To: Shri Sunil Kumar Singhal, Advisor
sksinghal@trai.gov.in
Telecom Regulatory Authority of India (TRAI)
 Mahanagar Door Sanchar Bhawan,
Jawahar Lal Nehru Marg,
New Delhi – 110002
India

19 Jan 2018

Dear sir,

Re: Asia Cloud Computing Association's (ACCA) Response to TRAI Consultation Paper on Inputs for Formulation of National Telecom Policy 2018

The Asia Cloud Computing Association (ACCA) thanks TRAI for the opportunity to respond to the Consultation Paper on Inputs for Formulation of National Telecom Policy 2018. ACCA is supportive of the India's New National Telecom Policy (NTP-2018) vision, i.e., promoting fair competition, restructuring regulatory and licensing frameworks, connectivity-for-all, quality of services, ease of doing business, and absorption of new technologies including 5G and IoT.

As a leading industry association comprising the stakeholders of the cloud computing ecosystem in Asia, the ACCA works to ensure that the interests of the cloud computing community are effectively represented to the government. As such, in consultation with our members, we are submitting our comments on the consultation draft (appended.)

We would be pleased to speak with you further regarding our comments. Please feel free to reach out to us for any further clarification or information, and we would be happy to organise a meeting or a call with you.

Yours Sincerely,

Lim May-Ann
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Asia Cloud Computing Association
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ACCA Comments on TRAI's Consultation Paper on Inputs for National Telecom Policy 2018

Our comments pertain to *Chapter II, Section H (a) to (i):*
   a. *Prescribing licensing and regulatory framework for cloud service providers*
   b. *Declaring data privacy, protection, and security laws*
   c. *Prescribing policy for cross-border data transfer*
   d. *Enacting net-neutrality laws*
   e. *Incentivizing setting up of International Data Centers (IDCs) in India*
   f. *Internationally-comparable bandwidth capacity and costs for business to encourage Data Centre localization in India*
   g. *Facilitating establishment of Interconnect exchanges for data services*
   h. *Expeditious availability of land, electricity, and security for data centers*
   i. *Human capital for data analytics and product development*

1. **The ACCA cautions against over-regulation of the telecommunications and cloud computing sector.** Prescribing licensing and regulatory frameworks may create a situation where innovation is stifled due to constraints, rules, and paperwork.

2. **The ACCA advises against unnecessary licensing for cloud service providers (CSPs)**, as it may inadvertently suppress innovation, especially in the start-up community.

3. **The ACCA proposes to remove (f), as data localization in India will increase the cost of cloud services.** Requiring data centres to be located domestically undermines the cost-effectiveness of sharing computing processing power and storage. This cost of data localization, due to higher compliance costs on the CSP, would be ultimately passed to cloud customers, leading to higher costs of cloud services in India.

4. **The ACCA is supportive on incentivization schemes to set up International Data Centers (IDCs), and facilitating the establishment of interconnection exchanges for data services in India.** We would be pleased to organise an industry discussion around the various economic, connectivity access, internet exchange policies, equipment imports, and other aspects of setting up data centers which would facilitate IDC and IXP growth in the country. Potential incentives include:
   a. Favourable electricity rates.
   b. Rebate on land costs.
   c. Secure and reliable access to water.
   d. Special economic zone (SEZ) incentives packages, including a commitment to expedite SEZ designation and approval for desired sites without current SEZ status, with prerequisite import and income tax holidays for a reasonable period of time.
   e. Waiver of import restrictions & duties on equipment that is essential to the operations of a data center
   f. Reimbursement of Stamp Duty, Transfer Duty, and Registration Fees paid on sale/lease deed transactions.
   g. Waiver of residency requirements for employees.
   h. Favourable GST (Goods & Services Tax) rate and other relevant tax rebates, where applicable.
   i. Expedited IT/ITeS incentive approval (Maharashtra IT/ITeS policy as a model).

5. **The ACCA supports policies which enable cross-border data transfers.**
   a. In this vein, the ACCA proposes that India continue to leverage **international standards and certifications** (such as ISO/IEC, PCI DSS, etc) for ensuring the free flow of data across India, and between India and other countries.

b. The ACCA also recommends that India look at the APEC Cross-Border Privacy Rules (CBPR) and the EU's General Data Protection Regulation (GDPR), and follow a policy of ensuring **interoperability** with these frameworks.

c. In relation with security, as cloud security is based on technical specifications such as encryption and tokenisation, rather than geographic location of the data, requirements for data sovereignty or restricting cross-border data flow will impact cloud services deployment.