releases Draft Recommendations on new measures for Growth of Value Added Services**

New Delhi, 14<sup>th</sup> January 2009 - TRAI has today released Draft Recommendations on Growth of Value Added Services and Regulatory Issues. The value added service (VAS) market in India is rapidly growing at over 10% of the total revenue of mobile telecom service providers. The revenue from mobile value added service was of the order of INR 59 Billion for the year 2006-07. With the growth potential the value added services revenue is expected to reach above INR 250 billion by the year 2009-10. The mobile revenue through value added services is further expected to cross 30% of the mobile telecom service provider's revenue in the next 5-7 years. The telecom operators and value added service providers would need to be concerned about the quality of content, consumer education and transparency in provisioning and charging of value added services.

2. Considering the comments received from stakeholders during public consultations, the Authority has formulated draft of its suo moto recommendations on Value Added Services including Mobile Value Added Services to be provided through 2G, 3G and Next Generation Network (NGN) etc. on two parts i.e. one relating to establishing relationship among value added service providers and telecom access service providers including obligations and other part relates to registration under OSP category with Department of Telecommunications (DoT) of value added service providers including arrangement for allocation of common short codes (CSCs). The Authority feels that these recommendations will pave the way forward for orderly growth of value added services and primarily consumers will be benefited with new and enhanced services/value added services at competitive rates.

### **The key Recommendations:**

- ◆ the requirement for uniformity in various licenses and amendment of various access service licence agreements to pave way for growth of Value Added Services particularly in mobile 2G/3G and Next Generation Network environment.
- ◆ the Authority does not envisage any separate category of licence for value added services.
- ◆ registration of Value Added Service Providers or content aggregators, who wish to have common short code allotted by the Department of Telecommunications (DoT) to provide value added service, as “Other Service Provider (OSP) – Value Added Services” under the OSP category. All the preliminary and general terms and conditions of registration of Other Service Providers (OSP) category shall be applicable. The Authority has also formulated in addition specific terms and conditions in OSP registration for value added services. These specific terms and conditions include that the registration could be for the existing telecom access service licensed service area basis or all India basis, obligation relating to encryption, security related, etc.
- ◆ DoT being National Numbering Plan administrator may make appropriate arrangement for allocation of common short codes (CSCs) for value added services and also may evolve fee concept for allocation of common short codes (CSCs).
- ◆ the Telecom Access Service Providers shall provide fair access to telecom infrastructure to independent content providers and maintain transparency in their management information system relating to value added services for reconciliation.
- ◆ reconciliation of the Management Information System (MIS) and calibration of the MIS between the access service providers and the VAS/ content providers, the Authority is of the view that this should form part of the mutual negotiations between the access service providers and VAS/content providers. This will bring confidence in the value added services value chain and will also improve reconciliation process in the value chain.

- ◆ “On Deck” model, VAS which are marketed by the VASPs, mutual negotiations for revenue share remains the model.
- ◆ value added service provider in “Off Deck” model may decide and levy charges for the content.
- ◆ access service providers may be mandated to publish their access charges for value added services provided under “Off Deck” model.
- ◆ TRAI may issue guidelines on consumer best practices to protect the interest of consumers.

The Authority has invited the stakeholders to respond to these draft recommendations by 20th January, 2009. The full text of the Draft Recommendations is available on TRAI’s website: [www.traigov.in](http://www.traigov.in)

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