



Commercial ADR in the UK Communications Sector

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Agenda



- Brief introduction to the CI Arb and DRS
- The current schemes
- ADR mechanisms and their general benefits
- Why UK industry has chosen us
- Consumer Disputes



Who are the CI Arb



- Formed in 1915
- Nearly 11,000 members in 90+ countries
- Our training and services in all forms of ADR have developed the global professional standard

DRS

- We have made over 25,000 appointments and nominations since 1995 to around 100 ADR schemes
- 70 of these schemes are governed by industry codes or regulations



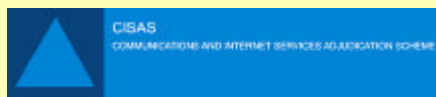
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Our Record of Service to the Sector



- Worked with a range of communications companies since the 1970's
- Resolving both B2B and B2C disputes
- Companies include Ntl, C&W, CCA, BT, Vodafone, Kingston Communications, Manx Telecom, Orange, O2, Royal Mail
- B2C service now focused through CISAS (more later)





General Benefits of ADR



- Provide easy access to **fair, independent, cost-effective** and **early resolution** of disputes
- Increase **range of options** for dispute resolution
- Ideal for **cross-border** disputes – arbitration and ODR
- Encourages **maintenance of business relationships** and **preserves market reputation** through privacy
- Increases **confidence** across the sector and with other customers / suppliers
- ADR is promoted by Article 20 of the Framework Directive



Solutions for UK Business



- CONFIRMED - BT using mediation and adjudication to resolve credit vetting disputes
- CONFIRMED - Vodafone using mediation and adjudication to resolve Interconnect disputes
- CONFIRMED - UKCTA members using mediation and adjudication to resolve any commercial dispute
- Discussions under way with Orange and two other major UK players for Interconnect disputes
- Contracted services offering mediation and adjudication



Why Mediation?



- A wholly voluntary process for both parties
- “A private and structured form of negotiation assisted by a neutral third party, the mediator”
- Very high success rates, typically 80-85% of mediations provide a mutually agreed solution owned by the parties
- Usually requires parties and any advisers to be physically present at the mediation meeting, not conducive to paper-only approaches
- Some experimentation with on-line systems



Why Adjudication?



- In each scheme the parties are contractually obliged to consider ADR
- The independent adjudicator determines a solution to the dispute and presents it to the parties as a “Decision”
- Unlike arbitration, the procedure is not governed by the law so it can be more flexible and usually makes provision for the neutral to fully investigate the causes / reasons for the dispute
- Excellent mechanism for use on-line, with telephone-conferencing and email support tools, but can also include physical meetings
- Unlike arbitration, leaves the pathway open for parties to refer questions / aspects to the Statutory Regulation Authority if necessary



Why does UK industry use the CIArb?



Our Business Offer

- Cases are dealt with by professional dispute resolvers, completely independent of the parties
- In adjudication simple claims can be dealt with online through a documents - only process so no need to give evidence in person, complex claims are by investigation and oral hearings
- The Decision is issued in writing and gives a summary of facts, the conclusions and reasons for reaching them, and it is binding in contract
- Very importantly, by developing rules with the sector, disputes are settled under conditions that better fit the parties business needs - quickly and cost-effectively, within specified timescales and at locations convenient to the parties



The Cost Benefit



- Our prices and customer service processes are underpinned by our **independent, not-for-profit, charitable** status
- We only use qualified dispute resolution professionals and have active CPD programmes in each discipline
- We have a public **Code of Ethics** for practitioners
- Supported by **Disciplinary powers** over members
- We continue to break new ground and offer a wider range of tailored ADR solutions and user services than our competitors
- To protect our independence, we have no corporate membership



The People



- An initial panel of 20 international experts have been identified, all with experience within the telecommunications industry, including finance, risk management, contractual arrangements and:
- Lawyers and engineers with substantial experience in telecommunications, including interconnect rights, privatisation of cellular telephone networks and cases involving cable laying for several different types of network
- Accountants who have acted for telecommunications clients as auditors and forensic accountants with extensive experience in the telecom industry
- All have acted as mediators and / or arbitrators within the sector, with skills transferable to the adjudication process we have designed
- **BUT, we still need more telecoms managers to train as dispute resolvers!!!**



Service Provision



- Our schemes are supported by the EC, OFCOM, the OFT, the DTI and the DCA
- We have existing long-term B2B users – providing evidence of achievement
- We are upgrading our software to produce greater service reliability and improved management reporting, including statistical information on causes of disputes and how they are resolved
- We have tight control of our cost base
- Working within a global environment, our DRS staff speak French, Spanish, German, Italian and Cantonese
- Our staff are trained to deliver customer service to **all** users
- Currently less than 1% of users complain about service
- Less than 0.1% of users complain about the neutral



Pricing



- Prices are on a menu-based approach – flexibility is achievable for users
- For example, we can alter to bands of difficulty or even remove bands and replace with standard hourly or daily rates
- Prices are negotiated for two year periods
- The purpose is to provide our customers with clarity and transparency, up-front
- **WHAT YOU GET IS WHAT YOU SEE**



Consumer Disputes



- Communications & Internet Services Adjudication Scheme (CISAS)
- OFCOM approved
- Free to consumers, binding on the company if consumer accepts decision
- Members include Orange, T-Mobile, Wanadoo (formerly Freeserve), AOL, Yahoo! and Telewest /BlueYonder, plus 73 others
- See www.cisas.org.uk for first report giving statistical breakdowns and recommendations from adjudicators

