

By **Akanksha Mahajan Marwah**

The Telecom Regulatory Authority of India (TRAI) has recently floated a consultation paper seeking industry inputs on reviewing the existing regulatory framework around registration and service provisioning of other service providers (OSPs). This category relates to companies offering applications like telebanking, telemedicine, tele-education, teletrading, e-commerce and other IT-enabled services that operate using the infrastructure provided by telecom service providers (TSPs). While no licence fee is charged from them, they need to register with the Department of Telecommunications (DoT) for offering specific services. Also, OSPs cannot infringe on the jurisdiction of TSPs and are not allowed to provide switched telephony. OSPs include call centres, both international and domestic, operating in the country as well as services like network operation centres and vehicle tracking systems.

Since the inception of the OSP concept in 1999, the terms and conditions for their functioning have been amended multiple times, revising definitions, registration requirements, technical conditions for domestic and international OSP centres, terms for sharing the infrastructure between international and domestic OSPs, and security conditions. The amendments have also included changes in the terms and conditions related to work from home, EPABX sharing, use of closed user groups (CUGs), etc.

However, in the past few years, the technology landscape has evolved at a brisk pace. Given the evolution of different networking architectures and solutions for setting up the OSP network and the evolution of new user applications and service delivery scenarios, DoT realised the need to review the technical, financial and regulatory requirements, scope of operations, and terms and conditions for registrations of OSPs in a comprehensive and holistic manner. In view of this, DoT had sought TRAI's recommendations on the subject in September 2018, following which the latter has come out with a consultation paper.

## **Key issues for consultation**

### *Definition and registration*

TRAI, in its consultation paper, has pointed out that the current definition of OSPs is too broad and subjective, and is prone to different interpretations. It also indicates that there is no differentiation between whether the services are for captive use or for a customer/other company. As a result, TRAI has sought industry views on the definition of an “application service” in the context of OSPs. It has also asked if application services, which are purely based on data/internet, should be covered under OSPs. TRAI has sought the views of stakeholders on the period of validity of OSP registration, which currently is 20 years, along with documents required for registration, and the registration fee. It has sought industry comments on the existing terms and conditions related to network diagram and network resources in the OSP guidelines. The regulator has also sought views on the existing provisions for the determination of dormant OSPs and cancellation of their registration.

### *Internet connectivity*

An OSP is permitted to have internet connectivity from an authorised internet service provider (ISP). OSPs are permitted to use an IP address that is registered in the name of an Indian entity that is traceable to a physical address (location) in the country. Internet connectivity and IP addresses pertaining to any location outside the country are not permitted. Further, the OSP is required to get the internet connection for each OSP centre separately, as licence conditions governing internet services do not authorise an ISP to provide virtual private network (VPN)/CUG to its subscribers.

TRAI has sought industry views on the existing provisions regarding internet connectivity to OSPs.

### *Terms and conditions for domestic and international OSPs*

A domestic OSP is permitted to terminate public switched telephone network/public land mobile

network PSTN/PLMN connections with the outgoing facility on the same EPABX provided that such PSTN/ PLMN lines are being used for making calls through a normal national long distance (NLD) network only and in no way directly or indirectly causes bypass of the licensed NLD operator's jurisdiction. A logical partitioning is required to ensure the separation of these facilities. That said, they may have other connectivity, lease circuit and VPN at the same centre. However, there cannot be any call flow between these PSTN lines and leased lines.

Meanwhile, no PSTN connectivity is permitted to the international OSP at the Indian end. However, PSTN connectivity at the foreign end is permitted, having the facility of both inbound and outbound calls.

To this end, TRAI has sought industry views on the provisions of logical separation of PSTN and PLMN network resources with those of leased line/VPN resources for domestic OSPs, as well as industry comments on the provisions of PSTN connectivity/interconnection of international OSPs.

#### *Sharing of infrastructure by domestic and international OSPs*

Sharing of infrastructure by domestic and international OSPs is permitted with prior approval of DoT, subject to the condition that they belong to the same company/ LLP. In addition, an OSP should set up a call centre having at least 50 seats. The registration for sharing is valid for an initial period of three years, extendable for a further period of a maximum of three years.

Besides, the sharing can take place in two ways. First, separate and independent EPABX is used for international and domestic OSP centres with sharing of the same operator position. Here, no voice traffic flow between domestic and international OSP centres is permitted and the OSP is required to ensure that there is no bypass of the network of authorised TSPs in the case of NLD/ILD calls. As per the second way, the EPABX of international call centre, domestic OSP centres and PSTN lines are shared for office use with logical partitioning.

TRAI has sought stakeholders' comments on the existing general and technical conditions of sharing of infrastructure between international and domestic OSPs.

### *Interconnection of data and voice paths in domestic operations*

In the case of a domestic OSP, a separation is required to be maintained between PSTN lines and leased circuits to ensure that there is no call flow between them. Domestic OSPs may be required to have internet leased lines and NLD leased lines/VPN circuits terminated on the same network where PSTN is terminated and EPABX is connected. To comply with the separation of data and voice path, the OSP may be willing to deploy logical partitioning, but that is a challenging task.

TRAI has sought comments on monitoring of compliance in case interconnection of data and voice path is allowed for domestic operations.

### ***Domestic operations by international OSPs***

Some OSPs are requesting DoT to allow services to domestic customers of their clients using international OSP resources availed of by them. In such an arrangement, for inbound calls, customers in India will be provided the service through an international toll-free number. Calls will be taken to a foreign destination and from there, calls will come back through their foreign points of presence. For outbound calls, domestic customers receiving a service call from such OSPs will get calling line identification of an international number, even though the call has originated from India. At present, such companies are advised to register for domestic OSP centres for serving their domestic customers. Domestic OSP registration for such operations necessitates having separate resources. Otherwise, the OSP will have to resort to sharing of resources with the submission of a bank guarantee, which may not be cost-effective, if the volume of transactions for these two segments of clients separately is not adequate.

To this end, TRAI has sought views on whether domestic operations by international OSPs for serving their customers in India should be allowed.

### **Other issues**

Views have also been sought on:

- Ensuring compliance of terms and conditions including security compliance in case the OSP centre and other resources (data centre, PABX, telecom resources) are at different locations
- Provisions including logical partitioning for distributed architecture of EPABX
- Provisions for the use of CUG for internal communications of OSP
- Use of EPABX at a foreign location in the case of international OSPs
- Provisions of penalty mentioned in the OSP guidelines
- Allowing OSP-to-OSP interconnectivity (not belonging to the same company/LLP/group of companies) for providing similar services
- Provisions in the terms and conditions of OSP registration to ensure OSPs adhere to the provisions of the Telecom Commercial Communications Customer Preference Regulations, 2018.

### **Conclusion**

Going forward, DoT wants to devise a technology-neutral framework so as to promote innovations for setting up the OSP service delivery platform in the most cost-efficient manner for faster promotion of OSPs in the country. TRAI's consultation paper will go a long way in understanding the industry's stand on how the regulatory structure around OSPs should be upgraded to make it more contemporary. That said, it may increase the ambit of regulation around new apps or internet-based services. TRAI has sought written comments on the paper by May 20, 2019 and counter comments can be submitted by June 3, 2019.

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