

**TELECOM REGULATORY AUTHORITY OF INDIA**

**7<sup>TH</sup> JANUARY, 2004**

**PRESS RELEASE NO. 2 /2004**

**CONSULTATION PAPER ON ESTABLISHMENT OF THE OFFICE OF  
OMBUDSMAN IN THE TELECOMMUNICATION SECTOR**

1. The Telecom Regulatory Authority of India today issued a Consultation Paper on “Establishment of the office of Ombudsman in the Telecommunication Sector” to provide the necessary platform for discussing this important issue and to enable it to make significant improvement in the orderly growth of telecommunication sector, taking account of the interests of both service providers as well as consumers of telecommunication services.

2. Telecommunications had traditionally been a voice communication service, managed by government or Public Sector Enterprises. The dominant role acquired by telecommunications in the global business management and its effect on national economies has seen this service develop as a vital backbone and utility service for business and industry. In fact, this service itself now stands transformed into a full-fledged industry. The telecommunication business is, therefore, the world over, increasingly governed by industrial and competition norms. Free markets and open and fair competition are almost universally accepted as the ideal means to facilitate growth of communication services, with competition acting as a catalyst to bring down costs and improve efficiency and quality of service.

3. The National Telecom Policy of 1994 recognised the need for private investment and the association of the private sector to bridge the resource gap as also to meet the rapidly growing demand for telecommunication service. The policy also recognised that in order to implement the new telecom policy, suitable arrangements would have to be made to protect and promote the interests of consumers and ensure fair competition. The New

Telecom Policy 1999 went further and provided a framework for increased competition.

4. With the opening up of telecom sector to competition with licences for a number of services being granted, the telecommunication sector has seen a tremendous growth in the recent past --- both in terms of number of operators and subscriber base. Alongwith the growth, there are, of course, problems for the stakeholders, including the consumers.

5. The TRAI Act does not explicitly fix the responsibility to redress consumer grievances on TRAI. The Act, however, provides that TRAI shall lay down standards of quality of service to be provided by the service providers and ensure the quality of service and conduct the periodical survey of such service provided by the service providers so as to protect interest of the consumers. Though there is no system in place in TRAI to redress individual consumer complaints (which are to be addressed by consumer courts/ fora) or disputes between service providers and group of consumers (which are to be addressed by TDSAT), TRAI keeps on receiving complaints from the general public both pertaining to the problems of individuals as well as of generic nature. It is, therefore, evident that, there is a need to establish an internal mechanism like in other sectors such as insurance and banking, to deal with individual consumer grievances. One way of doing this is through establishment of an office of Ombudsman for the telecom sector. The Consultation Paper released today addresses this matter and raises certain issues for discussion and examination of the relevant steps that may be considered in this regard.

6. The consultation paper has been placed on TRAI's website ([www.traigov.in](http://www.traigov.in)) and comments of the stakeholders have been invited by 30th January, 2004.

