

# “Status of Dispute Settlement Mechanism in the Telecom Sector in India”

24<sup>th</sup> March, 2007

Ahmedabad

---

Presentation by

A.K. Sinha

CMD BSNL



# Agenda

---

1. Present Telecom Scenario
2. Present Areas of Dispute
3. Challenges for BSNL
4. Future Areas of Dispute
5. Disputes related to Consumers
6. Dispute Resolution Mechanism
7. Dispute Resolution Mechanism in BSNL
8. Conclusions.



## 1. Present Telecom Scenario

---

- ❑ Growth fuelled by NTP'99 that provided major thrust for private participation.
- ❑ NLD Sector opened up in 2001.
- ❑ ILD Sector opened up in 2002.
- ❑ Number of NLD/ILD operators have increased many fold
- ❑ Intense competition in both Access and NLD/ILD.
- ❑ More than 900 licenses in operation in 26 LSAs.
- ❑ Rapid growth of services
- ❑ Steep reduction of tariff.
- ❑ Diminishing ARPUs



## 1. Present Telecom Scenario

---

- ❑ Over 200 million telephone consumers in both mobile and fixed.
- ❑ The number of connections targeted to be 500 million by 2010.
- ❑ About 65% of the market share with private sector.
- ❑ Legacy fixed and voice services under threat.
- ❑ Fast growing - Value added , telemarketing, Broadband services etc.
- ❑ Quality of Services is a thrust area.



## 2. Present Areas for Dispute

---

- Ever increasing demand of POIs
- Interconnect Agreements
- Inter Operator Billing
- Levy of Access Deficit Charge
- Licensing and Regulatory Violations.
- Violation of Numbering Plan
- Under declaration of Traffic and Revenues
- Sharing of Infrastructure.

## 2. Present Areas for Dispute

---

- Bypass of ADC and License fees.
- Availability of spectrum - the key issue.
- Pricing and effective utilization of the spectrum.
- Spectrum interference.
- QoS Compliance
- IN Services Access

### 3. Challenges for BSNL

---

- ❑ Total 2647 SDCAs and 322 LDCAs as Point of Interconnect
- ❑ Managing of about more than 6600 POIs is a Herculean task for BSNL
- ❑ Expansion and augmentation of POIs putting lot of pressure on the BSNL's resources
- ❑ Constraints of POI resources leading to disputes relating to QoS



## 4. Future Areas for Disputes

---

- ❑ Technologies, leading to network convergence, make it difficult to implement service specific regulatory regime leading to disputes.
- ❑ The convergence of services and technologies will lead to more disputes.
- ❑ The interconnection between operators may shift to IP in near future even for voice services thus complicating the regime further and will result in disputes.
- ❑ The regulatory boundaries of networks and licensed areas in the evolving scenario are becoming difficult to sustain.

## 5. Disputes Related to Consumers

---

- ❑ Bill related complaints of consumers are increasing.
- ❑ Multiplicity of schemes (Tariffs) confusing consumers which apparently look cheaper but may actually be expensive.
- ❑ The high end consumers are being looked after very well. The common man, however, is being ignored.
- ❑ Overloading of networks leading to QoS issues.



## 6. Dispute Resolution Mechanism

---

- Effective dispute resolution mechanism should be;
  - Simple and Transparent
  - Accessible
  - Not overloaded
- Disputes to be settled in reasonable time
- The clarity and transparency in regulatory and licensing regime minimizes the disputes and improves the efficiency of the whole system.



## 6. Dispute Resolution Mechanism

---

- ❑ In-depth analysis of the issues goes a long way to make the dispute resolution mechanism more effective.
- ❑ In house effective dispute resolution mechanism of the service providers for redressal of consumer grievances reduces pressure on legal forums.
- ❑ Simplification of regulatory regime by licensor and regulator and to making it more transparent will ensure that the issues do not get converted in to disputes.



## 6. Dispute Resolution Mechanism

---

- Dispute Resolution Mechanism flow should be:
    - In-house Dispute Resolution
    - Consumer Forums
    - TDSAT (For a Group of consumers)
  - Overloaded Consumer Forums due to Growth of services and consumers.
  - Consumer Forums are becoming time consuming and expensive discouraging the consumers to have recourse to those remedies.
-



## 6. Dispute Resolution Mechanism

---

- ❑ An individual consumer can not approach Hon'ble TDSAT.
- ❑ Frequent changes in the regulatory and licensing policies adversely affect the planning and investment decisions of the stake holders.
- ❑ The regulatory policies must keep in view the public interest and ground realities including those of the legacy systems operating in the country and need not follow the path taken by other administrations.
- ❑ Strong In-house dispute resolution mechanism reduces the load on legal system.



## 7. Dispute Resolution Mechanism in BSNL

---

- Multi layered in-house mechanism available to consumer at the level of
    - SSA
    - Circle
    - Corporate Office
  - At every level, an appellate mechanism exists.
  - Also, redressal is offered to consumer by way of
    - Telephone Adalats
    - Open house Sessions etc.
  - Special toll free service available for registering public grievances.
-



## 8. Conclusions

---

- ❑ Since the growth in the telecom sector in India is likely to continue at high rate for the next 5 to 10 years, there is a need to continuously upgrade the system.
- ❑ An effective and robust framework is required which not only promotes growth but also minimizes disputes by way of simple and transparent system.
- ❑ Strengthening of In-house Redressal mechanism by operators will improve the efficiency of Redressal mechanism.



**BHARAT SANCHAR NIGAM LTD.**

---

# Thank You