



FAO: Elizabeth Gannon  
Competition Group  
OFCOM  
Riverside House  
2a Southwark Bridge Road  
London  
SE1 9HA

Tuesday 28<sup>th</sup> May 2013

Dear Elizabeth,

**Re: Consultation Response – Simplifying non-geographic numbers policy position on the introduction of the unbundled tariff.**

4D Interactive is a terminating Network Operator, interconnected with BT, hosting an extensive scope of non-geographic numbers (both 08XX and 09XX) for access to its and its clients' range of telephone information and entertainment services. 4D welcomes the opportunity to respond to this consultation, confirms that it broadly supports the main principles behind the consultation and supports the response submitted by AIME as one of its representing trade bodies.

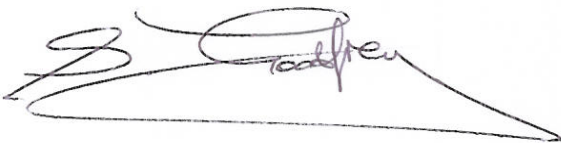
In addition to AIME's response, we would also request that the following points are taken into consideration and or/clarified in OFCOM's subsequent implementation:

- In November 2010, Analysys Mason undertook some detailed work with regard to tariff unbundling. Their review looked at the flow of funds in the non-geographic market and set out how value was apportioned across the supply chain in different scenarios. Given the scale of the changes being proposed, it is critical that the fairness of the funds flow in respect of the service charge is preserved. From the consultation document it is unclear how or if the service charge flows will be impacted;
- Whilst we support and welcome increased tariff points (to £3 per minute and £5 per call exclusive of VAT), we are concerned that allowing these higher price points could lead to a risk of consumer bad debt and the OCPs may cover the cost of this by increasing the access charge. Therefore, supplying numbers of these values could be uncompetitive for a provider such as 4D Interactive; and

- Further to the above, we are concerned that access charges to non geographic numbers, particularly on 08XX tariffs may become inflationary following implementation. If we take 087X as an example, the equivalent of the access charge today is often somewhere between 20p – 30p per minute with a service charge of 10p. If the access charge is higher under forthcoming implementation (for example in order to subsidize bad debt at higher price points), it would be even more disproportionate and would reduce, if not, eradicate the demand for non geographic numbers at lower price points. Whilst we appreciate that in a free market, this should correct itself, it would be up to each OCP to establish this. With so many variables, we are not confident that this would result in a swift and effective market adjustment in which case many consumers of 08XX numbers (particularly the increasing number that exclusively call through mobiles) may be priced out of their access;
- We support the principle of free “freephone” calls across fixed line and mobiles. However we believe the pricing lost in doing this will simply be shifted on to other areas of consumption and which will likely be detrimental to users of non geographic numbers generally. Whilst this might be a recognized and desired outcome, it does not represent a net benefit to consumers as a whole.

If you require any clarification of our additional points above, please feel free to contact me on the numbers below. Thank you.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Sarah Godfrey', with a long horizontal flourish extending to the right.

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