

“Status of Dispute Settlement Mechanism in the Telecom Sectors in India”



BHARAT SANCHAR NIGAM LTD.

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1. Present Telecom Scenario

- ❑ Growth fuelled by NTP'99 that provided major thrust for private participation.
- ❑ NLD/ILD Sectors opened up in 2001-02 to private sector.
- ❑ Number of NLD/ILD operators increased many fold
- ❑ Intense competition in Access Services as well as NLD/ILD services.
- ❑ More than 750 licenses in operation in 23 LSAs.



1. Present Telecom Scenario

- ❑ About 250 million telephone consumers including mobile and fixed line.
- ❑ About 70% of the market share with private sector.
- ❑ About 8 million connections being added per month.
- ❑ Almost all the growth through wireless technologies.
- ❑ More than 90 lakhs internet customers and 25 lakhs broadband customers.



1. Present Telecom Scenario

- Legacy fixed and voice services under threat.
 - The number of connections targeted to be 500 million by 2010.
 - Rapid growth of services
 - Rock Bottom Tariff
 - Quality of Services is a thrust area.
 - Fast growing - Value added , telemarketing, Broadband services etc.
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1. Present Telecom Scenario

- ❑ Still further efforts are required to remove Digital divide in Urban and Rural teledensity
- ❑ Consumer satisfaction in the key issue
- ❑ Metering and billing needs to be streamlined
- ❑ Similar to telephony services innovative mechanism using wireless technologies is required for faster rollout of internet and broadband services



1. Present Telecom Scenario

- Competition good for consumers, seen fall of tariff from Rs 48 per minute to Rs 1.20 per minute in STD calls in last seven years
- BSNL has been a key player in facilitating competition & introduction of new players in a level playing field environment



2. Areas of Dispute

- Among Service Providers
- With TRAI
- With Licensor
- With Consumers



2. Areas of Dispute

- Interconnection Issues
 - Provisioning of POIs
- Inter Operator Billing and Accounting Issues
 - Delay in payments of bills
 - Partial payment of applicable dues



2. Areas of Dispute

- Licensing and Regulatory Issues which, inter-alia, include:
 - Interpretation and classification of services
 - Non-compliance of statutory rules, orders, regulations, guidelines etc.
 - Intentional wrong routing/ delivery of traffic
 - Violation of numbering plan
 - Infrastructure sharing
 - Access Deficit Charge
 - Tariffs. Termination charges etc.
 - Spilling over of signals on the boundaries.
 - Rolling out of networks
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2. Areas of Dispute

□ Imbalance Regulatory Regime

- Excessive regulation in some areas e.g. indirectly prescribing procedures/processes thus affecting commercial decisions of operators
- No Regulation/ soft Regulation in vital areas e.g. compliance of license conditions, misuse of forbearance provision by some operators i.e. tariff forbearance

3. Areas of Concern

- Timely Availability of spectrum
- Pricing and effective utilization of the spectrum.
- Radio interference
- QoS Compliances
- Lack of supportive infrastructure especially in semi-urban and rural areas e.g. Electricity, Approach Roads, Law and Order, Fuel for engine alternators etc.

4. Challenges for BSNL

- ❑ Total 2647 SDCAs and 321 LDCAs as Point of Interconnect
- ❑ Managing more than 6600 Points of Interconnections (POIs) and more than 1.8 million inter-operator circuits is a challenge for BSNL

4. Challenges for BSNL

- ❑ Expansion and augmentation of POIs putting lot of pressure on the BSNL's resources and sometime affects its own expansion plan
- ❑ Additional requirement of capacity of more than 90,000 inter operators circuits per month for POIs to meet the unprecedented growth
- ❑ BSNL has to plan its network even to ease out the congestion between two private operators by transiting the traffic through its POIs



5. Future Scenarios

- ❑ Technologies, leading to network convergence, make it difficult to implement service specific regulatory regime leading to disputes i.e. to provide the access, NLD and ILD services from a common switch
- ❑ The convergence of services and technologies may lead to more disputes i.e. use of Next Generation Networks
- ❑ Transition phase is more important



5. Future Scenarios

- ❑ Interconnection may shift to IP in near future for voice services also leading to change in Regulatory regime. Transition phase may result in disputes.
- ❑ The regulatory boundaries of networks and licensed areas in the evolving scenario are blurring and difficult to sustain.

6. Disputes Related to Consumers

- ❑ Billing and Metering related complaints of consumers
- ❑ Service Quality
- ❑ Multiplicity of non transparent schemes (Tariffs) confusing consumers which apparently look cheaper but may actually be expensive.



6. Disputes Related to Consumers

- ❑ Overmarketing of services by service providers and other telemarketers resulting in unsolicited calls leading to disputes
- ❑ The high end consumers are being looked after very well. The common man, however, is being ignored.
- ❑ Forbearance principles misused necessitating judicial intervention



7. Dispute Resolution Mechanism

- ❑ For Service Providers
- ❑ For Subscribers
- ❑ For both effective dispute resolution mechanism should be;
 - Simple and Transparent
 - Easily Accessible
 - Not overloaded



7. Dispute Resolution Mechanism

- Dispute Settlement by TDSAT
 - Appeal against TRAI's orders/ Regulations/ Decisions
 - Between Licensor and a licensee.
 - Between two or more service providers
 - Between a service provider and a group of consumers
 - Civil Court jurisdiction is barred
 - Appeal to orders of TDSAT in Hon'ble Supreme Court
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7. Dispute Resolution Mechanism

□ Disputes Settled by TDSAT

Year	Cases Filed	Cases Disposed	% Disposal
2001	103	103	100
2002	93	92	99
2003	102	100	98
2004	247	244	99
2005	427	412	96
2006	522	439	84
Total	1494	1390	93



7. Dispute Resolution Mechanism

- TDSAT is playing a very important role in the benefit of consumers in the telecom sector to support the growth in the telecom sector in India which is likely to continue at the very high rate for the next 5 to 10 years



7. Dispute Resolution Mechanism

- The clarity and transparency in regulatory and licensing regime minimizes the disputes and improves the efficiency of the system.
- In-depth analysis of the issues goes a long way to make the dispute resolution mechanism more effective.



7. Dispute Resolution Mechanism

- ❑ 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.
- ❑ Frequent changes in the regulatory and licensing policies adversely affect the planning and investment decisions of the stake holders and results in disputes at various forums.



7. Dispute Resolution Mechanism

- ❑ Simplification of regulatory regime by licensor and regulator and to make the same more transparent will ensure that the issues do not get converted in to disputes.
- ❑ Consumer Forums are becoming time consuming and expensive discouraging the consumers to have recourse to those remedies.

7. Dispute Resolution Mechanism

- In house effective dispute resolution mechanism of the service providers for redressal of consumer grievances reduces pressure on legal forums.
- Dispute Resolution Mechanism flow should be:
 - In-house Dispute Resolution
 - Consumer Forums



8. Dispute Resolution Mechanism in BSNL

□ For consumers -

- Multi layered in-house mechanism available to consumer at the level of
 - SDCA (Tehsil)
 - SSA(District)
 - Circle (State)
 - Corporate Office (National)
- At every level, an appellate mechanism exists.



8. Dispute Resolution Mechanism in BSNL

- Also, redressal is offered to consumer by way of
 - Telephone Adalats
 - Open house Sessions etc.
- Special toll free service available in BSNL for registering public grievances.
- Call centers to make aware the subscribers about the services and booking of complaints.



9. 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.



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Thank You