

SC notice to Trai, RCom, Tata Teleservices, Vodafone others

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NEW DELHI: The Supreme Court has issued notice to 11 parties, including TRAI, Reliance Communications, Tata Teleservices, Vodafone Essar, on a petition by state-run BSNL challenging removal of Access Deficit Charge (ADC), a levy paid by private telecom operators for funding the PSU's operations in rural and remote areas.

A Bench headed by Justice Altamas Kabir sought a reply from 11 respondents Telecom Regulatory Authority of India (TRAI), Association of Unified Telecom Service Providers of India, Reliance Communications, Tata Teleservices, Vodafone Essar Mobile Services, Cellular Operators Association of India, Bharti Airtel, Idea Cellular, BPL Mobile Communications, HFCL Infotel, and Spice Communications -- as to why they should not pay ADC to BSNL.

The Bench also directed that payments, if any, shall be made during the pendency of the petition and the same shall be subject to final outcome of the hearing.

Access Deficit Charge was 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.

The telecom regulator had abolished ADC in 2008-09. In the two fiscals previous to that, the ADC was reduced. In 2007-08, the regulator had reduced ADC by 37 per cent to Rs 2,000 crore from Rs 3,200 crore.

Challenging the Telecom Disputes Settlement and Appellate Tribunal's (TDSAT) judgment that held that BSNL had no legal right to claim ADC from private telecom operators and TRAI had rightly terminated it, BSNL said the entire exercise undertaken by the regulator was not only arbitrary and irrational but also contrary to the principles of level- playing field.