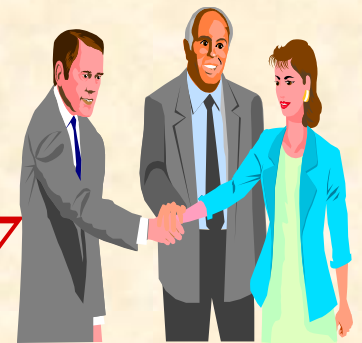








*STATUS OF DISPUTE SETTLEMENT  
MECHANISM IN TELECOM AND  
BROADCASTING SECTORS IN INDIA*

*MANJUL BAJPAI  
AHMEDABAD - 24.03.2007*



# *DISPUTES SETTLEMENT MECHANISM*

## FOUR PHASES - CHEQUERED HISTORY

-  *INITIAL PHASE* – TRAI to be an Independent Body or an Adjunct to DoT
-  *CONFUSED PHASE* – TRAI's adjudicatory power over Licensor
-  *UNIMPLEMENTED PHASE* – TRAI to act as an Arbitrator or as an Adjudicator
-  *CURRENT PHASE*

# *INITIAL PHASE*

## *(1990 -96)*

- **Telegraph Act, 1885** - DoT's monopoly - No competition, so no Regulator or Adjudicator
- **Privatisation (1990s)** – NTP-94 - competition introduced - Independent Regulator required
- TRAI proposed as a **non-statutory body**
- **Standing Committee** recommended statutory status to ensure independence and effectiveness.
- **Supreme Court** emphasized TRAI's independence
- **TRAI Act, 1997** enacted

# *CONFUSED PHASE*

*(January 1997-June 1999)*

- ❖ TRAI had limited **adjudicatory powers** - Service Providers inter se or between Service Providers and Group of Consumers - on -Interconnection- Revenue Sharing - Quality of Service - Consumer Interest
- ❖ Service Provider defined as meaning the Government including a Licensee
- ❖ TRAI exercised adjudicatory powers qua DoT in latter's capacity as Licensor
- ❖ **DoT challenged** TRAI's powers contending that DoT as Licensor cannot be equated to a Service Provider
- ❖ High Court held that TRAI had no such powers qua DoT in latter's capacity as Licensor
- ❖ **Two years of Litigation** - Mostly License issues - virtual Vacuum

# *UNIMPLEMENTED PHASE*

*(June 1999 - January 2000)*

- ❧ No separate dispute settlement Forum was available to entertain disputes between Licensor and Licensees
- ❧ **NTP-99** – TRAI to act as Arbitrator for settling disputes between Licensor and Licensee.
- ❧ Government issued **notification** to implement this policy.
- ❧ TRAI **never acted** as Arbitrator
- ❧ Government **withdrew** this Notification

# *CURRENT PHASE*

- ✓ TRAI Act was amended in January 2000
- ✓ TDSAT was established
- ✓ **Significant changes** over earlier law:
  - Separation of Regulatory and Adjudicatory functions
  - Vested with both Original and Appellate jurisdictions
  - Can adjudicate upon “any dispute”
  - Empowered to adjudicate disputes between Licensor and Licensee
  - Appeals now lie directly to Supreme Court
- ✓ In January 2004, TDSAT was empowered to settle disputes in Cable and Broadcasting sectors also

# *CURRENT PHASE - TDSAT 'S POWERS*

- ❖ **Settle “any dispute” - Wide Powers**
- ❖ **Original Jurisdiction**
- ❖ **Appellate Jurisdiction**
- ❖ **Power to review**
- ❖ **CPC not to apply**
- ❖ **Regulate its own procedure**
- ❖ **Principles of Natural Justice to apply**
- ❖ **Orders executable as decree of Civil Court**
- ❖ **Civil Court’s jurisdiction is barred**
- ❖ **Appeals lie directly to Supreme Court on questions of law**
- ❖ **TDSAT does not have jurisdiction over: Express Exclusions**
  - ↘ **Monopolistic / Restrictive / Unfair Trade Practices**
  - ↘ **Individual Consumer Disputes**
  - ↘ **Disputes u/s 7B of the Telegraph Act**

# *CURRENT PHASE - VARIOUS ISSUES*

TDSAT has entertained matters relating to

- ◆ Licensing & Policy - Level Playing Field - Interpretation of Policy
- ◆ Interconnection issues – now mostly in Cable and Broadcasting Sectors – basically Subscription Fee & disconnections etc.
- ◆ Spectrum charges issues etc.
- ◆ Jurisdictional issues
- ◆ Competition issues



# *LANDMARK JUDGMENTS*

## Far Reaching Consequences

- ✦ Level Playing Field - from theoretical concept to implementation
- ✦ Dispute Settlement by TRAI - No such power
- ✦ TRAI's Directions cannot amend / override the License terms
- TRAI's Regulation making powers are restricted to specific items – TDSAT cannot entertain disputes arising therefrom. But ADC etc, being executive decisions and not legislative - TDSAT can entertain disputes.
- Cable Operators etc. are Service Providers under TRAI Act
- Signal Seeker to approach TDSAT if he claims that the terms are unreasonable.
- TDSAT to determine the unreasonableness of contractual terms.
- All Channels be available on all platforms
- Broadcasters cannot appoint competing MSO as their exclusive Agent

# OTHER FORUMS

- ❑ **MRTPC** - TDSAT can entertain disputes based on rights and liabilities arising out of TRAI Act / Directions issued thereunder, even if Directions incidentally trenches on the subject of MTP or RTP. But TDSAT cannot entertain disputes pertaining solely to a complaint of MTP, RTP or UTP
- ❑ **Arbitrator** - does not have jurisdiction to entertain telecom disputes
- ❑ **High Court** - S.14 N of TRAI Act transferred all pending appeals to TDSAT - High Courts have been disinclined to interfere in telecom matters even under their writ jurisdiction

# *SOME SUGGESTIONS*

- ❑ To maintain the advantages of a Specialised Tribunal, continuity in the knowledge and expertise gained during litigation needs to be passed on to the succeeding Chairperson and Members
- ❑ To avoid plethora of litigation, important aspects of telecom issues should be codified with clarity to avoid ambiguity and uncertainty

*THANK YOU*