

Will Indians have to pay for WhatsApp?

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Abstract

A report by India's telecom department raises hackles over fears that services like WhatsApp will no longer be free.

India's Department of Telecommunications (DoT) [formed a panel](#) in January 2015 to look into net neutrality in the country.

Net neutrality means service providers should treat all traffic equally. Users should be able to access all websites at the same speed and cost.

A battle to decide the future of the internet in India is being fought online, between telecom users and operators.

The panel has now released its [report](#) to the public and invited comments. Pranesh Prakash from the Centre for Internet Studies decodes the report and what it means for Indians.

What does the panel say?

- Internet-based Over-the-top (OTT) communication services like WhatsApp, Viber, and the like are currently taking advantage of “regulatory arbitrage”, meaning that the regulations that apply to non-Internet based communications services (telephone calls) are different from OTT communications services.
- Under current rules, the OTT services don't have to get a licence from the government, don't have to abide by anti-spam, do-not-disturb regulations, share any revenue with the government or abide by national security conditions. The panel wants to bring these services under a licensing regime.
- The report distinguishes between Internet-based voice calls (voice over IP, or VoIP) and messaging services and doesn't wish to interfere with the latter. This means it could regulate services like Skype, Viber and WhatsApp calls but not WhatsApp or Viber messages. It also distinguishes between domestic and international VoIP calls, and believes only the former need regulation. It is unclear on what basis these distinctions are made.
- The core principles of net neutrality - which are undefined in the report, though definitions proposed in submissions they've received are quoted -

should be adhered to. In the long-run, these should find place in a new law, but for the time being they can be enforced through the licence agreement between the government and telecom providers.

Where does the panel report go wrong?

WhatsApp and similar services charging depends on what kinds of regulations are placed on them, and if any costs are imposed on them.

- The proposal by the panel to regulate VoIP services like Skype or Viber is a terrible idea.
- Many important terms are left undefined, and many distinctions that the report draws are left unexplained. For instance, it is unclear on what regulatory basis the report distinguishes between domestic and international VoIP calls or between regulation of messaging services and VoIP services.

Will it increase cost of access to WhatsApp and Viber?

“Zero-rating” is a policy whereby telecoms providers agree not to pass on the costs of handling the data traffic so that consumers can receive services for free.

On the one hand, this could decrease the cost of access to WhatsApp and Viber. But that might not be allowed because free services could harm competition and distort markets.

Whether this will lead to consumers paying for WhatsApp and similar services depends on what kinds of regulations are placed on them, and if any costs are imposed on them.

Does the report uphold net neutrality?

The report is clear that it strongly endorses the “core principles of net neutrality”.

On the issue of “zero-rating” the panel proposes some sound measures, saying that there should be a two-part mechanism for ensuring that “harmful” zero-rating doesn’t go through.

First, telecom services need to submit “zero-rating” tariff proposals to an expert body constituted by telecoms department.

Second, consumers will be able to complain about the harmful usage of “zero-rating” by any service provider, which may result in a fine.

Where have people got the report wrong?

The report has not increased charges for domestic calls made via Internet apps

- There have been reports saying that the panel has recommended increased charges for domestic VoIP calls. This is untrue.
- There are reports saying the panel has given the go-ahead for all forms of zero-rating. Once again, this is untrue. The panel cites instances of zero-rating that aren’t discriminatory, violative of net neutrality and don’t harm competition or distort consumer markets (such as zero-rating of all

Internet traffic for a limited time period). Then it goes on to state that the regulator should not allow zero-rating that violates the core principles of net neutrality.

Pranesh Prakash is policy director at the Centre for Internet and Society. A longer article he wrote on the panel report [can be accessed here](#).