

MINISTRY OF INFORMATION AND COMMUNICATIONS OF VIET NAM
VIET NAM TELECOMMUNICATIONS AUTHORITY

ASEAN REPORT ON OTT PROJECT

ITU-ASEAN Forum on OTT Services: Business, Policy and Regulatory Trends

08-09 December 2015, Phnom Penh, Cambodia

*Bui Thu Ha – Official
Policy and Regulation Division*

VNTA

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GENERAL INFORMATION

- ❑ OTT issue was raised in ATRC WG in Haiphong on April 12, 2013 and finally approved in Singapore TELMIN in November 2013;
- ❑ Implementation agency: Viet Nam Telecommunications Authority (VNTA) – Ministry of Information and Communications of Vietnam;
- ❑ Strategic thrust in ASEAN ICT Master Plan 2015 (AIM 2015): Economic transformation;

OBJECTIVES

- Access current status of OTT services in ASEAN Member Countries (AMS)
- Identify the impacts of OTT services on telecom market and current management policies of OTT services in AMS
- Propose background data for regulation view on OTT issues and guidelines for OTT management policy among AMS

OUTPUTS

Survey on OTT
service
situation



International
workshop on
OTT
management
policy



Guidelines of
OTT
management
policy for AMS

QUESTIONNAIRE

Comprise four parts:

- Part 1: Respondent information;
- Part 2: Information about telecommunications market in your country;
- Part 3: Status of OTT services in your country;
- Part 4: Recommendations for cooperation among ASEAN Member State on OTT issues

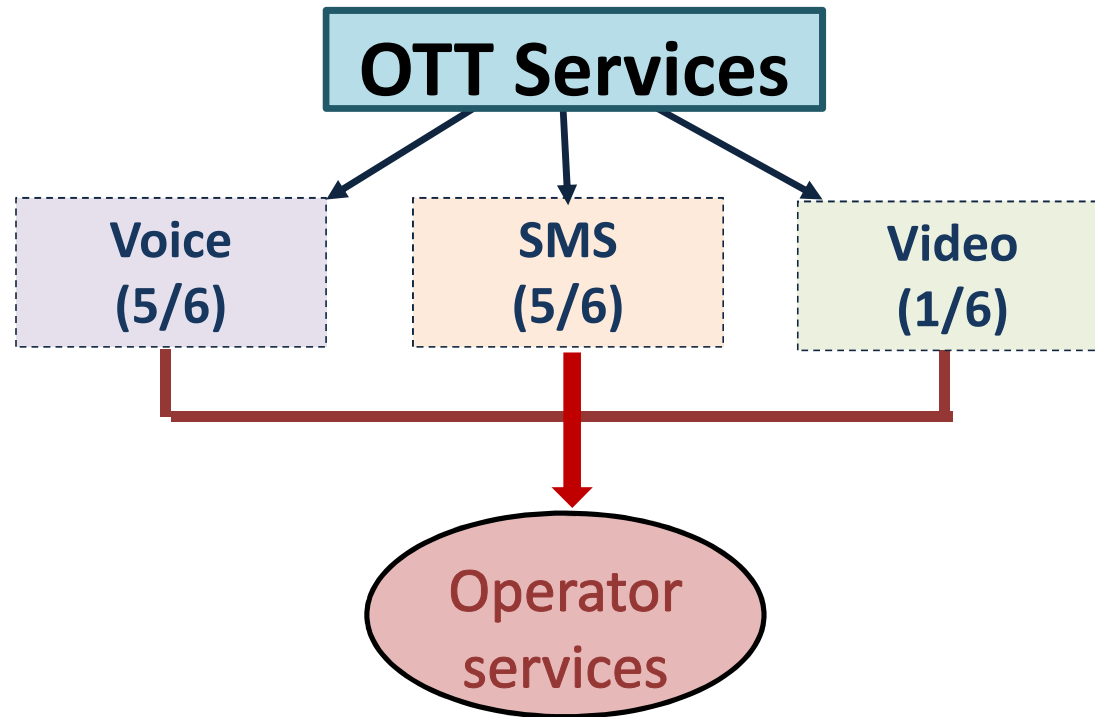


- ❑ **Opened on 26 May 2014.**
- ❑ **8/10 Member Countries sent the inputs.**

Summarization of the inputs:

- ❑ Definition in the scope of questionnaire: *“OTT (Over-the-top) refers to a form of services delivered via the Internet which bypass the traditional network service provider, compete with services offered by the telecom operators, and/or affect to quality of networks and service”.*
- ❑ Popular kinds of OTT services in ASEAN *(inputs from 7/8 countries, Lao - NA):*
 - ✓ Communications services (7/8);
 - ✓ Social network (7/8);
 - ✓ Video, TV (5/8);
 - ✓ ...

Element of operator service traffic most threatened by OTT:
(inputs from 6/8 countries, 2 countries - NA)



Positive impact of OTT:

For users

- Using new services (4/5)
- Saving money (5/5)
- Approaching advance features (5/5)
- Saving time in communication (1/5)

For operators

- Help the telecom market more competitive (2/4)
- Increase revenue from Internet access (data) (4/4)
- Encourage operators to renovate and develop their business (3/4)

Problem for users using OTT:

- ✓ *Risk of information security (5/6);*
- ✓ *Spam SMS (2/6);*
- ✓ *Unguaranteed quality of service (6/6);*
- ✓ *Risk of fraud (4/6);*
- ✓ *Access to consumer support especially if it involves prepaid services (Brunei);*
- ✓ *Access to emergency communications 24x7;*
- ✓ *Lack of reliability in the medium to long-term (service closure w/o notice; tariff change);*
- ✓ *Managing data usage while subscribing to limited quota offers to prevent inflated billing.*

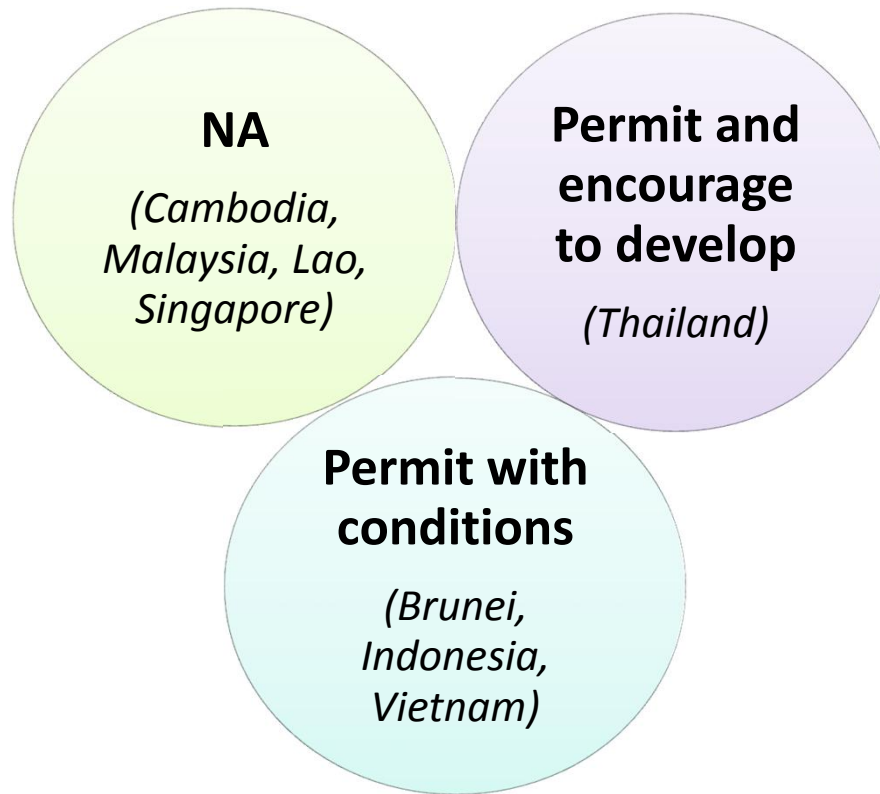
Challenges for operators due to OTT:

- ✓ *Decrease the revenue of voice and SMS (6/6)*
- ✓ *Profit moving to content providers, equipment providers (5/6);*
- ✓ *Increase the investment in infrastructure and business (4/6);*
- ✓ *Changing business model (4/6);*
- ✓ *Unfair in responsibilities with the Government (3/6);*
- ✓ *Using customers' information (2/6);*
- ✓ *Network congestion, bandwidth taking-up (4/6);*
- ✓ *Sustaining infrastructure investments (Brunei);*
- ✓ *Managing Interconnections;*
- ✓ *Loss of network and/or users' information;*
- ✓ *Uninformed withdrawal of services / Denial attack;*
- ✓ *Customer Grievances (data usage...);*
- ✓ *Denial of Emergency services.*

Challenges for regulator due to OTT:

- ✓ *Getting difficulties and changing the way of market regulation (6/6);*
- ✓ *Loss of taxes and fees (3/6);*
- ✓ *Network security (5/6);*
- ✓ *Managing infrastructure development (Brunei);*
- ✓ *Universal Access to services (Brunei);*
- ✓ *Managing issues related to net neutrality (Brunei);*
- ✓ *Loss of administrative control over non-licensed activities leading to consumer grievances (Brunei);*
- ✓ *Lack of local contact points for OTTs managed through overseas sites (Brunei);*
- ✓ *Risk associated to customer protection (Indonesia);*
- ✓ *Risk related to data privacy (Indonesia).*

Current OTT management policy:



WORKSHOP

- ❑ Date: 20-21/11/2014
- ❑ Place: Muong Thanh hotel, Son Tra, Da Nang, Viet Nam
- ❑ Participants:
 - ✓ Dr. Jesada Sivaraks – The Secretary to NBTC Vice - Chairman, Thailand;
 - ✓ Mr. Jared Carlson – Director Government and Industry Relations, Ericsson Washington Office, USA;
 - ✓ Representatives from Lao, Cambodia, Philippines, Thailand and Viet Nam (MIC, VNTA and operators).

FINAL RECOMMENDATIONS

Principles:

- ❑ Determine what kind of service OTT are, telecom service or Internet services/applications;
- ❑ Consider OTT management policy based on the characteristics of telecom market and the development orientation in each country;
- ❑ The regulator should take account of the implementation feasibility when issuing any OTT management policy.

Main issues to consider:

- Consumer security;
- Sustainable business models for telecommunications operators;
- National security.

Recommendations:

- ❑ OTT should not be blocked by any party through any method;
- ❑ Before issuing OTT management policy, it is necessary to assess the market situation, degree of competition and identify all market players;
- ❑ Countries with effective competitive market, it should be rely on the self-regulated mechanism of the market.
- ❑ Countries with partial competition (not fully competition) and SMP regulation could issue some appropriate policies;

- ❑ If OTT Communications services are considered as telecommunications services and OTT providers get profit directly from services, it could be applied the “licensing” with some specific conditions;
- ❑ Fostering the cooperation between telecom operators and OTT providers;
- ❑ In order to protect consumer security, the regulator should enhance the acknowledgement of consumers;
- ❑ ASEAN Member Countries will continue to develop the broadband infrastructure, enhance the connectivity among countries, increase the effectiveness of security regulation as well as have a mutual agreement related to consumers’ protection.



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