

Changing telephony, Internet and TV contracts must become easier

The Nordic Consumer Ombudsmen of Sweden, Denmark, Finland, Norway, Iceland and Faroe Islands, after reaching a shared point of view at a meeting in Iceland, have issued a common statement that it must become easier for consumers to switch between providers and leave TV, Internet and telephony contracts.

In a constantly shifting marketplace, it is important for consumers to access new technologies, enter contracts with new providers and use new services. Providers must therefore make it easy to leave contracts, avoiding such measures as long binding periods, long cancellation notice periods and disproportionate fees.

Shorter binding periods

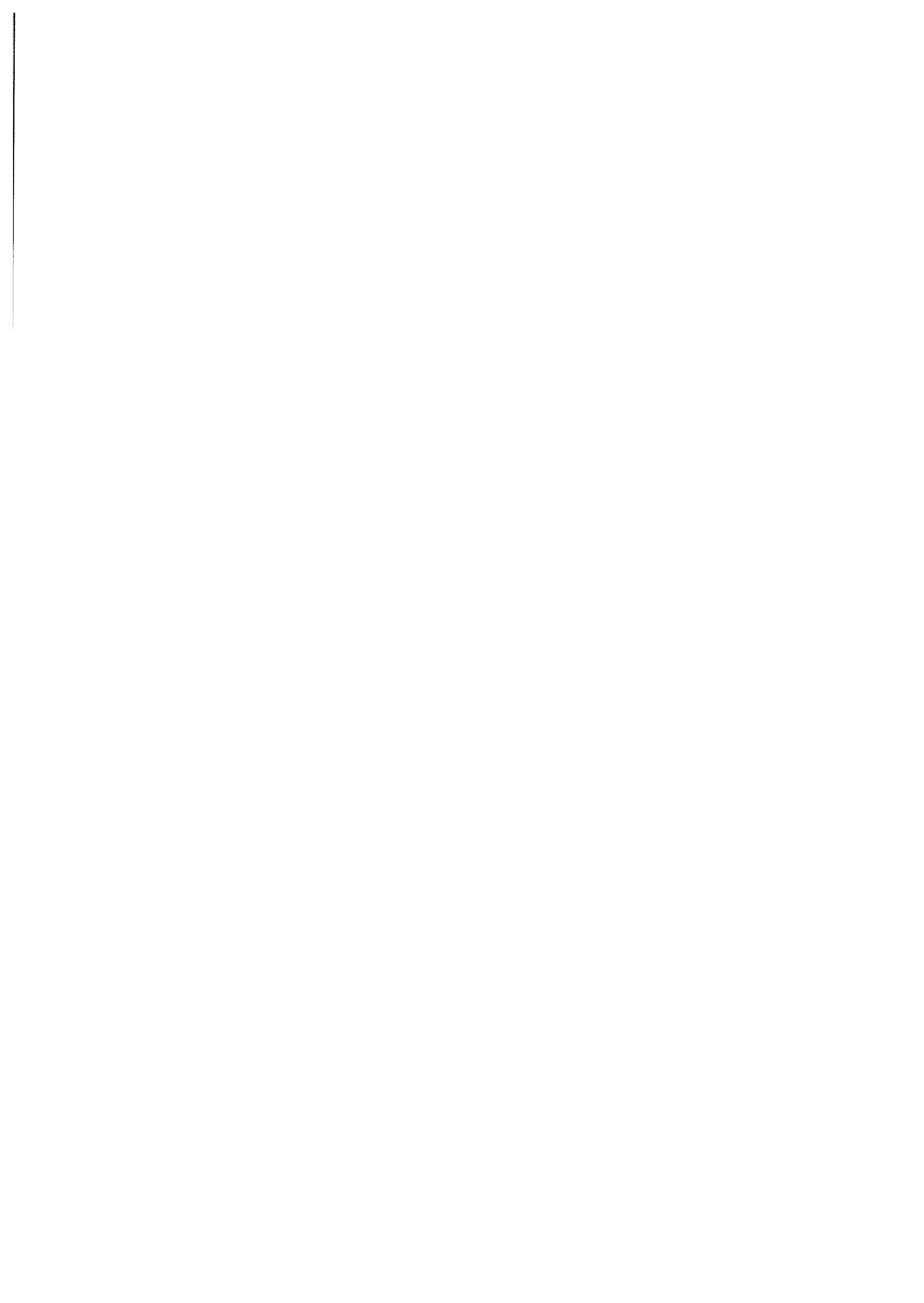
It is important that service providers not use long binding periods; contracts should as a main rule be running subscriptions without binding periods. At present, binding periods in the Nordic countries vary between 6 and 24 months in the e-commerce market. The view of the Nordic Consumer Ombudsmen is that they should be no longer than 6 months. More details may be found in the following press release (in Swedish):

<http://www.konsumentverket.se/Nyheter/Pressmeddelanden/Pressmeddelanden-2012/Nordiskt-KO-mote-Dags-att-begransa-bindningstiderna/>

Good services, without locking consumers in

It shall be easy to cancel a contract that one no longer wishes to use. The cancellation notice period should be no more than one month. Service providers should not require fees or complicated formal requirements related to cancellation. At present it is very easy to enter contracts in these markets, and the Ombudsmen therefore believe it should be just as easy to leave them.

Consumers must not be prevented from switching providers or cancelling contracts for products that no longer meet their needs. To secure customer loyalty, providers should work to ensure that their customers are satisfied instead of locking them into subscriptions.



PINES

Dear XXX,

It seems your work at the European Commission has quickly crystallized into Regulation on the Single market for electronic communications services being **THE NUMBER**

We have, however, discovered a possible extremely worrisome collateral damage impact from this Regulation as regards DQ services, due to the repealing of

art 21 of the Universal Service Directive and its modified inclusion in the Regulation under Article 21.

I urgently request a meeting with you to share the impact that this could have for our entire European business and indeed the entire competitive DQ industry. You were so helpful in supporting the entry of competitive DQ providers in Italy and you truly understand how hard we have fought the operators to compete. As you know, they continue to undermine our operations through their abusive origination charges and in every other way they can. This new regulation will undermine all your years of effort to provide competition in this market and to treat competitive service providers fairly.

I would be happy to meet you anywhere and anytime. Please let me know when you will be able to allocate 15-20 minutes to discuss this. I know you are very busy but this is truly a very dangerous situation for our industry.

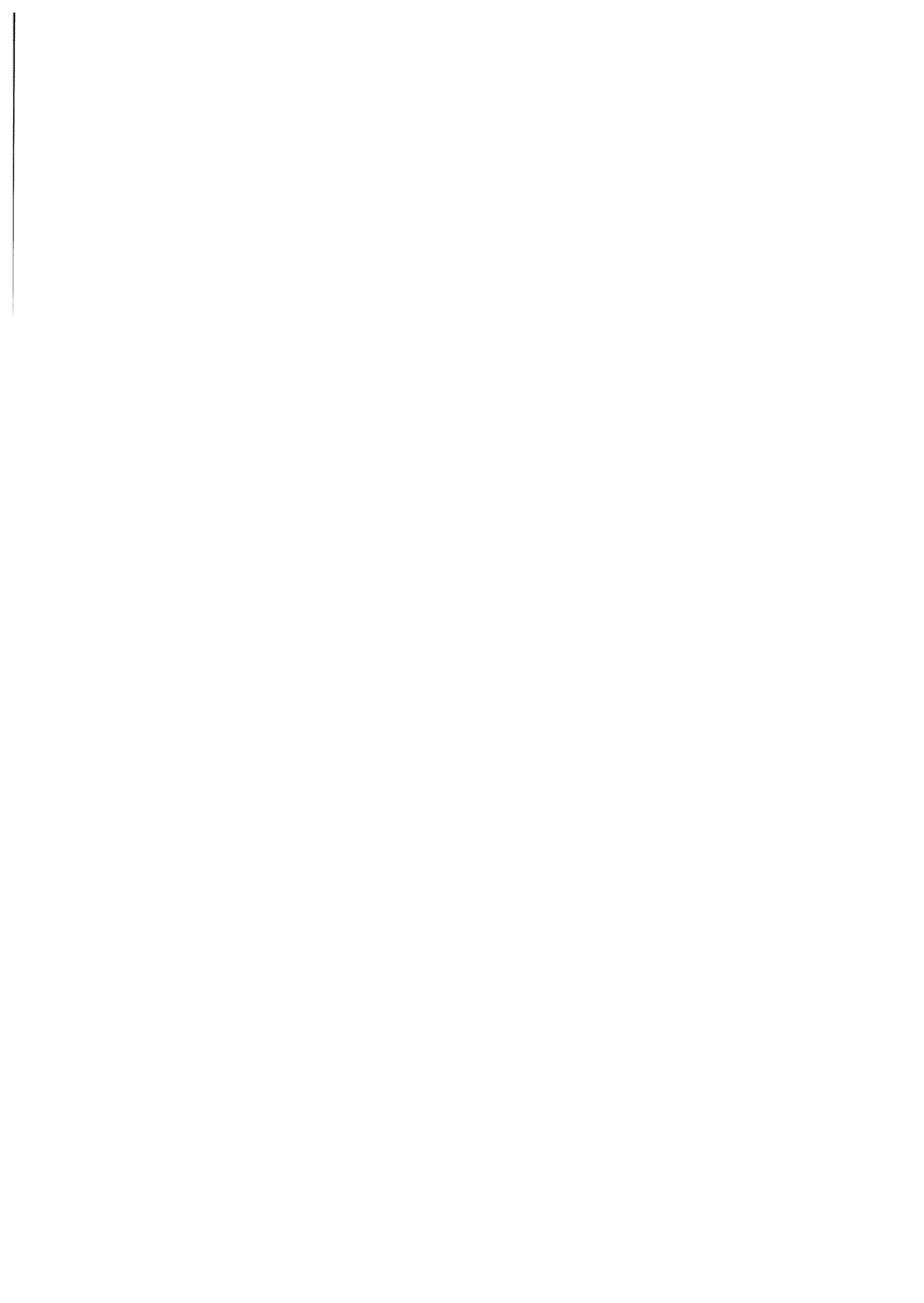
As you know under this regulation, pre-call announcements for special rate services have now become a mandatory blanket obligation for operators, instead of a possibility for NRAs to apply. For the past two years, several NRAs such as ARCEP and OFCOM have invested considerable time and energy at conducting and analyzing the PRS or non-geographic numbers' market, with strong impact assessments and thorough consultations. This has led in some countries to a justified differentiation of the pre-call announcements depending on the service category, something DQ services strongly believe in.

Indeed, considering that an average call to a directory is less than a minute, adding a 10 second pre-announcement is just huge proportionally and leads to a lot of dissatisfied consumers that were aiming to be served quickly and efficiently. As you know many people choose to seek DQ information on line (for free) but a very large number of people who seek this service have the internet at their desk or a smart phone in front of them. They call us and other DQ services and pay for our services to have a person help them very quickly and expeditiously find the right number/connection.

In addition, in a recent battle with Vodafone (who operates a competitive DQ service in the UK) we learned first-hand of the damage that can be inflicted by a large operator on DQ service providers when they choose to add their own message which discriminates against the competitor. To allow, let alone require telcos to impose the message is a bit like putting "the fox in charge of the chicken coop!", as we would say in the US.

You more than any other NRA Director General or member of the EC understand how abusive the major operators who control access to DQ services have been and can be!

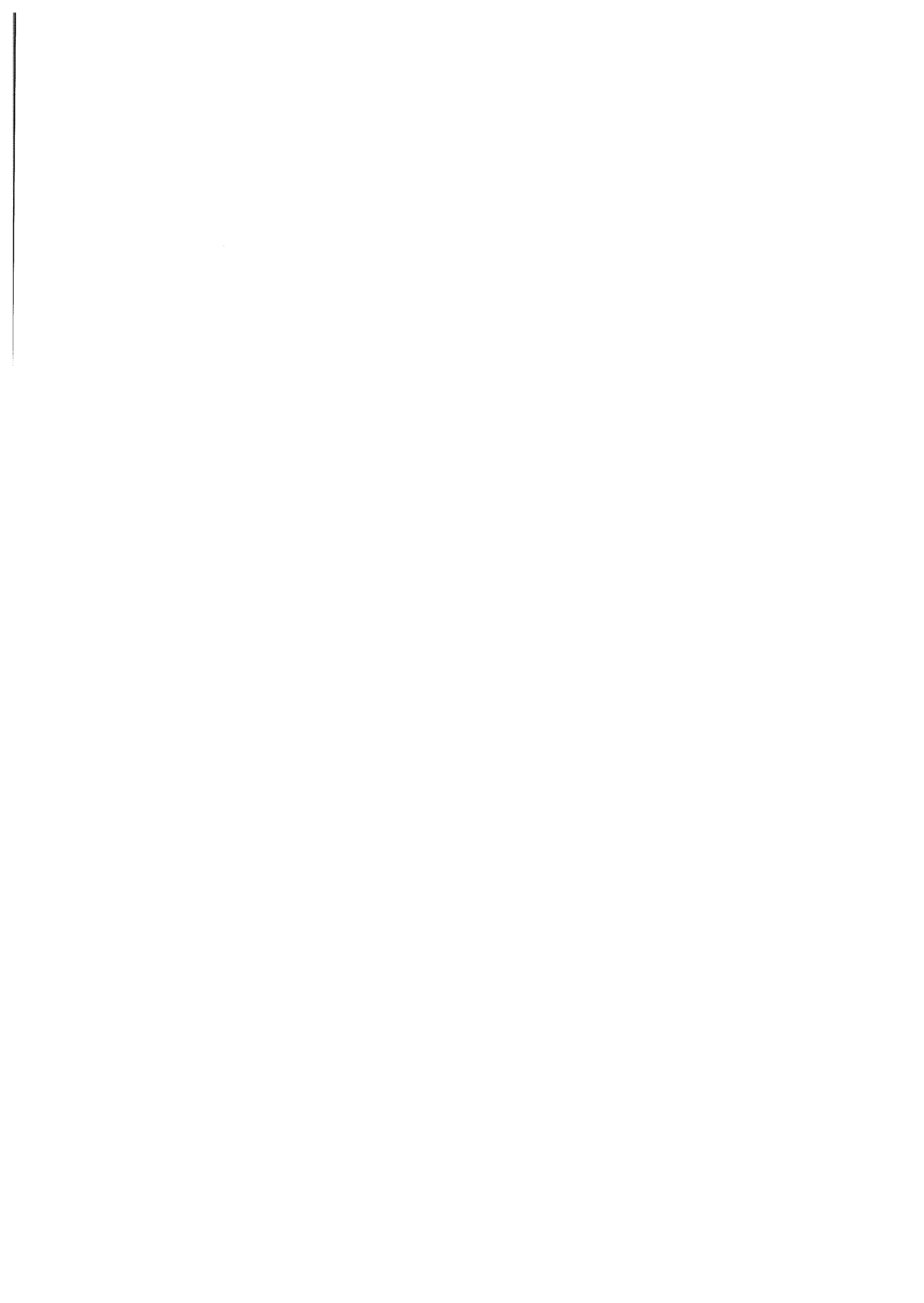
We would therefore suggest that the original language of the Universal service Directive be re-inserted in art 21 of the Regulation and Recital 48 as this would:



1. Preserve the status quo for DQ
2. Avoid the telcos doing the PCAs and leave it to the judgment of the NRAs who, after all, are best placed to judge what the best balance is.

Again, I would very much like to meet with you to discuss this as soon as possible or, if it is easier, we can have a short call at your earliest convenience.

Text in art 21 USD	Proposed text of Regulation	Our proposal
<p><i>Directive 2009/136/EC - Article 21 - Transparency and publication of information</i></p> <p>3. Member States shall ensure that <u>national regulatory authorities are able to</u> oblige undertakings providing public electronic communications networks and/or publicly available electronic communications services to inter alia:</p> <p>(a) provide applicable tariff information to subscribers regarding any number or service subject to particular pricing conditions; with respect to individual categories of services, national regulatory authorities may require such information to be provided immediately prior to connecting the call</p>	<p><i>Article 21- Transparency and publication of information</i></p> <p>1. <u>Providers</u> of electronic communications to the public <u>shall</u> publish transparent, comparable, adequate and up-to-date information on:</p> <p>c) applicable tariff information to end-users regarding any number or service subject to particular pricing conditions, such information shall also be provided immediately prior to connecting the call;</p>	<p><i>Article 21- Transparency and publication of information</i></p> <p>1. <u>Providers</u> of electronic communications to the public <u>shall</u> publish transparent, comparable, adequate and up-to-date information on:</p> <p>c) applicable tariff information to end-users regarding any number or service subject to particular pricing conditions; such information shall also be provided immediately prior to connecting the call; ; <u>with respect to individual categories of services, national regulatory authorities may require such information to be provided immediately prior to connecting the call</u></p>
<p><i>Recital 32</i></p> <p>(...)</p> <p><i>In addition, end-users and consumers should be adequately informed of the price and the type of service offered before they purchase a service, in particular if</i></p>	<p><i>Recital 48</i></p> <p><i>End-users should be adequately informed of the price and the type of service offered before they purchase a service, including immediately</i></p>	<p><i>Recital 48</i></p> <p><i>End-users should be adequately informed of the price and the type of service offered before they purchase a service; including immediately prior to</i></p>



a freephone number is subject to additional charges. National regulatory authorities should be able to require that such information is provided generally, and, for certain categories of services determined by them, immediately prior to connecting the call, unless otherwise provided for by national law. When determining the categories of call requiring pricing information prior to connection, national regulatory authorities should take due account of the nature of the service, the pricing conditions which apply to it and whether it is offered by a provider who is not a provider of electronic communications services.

prior to connection of the call. This is necessary in particular when a call to a specific number or service is subject to particular pricing conditions, such as applies for example for calls to special rate or premium rate services. End-users should also be informed if a free-phone number is subject to additional charges.

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I look forward to hearing from you.

