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**THUS Response to the ICSTIS Consultation:
ICSTIS' regulation of 0871 (NTS) services: A pre-consultation paper
seeking input into ICSTIS' implementation of Ofcom's objectives
for regulation over 0871 services**

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THUS plc is a leading provider of Internet, data and telecoms services in the United Kingdom. Our Internet services are principally offered under the 'Demon' brand in the UK.

THUS welcomes the opportunity to respond to ICSTIS's pre-consultation on the regulation of 0871.

In general THUS fully supports the submission made by UKCTA, but have a couple of additional points to make:

1. Customer migration & pricing

It is THUS's view that most corporate 0870 users will migrate away from 0870 but not to 0871 as they will generally fear moving to a more tightly regulated number. We believe that they are more likely to move to an 0844 number in fear of the regulatory burden that will accompany 0871.

Furthermore existing users of 0871 will be concerned by the additional costs associated with any regulatory controls put on the number. This, of particular concern to call centres, could lead to them either moving their services to numbers with a higher revenue share (to cover the additional costs) or to move off shore away from regulatory burden completely.

The fact that other number ranges (e.g. 0844) can achieve similar revenue share without regulation should be considered. Remember that 0871 can be anything up to 10ppm, so our customers may chose to move away from 5ppm on 0871 to 5ppm on 0844 and not have to worry about any regulatory burden.

2. Pricing transparency

THUS believe that true pricing transparency for consumers will not be achieved until it is clear what each originating operator charges their customers for each of the different number ranges. If the intention is to have the PRS-like statement of "This call will cost ... (other call operator charges may apply)" then this will perhaps not achieve the pricing transparency OfCOM and ICSTIS are trying to address. It should be particularly noted of course that this is an issue for originating networks and not the terminating operators or the service providers who utilise the numbers.

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It should also be noted that for some of our business customers any decision on pricing transparency need to be communicated to the service providers at least 2 years in advance of when the regulations come in place. Some of our customers, in fact, need to know now what the rules will be in 2008 as they are already beginning their print runs for 2008. This is clearly going to be a problem given that ICSTIS will be consulting further and are expected to have regulation in place by 2008.

Maybe a national consumer focused campaign is the answer rather than clear service provider pricing information. Perhaps something that follows along the same lines of the recent Post Office mailshot announcing changes to postal charges. Or perhaps TV, radio and telephone directory advertising.