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By Email: nmarshall@icstis.org.uk

Dear Mr Marshall,

I am writing to you in response to the recent 0871 Consultation Paper issued by ICSTIS on behalf of Swiftnet Ltd, Auracall Ltd and Story Telecom Ltd.

We believe that many of ICSTIS' basic assumptions as presented in Section 1 of the consultation document are fundamentally flawed and as such do not believe the questions raised in Section 5 are appropriate. We strongly believe that the proposal for the full application of the code and funding arrangements (as presented in Appendix C) to the 0871 number should be scrutinized further and removed from the proposed regime for the 0871 number range.

Disproportionate Regulation

Referring to the Statement on NTS issued by OFCOM last April, it is very clearly stated that OFCOM would like to increase pricing transparency and consumer protection on the 0871 numbers. Although we are very much in agreement with ICSTIS in its proposal to increase 0871 pricing transparency and consumer protection we do not think that the full application of the ICTIS Code of Practice (in particular Section 5.1 and 6) is proportionate to OFCOM's expectations and we believe that ICSTIS is exaggerating the need for a stricter regime for the 0871 number range. OFCOM clearly did not anticipate the regulation of a 10p a minute call to be the same as that of a £1 a minute call.

The 11th Edition of the ICTIS Code of Practice calls for prior permission to be granted. This is an unnecessarily onerous requirement on a 10p per minute international call service.

Incorrect Assumption - Migration from 0870

We believe that the migration of the 0870 number to 0871 number will be minimal considering that the average call cost on the 0870 number is below 5p a minute. It is more likely that companies will choose to migrate to a 0844 (5p a minute or less) number instead.

Incorrect Assumption – Types of services using 0871

The assumption made by ICSTIS in the last three paragraphs of Section 1 in the consultation document (which refers to the nature of the services and share of revenues) is also not in line with the current business which we are in. In the past years till present, Swiftnet is and has been generating millions of minutes of international calls on the 0871 numbers and none of this seems to have been taken into consideration by ICSTIS in its consultation paper.

Incorrect Assumption – Revenue Sources

Our main line of business is providing low cost international phone calls which operate off the 0871 numbers. Whilst 0871 numbers have a lower out-payment and revenue shared in comparison to Premium Rate numbers, the revenue from the 0871 numbers is our **sole revenue** in the business which we are in.

ICSTIS is assuming that the majority of companies are using the 0871 number for customer services and call centre purposes. ICSTIS also assumes that the revenue generated from the 0871 number is not the main revenue for many companies. This yet again shows an ignorance of the low cost international calling market as the revenue from the 0871 is many businesses **sole income**.

Pricing Transparency – Mobile Originated Calls

In terms of pricing transparency, we are also puzzled as to why the onus should not have been accentuated to the mobile operators as a high proportion of the calls to the 0844 and 0871 numbers are generated on mobile phones.

The costs of calls from mobile phones to those numbers are much higher and more expensive than the calls made to the 0844 and 0871 numbers from landlines. Whilst we strongly support pricing transparency, we do firmly believe that the mobile operators should be committed to this particular issue. Unfortunately we have not seen any reference to this issue.

Lack of Distinction between types of calls

Please also be aware that the length of calls on the international calling services is defined by callers and it is the caller, not us, who have control over the length of calls. The whole 0871 consultation does not show a distinctive

difference between content (where the service provider influences the call length) and non content services (where the service provider has no influence over the call length) and is clearly assuming that all services are content orientated.

Conflict of Interest

The proposal put forward by ICSTIS is also favouring ICSTIS both financially and in its process of implementing a new regime for the 0871 number. There is a clear conflict of interest which needs to be addressed.

Based on all the above arguments, we strongly believe that the proposed code is fundamentally flawed and we would like ICSTIS to re-evaluate the full application of the code to the 0871 number range. Perhaps more research on complaints on the 0871 number in the international calling services should be undertaken before such a 'blanket' regulation is implemented.

Yours sincerely;

A handwritten signature in black ink, appearing to read 'J Burton', written in a cursive style.

John Burton

Cc: Mr Clive Hillier, Ofcom clive.hillier@ofcom.org.uk