

18 July 2002

Dear Consultee

ICSTIS consults on a Directory Enquiry Services Guideline

*Please find attached to this letter a draft Guideline on Directory Enquiry Services. The closing date for comments on this Guideline is **Friday 6 September 2002**. Responses should be sent in writing (to the address above or by e-mail) to either Paul Whiteing, Deputy Director (pwhiteing@icstis.org.uk), or to Suhail Bhat, Policy Advisor (sbhat@icstis.org.uk).*

What is ICSTIS' role in regulating Directory Enquiry Services?

ICSTIS regulates premium rate services and a slightly narrower class of services defined under the Class and Individual telecoms licences as "Controlled Premium Rate Services" (CPRS). A Directory Enquiry Service ("DQ service") is a premium rate service and if it costs more than 10 pence is a CPRS. Historically, we have not regulated DQ services but, when the telecoms licences were modified earlier this year to broaden the definition of "CPRS", OfTel took the view that, pending the liberalisation of the DQ services market later in 2002, such services should no longer be exempt from the definition of CPRS. We have agreed with OfTel to regulate DQ services post-liberalisation and in accordance with our remit.

Will ICSTIS' regulation stifle this new market for DQ services?

We believe that our new remit for regulating DQ services should not present a threat to service providers. We see our role as ensuring that consumers are adequately protected, especially where, initially at least, consumer awareness of the new 118XXX services will be low. Effective consumer protection will, in turn, encourage confidence and trust in legitimate 118XXX services. This should lead to greater use of services, making them a more viable long-term proposition than might otherwise be the case. This is especially important for new businesses looking to invest large amounts of start-up capital in new ventures.

What is the purpose of ICSTIS' proposed Guideline?

We believe that providers of DQ services will better understand our expectations and regulations if certain provisions in our Code of Practice were amplified with additional guidance. At the same time, we have taken the opportunity to review all other provisions in light of the likely risks and harms associated with DQ services, and have recognised that certain current Code provisions need **not** apply. These are also identified in the attached draft Guideline. We believe that this is a proportionate response to the likely issues that consumers may face but recognise equally that this guidance will need to be kept under review once the market stabilises and develops.

Does this mean that the ICSTIS Code of Practice will not apply to DQ services?

No. Our Code of Practice **will** apply to DQ services, just as it does to all other premium rate services. The Guideline is designed to expand on certain provisions and to advise service providers on how the Code is likely to be interpreted by the Committee when assessing applications for prior permission and handling any complaints.

Why must DQ services obtain prior permission to operate?

We believe that these services will be best regulated by having specific conditions of operation attached to each permission certificate bearing in mind the unique offering of each service provider. As this is likely to be a new and innovative market, the best way to apply proportionate regulation and appropriate conditions is to consider each service on an individual basis through our prior permissions regime.

Will the permissions process be lengthy and costly?

We do not charge for processing applications for prior permission. The applications process and the necessary forms, which we are currently finalising, are straightforward. If all of the requested information is provided, applications can be dealt with very quickly. We expect to operate different regimes, with different targets for completion depending on the nature of the service. At its quickest, obtaining prior permission should take no longer than 10 days. We are putting in place arrangements to start receiving applications for permission from **Monday 2 September** and all service providers who apply by **Monday 30 September** will be guaranteed to have their applications processed by mid-October in anticipation of liberalisation later in the final quarter of 2002. Applications received after 30 September will receive no such guarantee, although we will endeavour to meet our target times wherever possible.

How can I stay in touch with developments?

You can register on our website at www.icstis.org.uk to receive e-mail alerts about all new information posted on the site, including our regular *Monthly Report* which contains a mix of editorial news and published adjudications. All publications on the site can also be downloaded.

What should I do now?

Read the attached Guideline and let us have your comments and suggestions by no later than **Friday 6 September**. Also attached to this letter is a draft notice which, when published in its final form, will identify for formal purposes those services for which prior permission from ICSTIS must be obtained. Such notice is a requirement of our Code of Practice. Please let us know if you have any comments on the draft notice.

If you are a network operator with Annex II status and are not currently contracted with ICSTIS to operate CPRS, you should contact us immediately to commence discussions about contracting with us. If you have been allocated a 118XXX number, are a provider of DQ services and do not have a telecoms licence with Annex II status, you should confirm that your host network does have a contract with us. If not, you should advise them to contact us immediately. Please note that those networks that have not contracted with us will **not** be able to facilitate DQ services when the market is liberalised.

What will happen next?

Our Committee will consider all of the responses and, where necessary, amend the Guideline. This will then be published on our website, accompanied by the formal notice of the requirement to obtain prior permission. Further information about the applications process, together with the relevant forms, will be posted on our website in the latter half of August.

Can I discuss the consultation in more detail on an informal basis?

Yes. Please telephone me, Paul Whiteing, on **020 7940 7405** or e-mail me at the address given at the beginning of this letter.

Yours sincerely

Paul Whiteing

Paul Whiteing
Deputy Director

Enc.

ICSTIS Code of Practice – Ninth Edition

Draft Notice under paragraph 2.3.1

Directory Enquiry Services

Directory Enquiry Services (“DQ services”) operate as premium rate services but have previously been exempt from regulation by ICSTIS. ICSTIS will however regulate DQ services with effect from the date of liberalisation of these services.

ICSTIS has determined that, in order to enable proper regulation of DQ services, it requires, in accordance with paragraph 2.3.1 of the Ninth Edition of the Code of Practice, that no DQ service may operate without having obtained prior written permission from ICSTIS.

A DQ service is one which is (or is either):

1. *An International Directory Enquiry Service*

This is a Directory Enquiry Service which provides information to UK subscribers on allocations of numbers from the numbering scheme(s) of at least one, probably several major non-UK countries, covering the same range of numbers as commonly available Directory Enquiry Services in that country.

2. *A National Directory Enquiry Service*

This is a Directory Enquiry Service which provides information on allocations of numbers to subscribers from the UK numbering scheme to callers located in the UK. A National Directory Enquiry Service shall be considered a “full” National Directory Enquiry Service for the time being if it provides information on the geographic numbers (starting 01 or 02) of all business and residential listings and on other numbers used for comparable purposes to geographical numbers (e.g. 08 numbers used for main switchboards, etc.), where the subject of the listing has not withheld their permission for its inclusion.

And in either case:

- The main purpose of the service must be to provide a ‘white pages’ service. The service will not be a DQ service if it only provides information relating to a particular topic or geographical area, or offers only a classified service.
- The service must provide, as a minimum, a telephone number (where available) in response to a request where sufficient information to identify the end-user of that telephone number (e.g. name and address) has been given.

For the avoidance of doubt, please note that services which are of the nature of DQ services but which do not fall within the definition above (e.g. only a limited geographical area is covered) and which use live operators must obtain prior written permission from ICSTIS under the Live Services provisions set out in the Code of Practice.