

IIFON is grateful for getting an opportunity to present its views on the consultation paper released by the TRAI on issues pertaining to the Regulatory Framework for OTT communication.

IIFON's response is as follows:

1. The services of OTT service providers and TSPs are different constituencies and cannot be compared and as such same regulation cannot be applied to both the constituencies. However, IIFON recognizes that OTT providers need to be more transparent in their dealings and as such regulations which bring in more transparency in the Internet ecosystem will be welcome.
2. The OTT communications applications have definitely enabled small businesses to position themselves globally and grow globally. OTT players are providing investments in the sector by building physical infrastructure like servers, data centers etc. They may not be investing in the wired network which is not their domain and neither are they licensed for it. The poor financial health of the TSPs cannot be attributed to the growth of OTT applications. The reason for TSPs' poor health is no control on predatory pricing by TSP players and high taxation of TSPs by the Government. This includes 5% USO, 3% License Fee, ~5% SUC, high spectrum reserve price, 18% GST. IIFON is of the view that the government should look at rationalizing the tax structure of TSPs rather than trying to come up with a model of incentivizing TSPs through OTT.
3. In terms of interoperability among OTT services, lack of interoperability, or the ability of users to switch between OTT services, is an issue well recognized by TRAI. IIFON suggests that regulation on interoperability is not beneficial but there can be interoperable technical standards created by the standards body in India or the community standard setting process which will help users to get back their own data or move from one system to another. A regulation on interoperability will be detrimental as interoperability requirements will change from time to time and the law will not be able to match the speed of change. It also will require deep technological expertise which may not be available. But

community driven standards endorsed by the national standards body can be the answer for protecting consumer interests.

4. The question on encryption needs to be dealt through a separate comprehensive encryption policy rather than trying to add encryption in the discussion thread of every other issue. It will digress the discussion and recommendations at every level. Hence IIFON suggest that there should be exclusive encryption policy in India which takes care of the Right to Privacy of users and also takes into account the requirement of national security.

We once again reiterate, that regulations governing telecommunications should not be automatically extended to online applications because both being different constituencies. A less arduous regulatory regime will help all the constituencies.

The culture of using technical standards as a tool created by community which is representative of all the constituencies, which is agile and endorsed by the national standards body will allow for more harmonious growth rather than mandatory regulations.