

# FALECK & ASOCIADOS

## **Dispute Systems Design for Telecommunication Markets: a Colombian Strategy**

**September, 2014**

## **Methodology**

- **Dispute Systems Design**
- **Organization of Processes and Resources**
- **Theoretical background and cases**
- **Innovation: one size does not fit all**

## **Ground Work**

- **Interview with stakeholders**
- **Analysis**
- **Types of Disputes**
- **Causes of Disputes**

## **Diagnose - Causes**

- **Small claims in high numbers**
- **Company policy**
- **Information**
- **Distrust, emotions**
- **Expectations**
- **Image of the Companies**
- **Reactive devaluation**

## **Diagnose – Points of Improvement**

- **Time length**
- **Costs**
- **Satisfaction of Users**
- **Image**
- **Rights-based system**

## Recommendations

- **Creating options to shift from a rights-based to an interests-based approach**
- **Maintaining achievement and good practices**
- **Allowing flexibility within a secure framework**
- **Creating incentives for competition and efforts towards consumer welfare**

## **Operator's Views**

- **Effective competition between players**
- **Improve their image before Users and Authorities**
- **Understand the views and concerns of Authorities when dealing with disputes**
- **Reduce costs of dispute resolution processing while reverting those costs to effective dispute resolution, capable of generating consumer satisfaction**
- **Commitment to the Process**

## **New System**

- **Pilot Project: geographic and time limits**
- **Optional and Voluntary**
- **Multi-Step**
  - **Direct Channel with Operators**
  - **Claims Resolution Facility**
  - **PQRs enforcement system maintained without changes**



## **First Step: Direct Channel**

- **Optional, voluntary and without prejudice**
- **Distinguished channel in operators with special staff**
- **Freedom to negotiate and settle**
- **Short time limit – 5 to 10 days**
- **Information provided on settlements**

## **Second Step: Claims Resolution Facility (1)**

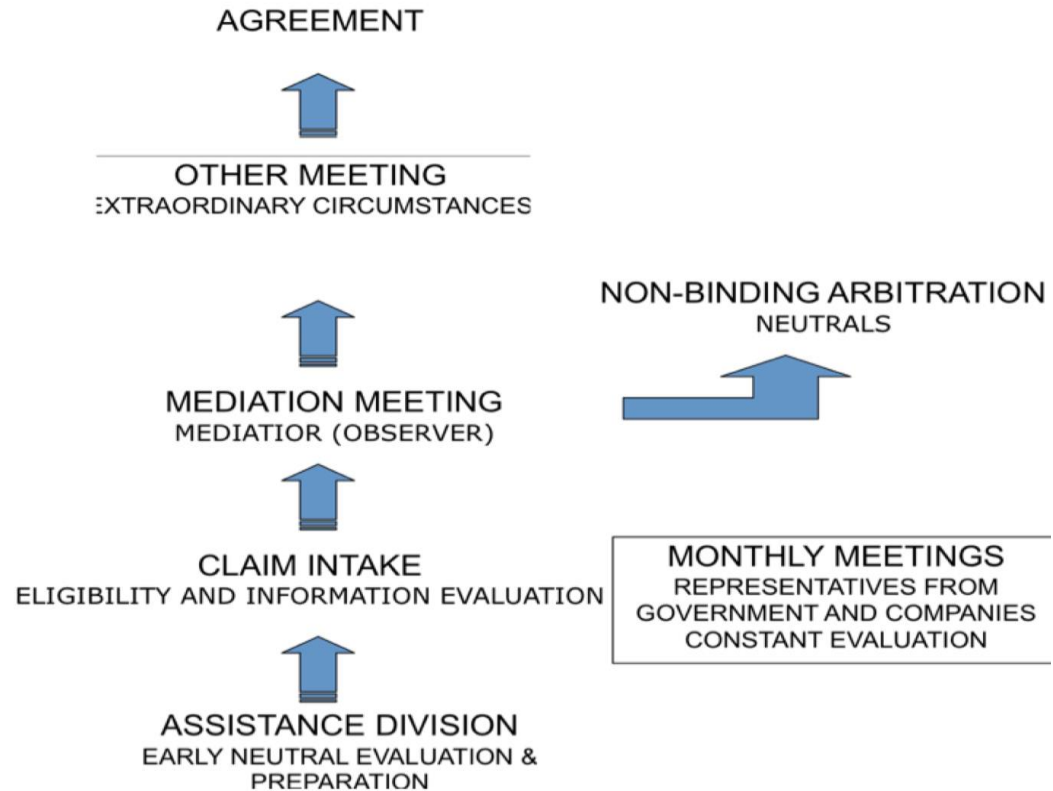
- **Operators are not able to overcome all the obstacles on their own**
- **Transparency**
- **Equal treatment**
- **Dignity**
- **Information and objective criteria**
- **Legitimacy**
- **Efficiency**

## **Second Step: Claims Resolution Facility (2)**

- **Optional, Voluntary and Without Prejudice**
- **External facility with the participation of all Operators**
- **Legitimacy: Group and Government**
- **Participation of the CRC: agreement and support**
- **Start with a Pilot**

## **Second Step: Claims Resolution Facility (3)**

- **Direct negotiation of Users and Operators**
- **Use of ADR processes organized in sequence**
  - **Early Evaluation**
  - **Mediation**
  - **Advisory Arbitration**
- **Trained Neutrals**
- **Distinguished channel in operators with special staff to deal with it**
- **Short time limit**
- **Use of online tools and technology**



## **Internal Rules (1)**

- (i) Funding**
- (ii) Principles**
- (iii) Objectives**
- (iv) Issues to covered**
- (v) Participation and role of the parties**
- (vi) Organized use of implementation of Alternative Dispute Resolution methods**
- (vii) Hiring and training of staff**

## **Internal Rules (2)**

**(viii) Functioning of the system**

**(viii) Information to be provided**

**(ix) Forms, legal vehicles and documents**

**(x) Physical structure**

**(xi) Use of technology and online dispute resolution systems**

**(xii) Dissemination strategy**

**(xiii) Constant evaluation and incorporation of learning with experience**

## **Third Step: PQRs**

- **Available for Users at any moment**
- **Simultaneous or not with the interest based-channels?**
- **Maintained without changes**
- **Time reduction?**



## Experiences in Other Countries

- **Brazilian Experience**

- National System of Consumer Protection
- Judiciary
- Reclame Aqui
- Creative initiatives

- **UK Experience**

- Ofcom
- Ombudsman
- CISAS

## Final Thoughts

- **Available mechanisms and techniques to improve the way we manage and resolve disputes**
- **Innovation**
- **Interests**
- **Participation**
- **Process**