

MBILL PREMIUM SMS U.S.A. FREQUENTLY ASKED QUESTIONS



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mBill Premium SMS USA - Frequently Asked Questions

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1 Service Regulations

1.1 *What are the relevant government regulations on PSMS content?*

At present, there is no independent body in the USA to oversee the regulation of content on Premium SMS services. As PSMS is a relatively new concept in the USA, it is expected that a regulatory body will be appointed as the market is established.

1.2 *Are there any restrictions on types of content?*

Any content that could be classified under the following is restricted: Unlawful, harmful, threatening, defamatory, obscene, harassing, or racially, ethically or otherwise objectionable; services that facilitate illegal activity, promote violence, promote discrimination, promote illegal activities, or incorporate any materials that infringe or assist others to infringe on any copyright, trademark, or other intellectual property rights are also prohibited. Adult services are also prohibited at this time by all carriers.

1.3 *What does each carrier specifically restrict?*

1.3.1 **AT & T Wireless Restrictions**

No adult services

AT & T Wireless does not allow any non-text content services without written confirmation. Please contact mBill for more information.

1.3.2 **Cingular Restrictions**

No adult services.

1.3.3 **Verizon Restrictions**

No adult services.

Verizon does not allow any non-text content services without written confirmation. Please contact mBill for more information.

Verizon required “double-confirmation” from customers. After you have received the initial MO request, you need to send out a non premium confirmation message confirming they will accept the charge for the requested service. The customer is then billed when the second MO confirming the initial request is received. The customer will be charged at a normal rate for the first MO, but the second MO message will be free of charge to the customer. If circumstances permit, Verizon can allow customers to be billed without double confirmation. Contact mBill for more information.

1.4 *Can shortcodes be shared with multiple services?*

Currently, carriers only allow one set of services per shortcode. This means you are able to run similar multiple services on one shortcode (e.g. news and weather alerts).

1.5 *What regulations for marketing PSMS exist?*

Currently, there are no specific marketing regulations for PSMS services. Basic US law applies and campaigns must be approved by the carriers.

1.6 Are subscription based services permitted?

Yes, all carriers permit subscription services.

2 PSMS Service Activation

2.1 What are the steps for getting PSMS services activated?

If you are an existing client with mBill, we simply need to register a shortcode on your behalf and have it activated.

If you are a new mBill client, we need to register a USA shortcode on your behalf and provision your mBill services.

2.2 How long does it take?

To activate a new PSMS shortcode in the USA, the typical turn around time is 2-5 weeks. Most of this time is largely dependant on the carriers.

3 Support issues for customers

3.1 What is the procedure if a customer has a problem with PSMS?

End customer support is solely the responsibility of the service operator. Carrier requirements state that you must make available a toll free number, and email address and a web site for customer enquiries. You will also need to nominate a support contact with mBill who mBill can escalate any issues to.

4 PSMS Service

4.1 Which carriers are currently supported?

Please refer to your latest pricing guide.

4.2 Are shortcodes cross-carrier?

Yes, all shortcodes work across all supported carriers.

4.3 What is the format of a shortcode?

A shortcode is a number between 20000 and 99999. Random shortcodes are picked anywhere between this number range. Vanity shortcodes can be a customized number.

4.4 What are the fees/payout rates?

Please refer to your latest pricing guide.

4.5 What are the payment terms for PSMS revenue?

All PSMS revenue is paid 60 days from the end of each month. This is to allow sufficient time for the carriers to make the appropriate payments.

4.6 How are refunds to customers handled?

This is not the responsibility of mBill.

4.7 How are end users charged?

The following charges apply for customers. You need to make sure these charges are clearly communicated in your marketing campaign.

4.7.1 Customer charges on MO messages

AT&T Wireless, Cingular, Verizon: If the customer's cellular phone plan includes an SMS bundle, the MO will be deducted from this. If the user does not have bundled messages, they will be charged a standard \$0.10 for an SMS MO.

4.7.2 Customer charges on MT messages

AT&T Wireless: Customers will be charged the specified premium. Customers will not be charged for non-premium messages.

Cingular: Customers will be charged the specified premium. Customers will not be charged for non-premium messages.

Verizon: Customers will be charged the specified premium plus the standard MT message charge which is \$0.02. For non-premium messages, the standard MT message charge applies which is \$0.02.

4.8 What is the revenue report?

The revenue report is generated by mBill on the 1st of each month. This shows your message statistics, you can however check these at any time online through the secure.mBill.biz website.

5 Cellular market statistics

5.1 What are current SMS volumes in the USA?

SMS has proven to be the leading-edge, behavioral-shifting wireless data application that has made the wireless market generally aware of rapidly evolving wireless data and messaging application capabilities. The SMS subscriber market doubled in 2002 and is forecast to increase at a CAGR of 28% through 2007, with consequent growth of mobile-originated SMS messages from an estimated 2.5 billion in 2002 to 31 billion mobile-originated messages in 2007. "SMS has changed end users' perception of wireless and is paving the way for even more sophisticated

wireless data applications such as IM and MMS," says Scott Ellison, program director, Wireless and Mobile Communications. "SMS is the first time that many wireless users are using wireless to communicate by a means other than voice and is truly the wireless data trail blazer for the U.S. wireless industry," he added.

Source: IDC "U.S. SMS Forecast, 2003-2007: DO U C WUT I C?" 24th April, 2003.

5.2 How is the market share of cellular services made up?

	Number of Subscribers	Market Share
Verizon	36,000,000	24%
Cingular	23,400,000	16%
AT&T Wireless	21,885,000	15%
Sprint	19,300,000	13%
Nextel	12,300,000	8%
T-Mobile	11,900,000	8%
Total	124,785,000*	84%

The total number of subscribers at 1st of November (including all second tier providers) was 148,100,000.