

Licensing Issues relating to Voice Mail and Audiotex Service

I Context & Background

The DOT has referred vide reference No. 311-79/99-VAS dated 7.8.2000, the following Licensing issues relating to Voice Mail/ Audiotex Service to the TRAI.

- (i) the basis for determining the Entry Fee;
- (ii) percentage of revenue to be shared with the licensor (including definition of revenue for the purpose);
- (iii) the timing and basis of selection of additional operators, etc., keeping in view the extended period (20 years) of license in respect of the existing licensees;
- (iv) terms and conditions of fresh licenses to VMS throughout the country; and
- (v) any other issues considered relevant by TRAI.

Annexure I gives details in this regard.

The Authority has taken note of the existing conditions for the grant of Voice Mail/ Audiotex Service. Department of Telecom has granted the licenses for this service for cities on first come first served basis, with effect from 1996. The period of these licenses was five years. These licenses were issued for a particular city without any limit of number of operators as well as the number of licenses that can be issued to any operator. The existing licenses are extendable by one year at a time beyond the initial license period at the discretion of the Telecom Authority.

The licensees are required to pay license fee as indicated below:

For Delhi	- Rs. 15 lakhs
For Mumbai	- Rs. 15 lakhs
For Calcutta	- Rs. 10 lakhs
For Chennai	- Rs. 10 lakhs
For other cities	- Rs. 5 lakhs

The Voicemail/ Audiotex service provider is essentially a Content Provider. He depends upon the public carrier such as PSTN, PLMN etc. for subscribers to reach his server. The Voice Mail service enables the subscribers to record their messages in a

computer memory area called a 'Mail Box'. His recorded message can be retrieved by the recipient by dialing a telephone number. Audiotex is a generic term for interactive voice response equipment and services. Audiotex to a telephone instrument is what data processing is to a data terminal. Detailed description of Voice Mail Service/ Audiotex Service are placed at Annexures II & III.

It will be seen from the descriptions that both the services are essentially Content Services and not a Carriage Service. Voice Mail and 'On line data base interactive services' on the Internet platform are both identical Content Services being provided through a website which is a computer connected to the network. Govt. has already issued liberal guidelines for the Internet. As per the internet policy, pure Content Services are not to be licensed at all. The Authority is of the view that for all kinds of content services i.e., whether they are provided on the Internet or other Public Network platforms such as PSTN/PLMN etc., identical policy should be followed. The recommendations of the Authority on various points of reference have been formulated keeping this background in view. These are indicated below:

2. Recommendations of the TRAI:

1. Basis for determining entry fee:

The Authority recommends that no entry fees should be charged. However, performance bank guarantee of Rs. 3 lakhs on the lines of Category 'C' ISP licences should be obtained.

2. Percentage of revenue to be shared with the Licensor:

No Revenue sharing for Content Services is being recommended as the revenue share should be charged only from telecommunication carriage service providers or network operators and not from content application service providers such as Voice Mail/ Audiotex.

3. Timing and basis of selection of the addl.operators keeping in view the extended period.

The existing practice of unlimited number of Voice Mail/ Audiotex Operators in a service area should be continued in i.e. during the extended period also. The

economic reason for limiting the number of carriers has been the characteristics of 'natural monopoly' enjoyed by certain telecom carriage services involving a high capital cost for building infrastructure over wide geographical areas and the need to avoid duplication of costly infrastructure and also for better utilization of scarce resource such as frequency spectrum, right of the way etc. Since no such constraint is applicable to Voice Mail/ Audiotex Service, which is a content service provided by Servers or especially programmed computers, placed at the edge of a public networks such as PSTN, PLMN, Internet etc., no limit on the number of Service Providers should be imposed. This is in consonance with the Govt. policy in regard to Internet content service providers. The Authority sees no reason to deviate from this policy, which has been well received by investors both domestic and foreign, and has increased competition.

4. Terms and conditions of fresh licenses .

The present licenses have been issued based on city Municipal limits which were the local areas a few years back. Since the scope of the local area has been enlarged to cover the Short Distance Charging Area SDCA, the Authority would like to recommend that the Content Service Providers i.e. VMS/ Audiotex, should be given licenses to cover the Short Distance Charging Area (SDCA) on the basis of local dialing i.e. local call rates as far as charges for accessing the Mail Box is concerned. However, there should be no bar on accessing these Services on STD call basis. The Authority would not like to regulate other charges such as activation charges, monthly subscription fees, choice of Mail Box number, reconnection/ restoration charges, transfer to multiple Mail Boxes etc for the service. Licenses shall be granted for a period of 15 years with provision for extending the same for another five years. The existing licensees should also be allowed the same licensing period. The Authority recommends that the existing Voice Mail operators should be allowed to migrate to the new licensing regime w.e.f. 1-4-2001. The other conditions such as provision of access lines to the public network such as PSTN, PLMN as well as leased lines, the terms and conditions should be identical to those for the Internet. Tariff forbearance will be applicable on the lines of Internet Policy subject to TRAI review from time to time, to safeguard customers' interest.

ANNEXURE I**DOT Letter No. 311-79/99-VAS dated 7th August 2000****URGENT
TIME BOUND**

GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS
DEPARTMENT OF TELECOMMUNICATIONS
(VAS CELL)
SANCHAR BHAWAN, 20 ASHOKA ROAD, NEW DELHI-110001

No. 311-79/99-VAS

dated 7th August 2000

To Secretary,
Telecom Regulatory Authority of India (TRAI),
Jawahar Vyapar Bhawan,
Janpath, New Delhi

Subject : Recommendations of TRAI in regard to license fee arrangement for migration of the existing Voice Mail Service Operators and finalisation of the terms and conditions for issue of fresh licenses for Voice Mail Service

Dear Sir,

The New Telecom Policy 1999 (NTP.99) which had been adopted by the Government effective from 1st April 1999 did not mention Voice Mail/ Audiotex as one of the services. However, in the meanwhile licenses had been granted for some other services, which also did not find a special mention in the NTP-1999, e.g. Internet Service. Similarly, licenses for Voice/Mail Audiotex Services are being granted on non-exclusive and first come first serviced basis as per the existing scheme of fixed license fee.

2. As you are aware, pursuant to the announcement of NTP-99 the government took the decision to permit, migration of existing licensees of Cellular/ Basic and other value added telecom services to NTP-99 Regime. Recommendations of TRAI had been sought, earlier, with regard to some of these telecom services, but not for the Voice Mail/ Audiotex services.

3. In terms of the migration scheme, the basis for determining the Entry Fee, Percentage of Revenue to be shared with the licensor (including definition of revenue for the purpose), the timing and basis of selection of additional operators, etc., keeping in view the extended period (20 years) of license in respect of the existing licensees, inter-alia, are issues on which TRAI recommendations are required. TRAI may also give its views on may other issues considered relevant.

4. As per the existing arrangements, Voice Mail licenses have been issued on non exclusive basis without any limit on number of operators in a Service area, as well as the number of licenses that can be obtained by any single operators. The present status of existing Voice Mail licenses is enclosed as Annexure-I. These licenses were granted starting from 1996 for a period of Five years. The license is extendable by one Year beyond initial period, at a time , at the discretion of the Telecom Authority. Therefore, the licenses in all these cases will need to be

extended from the existing period of 5 years to 20 years in the first instance, in terms of NTP-99. A copy of the sample license agreement as applicable to the existing licensees, is enclosed as Annexure –II.

5. Recommendations of the TRAI for terms and conditions of fresh licenses to Voice Mail Service throughout the country are also sought.

6. It would be appreciated, if TRAI can indicate the time by which it would be possible for TRAI to make available the requisite recommendations

Yours faithfully,

(J.R.Gupta)
DDG(VAS)

Annexure

Status of implementation of Voice Mail/ Audiotex service licenses as on 31.7.2000 was:

1. Dialnet Communication Ltd. / Service Area= Delhi/ Effective Date= 27.06.97
2. M/s Cyber Bazar (India) Pvt. Ltd./ Service Area = Banglore/ Effective Date 12.04.97/ Service commenced from 12.04.99
3. M/s Hutchison Max Telecom Pvt. Ltd./ Service Area = Mumbai & Kalyan/ Effective Date 13.05.96 & 27.06.97/ Service commenced from 8.5.97 & 11.8.97

ANNEXURE II

Description on Voice Mail Service

2.1 The fundamental ability of the Voice Mail Service is to provide a public interface between originator and recipients of voice communications, especially where there is no immediate or convenient direct telecommunication service available between subscribers' equipment. Voice Mail Service enables the subscriber to send a message to one or more recipients and to receive messages via a telecommunication network using a combination of store and forward, and store and retrieve techniques. The service will be especially useful for the subscribers who are constantly on the move or do not have a telephone of their own. A Voice Mail Service (VMS) subscriber has a voice mail number and a mail box. Any person can leave his message in the 'mail box' of a VMS subscriber by dialing the mailbox number from where it can be retrieved at the convenience of the VMS subscriber.

2.2 Each VMS subscriber is associated with:

- a) Name
- b) Unrestricted mail box number or restricted mail box number with Password.
- c) Maximum number of messages that can be stored in mail box .
- d) Maximum length of messages.
- e) Personal identification number to retrieve messages.

2.3 The basic components of VMS System include

- Digital Voice Mail Computer,
- Operator Assistance Position;
- Administrative Management & Control Module; and
- Provision for Detailed Billing.

2.4 Voice mail system is connected to the Public Switched Telephone Network by ANALOG junctions OR through 2 Mb Digital connectivity. The user dials a Voice Mail Access Code followed by Mail Box Number of the desired subscriber for storing a message for him. The user can dial Voice Mail Access Code followed by his Voice Mail box number to retrieve message. The system responds with "Identification Number", to which caller responds by dialling a Personal Identification Number for listening to messages. Alternatively, if the voice box access is programmed to receive messages from a restricted group of callers, then it responds through a password. The caller is required to dial a password at the end of which VMS again responds with valid prompts to accept messages. VMS, if necessary, may respond to the user with brief recorded instructions.

2.5 A VMS subscriber/ user with DTMF/ TPS instrument or DTMF keypad shall be able to use other user friendly functions such as

- a) stop recording;
- b) continue recording;
- c) redirect;
- d) suitable provision for programmable group messaging;
- e) check messages;
- f) identify time and sender;

- g) repeat;
- h) pause and continue;
- i) skip and forward;
- j) save;
- k) replay; and
- l) deletion.

A VMS user can have access to operator assistance, if required.

2.6 Voice mail service has got wide range of applications. Typical examples are given below:

i) Messaging Service

The messaging service is designed for routine use by the person who travels frequently, is difficult to reach, and yet needs to stay in touch with numerous people and events.

ii) Telemarketing/ Telebooking Service

The Telemarketing/ Telebooking service is designed to automatically take order by telephone. The service may be used in conjunction with the Audiotex service and may provide direct input of the order to the host computer database. Voice mail service can be used by agency like cooking gas, restaurants etc. Customers can interact with, the Voice Mail System any time and agencies need not keep large number of persons nor more telephones to attend to customers demand.

iii) Voicemail Service

The Voicemail service is designed to provide networking of the voice mail service and to send and receive messages between Voice Mail Centres. The service forms the basis for regional, national or international Voice Mail Service.

iv) Tele-complaint Service:

This service envisages use of Voice Mail Service to provide 24 hours automatic

complaint service. This service is very helpful for the maintenance agency in addressing complaints.

ANNEXURE III

Description on Audiotex Service:

3.1 Audiotex service involves the automatic answering of calls and the subsequent provision of audio information to the callers. Audiotex service can be either passive where the caller simply listens to a fixed service format or can be interactive where the caller can choose various information by interacting with the database computer via telecom network. A subscriber can retrieve the information at any time by interacting with the main data base computer by using the existing telephone line. However, for any interaction with the computer, DTMF telephone instrument is required. In some cases calls may be required to be diverted to manual positions for answering calls. The Audiotex service accessibility shall be provided through IN (Identification No.) or password allotted by the licensee to his subscribers. However, for free service no identification number is required.

3.2 As per the guidelines for Value Added Services, the Audiotex equipment shall provide a range of interactive facilities to enable callers to respond to audio prompts within the service. The minimum facilities shall include DTMF detection (detecting the DTMF keys on the caller's phone). Optional additional facilities shall include :

- i) Voice detection (detecting whether or not the caller is speaking)
- ii) Voice Interrupt (detecting that the caller is speaking whilst the service is playing the caller radio).
- iii) Conferencing (enabling two or more callers to speak to each other, or to listen to others speaking).
- iv) Fax on demand (enabling a caller to get information from the Audiotex equipment on fax machine).
- v) Access to multiple session in the same call should be possible.

vi) Voice Mail Service facility.

3.3 The Audiotex equipment may also provide facilities for multiple live audio feeds to be distributed across the system and to be accessible to callers. (e.g. live sports commentary).

3.4 Information provided through Audiotex computer has variety of fields such as financial information, entertainment, sports information, health information, travel information etc