

Tribunal declines to stay removal of ADC to BSNL

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In a setback to state-owned telecom giant BSNL, telecom tribunal Telecom Disputes Settlement and Appellate Tribunal (TDSAT) has declined to stay the Telecom Regulatory Authority of India's (Trai's) directive to remove levy paid by private telecom operators to the PSU on incoming international calls in rural areas.

The TDSAT said since the main petition, in which the telecom PSU had challenged the phased reduction of levy known as Access Deficit Charge (ADC), was still pending, there was no urgent need to stay Trai's decision to do away with ADC at this stage.

Meanwhile, the tribunal also pointed out that if it ruled in favour of BSNL, the private telecom operators would have to pay the ADC on incoming international calls in retrospect, as mandated in the main petition.

"...Application is disposed of with a direction that the parties will abide by the decision of the main Appeal and will be bound by the same," said TDSAT.

Access Deficit Charge is a levy paid by private telecom operators to BSNL for meeting the cost of unprofitable operations in rural areas for below the cost wire line and mobile services.

In the application, BSNL has submitted that as per the Telecom Regulatory Authority of India guidelines, ADC payable to it was ending from September 30, 2009 and this was hampering its revenues.

"Trai has reduced ADC payable on international incoming calls from Rs 1 to Rs 0.50 and this would phase out the same from October 1, 2008. Even ADC payable to BSNL on incoming calls would be completely stopped," said BSNL in its application.

Terming it as 'irrational and arbitrary decision' of Trai, the PSU giant further submitted that to fund its rural obligations and to compensate the incurred losses, ADC should be allowed.

NFTE CHENNAI TELEPHONES
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