



AmCham Comments on draft National Telecom M2M Roadmap

Background:

M2M technologies and the IoT represent the next leap forward in the evolution of Internet-based services by connecting machines, devices, and industries to improve delivery of services and process management to increase efficiencies. Machine-to-Machine (M2M), a distinct segment of the IoT, is revolutionizing business processes. By being able to deliver actionable data fast, it can help enterprises speed decision-making, streamline supply chains, understand customer demands, and bring new products to market quickly. According to industry estimates by 2017, there will be nearly three networked devices for every person on earth. Much of this is due to the growing field of machine-to-machine communications, or the “Internet of Things,” wherein wireless Internet connections are embedded into electronics, machines, buildings, and even transportation systems. The key sectors in India that offer maximum potential for deployment of M2M services include health care, education, and research and development.

1. Mandatory data localization:

The policy proposes that “*all M2M gateways and application servers, which are serving customers in India, needs to be located in India only*” (page 30). This proposal is apparently based on security grounds. We are not aware of any study which states that mandatory data localization mandates improve data security. As the policy itself notes, the Indian IT Act already lays down the detailed laws regarding privacy and security of data. The Government has also issued various notifications under the IT Act which, inter alia, specify regulations on ‘reasonable security practices and procedures’ that ‘body corporates’ should implement. We are not sure why the provisions of the IT Act and the Guidelines, which are currently applicable to all ‘body corporates’ in all circumstances, including M2M communications should not be adequate in an M2M environment. We would request the Government not to impose this additional and special requirement on M2M related data only. We request the Department of Telecoms to please clarify to the industry why it believes that the M2M related gateways and application servers are different from all other data, why the provisions of the IT Act are not adequate to cover security issues faced in an M2M environment and why mandatory server localization mandates are required for M2M. In addition to the security issue, international experience shows that localization mandates simply drive up the cost of operations and these costs are ultimately passed on to consumers. If we are to successfully embrace Make in India, it is respectfully submitted that we should take all reasonable steps to ensure that the manufacturing and services industries are able to take advantage of the lowest cost platforms available.

2. Prohibition of the use of foreign SIMs:

The draft policy proposes that “*foreign SIM should not be permitted in devices to be used in India*” (page 27). We are quite concerned with the terminology used called “permanent roaming”. We appreciate the need for law enforcement agencies and the need to ensure KYC. However, rather than prohibiting foreign SIMs we would request the Department of Telecom to consider developing different KYC registration requirements for these SIMs on ‘permanent roaming’. The Devices / Equipment’s fitted with international SIM /number of country of origin should be allowed to roam freely in India in the same way as per current roaming arrangements involving humans without a need for a mandate to switch over to a local SIM. This should apply equally whether the SIM is in hard form or embedded in the device.

3. PMA/Linking local manufacturing with security:

The draft policy mentions “*indigenous capabilities and domestic manufacturing is important for the country’s security. Telecom being a strategic infrastructure, Indigenous technologies and manufacturing are important....*” (page 38). Also the draft policy advocates the use of PMA in the M2M. We understand that the PMA policy adopted by the Government of India issued in 23 December 2013 limits the scope of the PMA policy to procurement by Government for government’s own use only. We request the DoT to clarify that the PMA mentioned in the draft M2M policy is the same PMA policy dated 23 December 2013 and the DoT does not envisage to increase the scope of the PMA policy to cover transactions not covered under the 23 December 2013 policy.

4. Mandatory certification:

The policy proposes mandatory certification of M2M devices (page 42). The document claims that in the US pre certification of M2M devices is mandatory. We are checking if this is accurate, however it seems that the relevant US regulation-PTCRB is a voluntary program.

5. Registration of M2M service provider:

The draft proposes that ‘M2M service providers’ should be registered in with DoT. It is not clear what will be the definition of ‘M2M service provider’. Many M2M devices might operate over low powered frequencies which are not regulated under the National Frequency Allocation Table. To ensure wider adoption of M2M and encourage local manufacturing, we believe that the operation of these devices operating in the unlicensed frequencies should not require prior license/ approval of the DoT.

Summary:

To promote global innovation and investment throughout the digital economy, we request that DoT should adopt the following policy objectives to facilitate faster adoption of M2M in the country:

- Encourage and foster cross border data flows, Develop standards that will not impede adoption of M2M technology and foster the development of technical standards that are easy to adopt cross-sector, (such as standards that may be needed so that any M2M device can connect to any network
- Make sure the technology neutrality principle permits a broad range of complex integrated services and value chains to reap the benefits of favorable trade rules
- Be wary of classifications – historic or new – that could freeze commitments and quickly make them obsolete
- Both promote competition, and rely on it wherever possible rather than on rigid regulatory rules
- Avoid unnecessary regulations that could impede the pace of innovation and find mechanisms to address divergent national standards
