



16th July, 2008

Mr Ed Richards
Chief Executive Officer
Ofcom
Riverside House
2a Southwark Bridge Road
London
SE1 9HA

Dear Mr Richards,

**Re: 070, 0870 and 0871 Changes
A safe way forward?**

(Consumer Protection and Empowerment with less Regulatory Burden)

I appreciate your thanks, via your PA, for my letter sent on the 9th inst. I was, however, taken aback at your rather hasty reply and subsequent letter from Mr Hillier, of the NTS team. Indeed, I wonder whether you really had time, by 9:25 that same morning, to form a measured view of the scope of my six-page letter. It seems that either you missed the point of my letter or I failed to make myself clear.

Therefore, let me emphasise that my letter, by proposing Call Price labelling (CPL), not only attempts to deal with NTS issues, (but due its global nature as a "Consumer protection" mechanism) also impacts on all the following separate activities:

- 070 Personal Numbering;
- 0870 NTS;
- 0871 Premium rate;
- Mobile Sector Assessment;
- Retail and Wholesale Price Caps;
- Mobile Roaming Charges;
- EU Commission – (*NRA oversight and the new Framework Directive*);
- Heath and Safety – (*relating to Ofcom's need to perform adequate Risk Assessments in, at least, highly intrusive interventions*);
- Compliance with new Consumer Protection regulations – (*in force since May 2008*).

So allow me to flesh out at least some of the above bullet points. Firstly, CPL influences the 070 Personal Numbering investigation by Selina Chandra's and her team. CPL will impact on solutions now being investigated to stop the 070 service being disrupted by swindles. Indeed, CPL may make any separate intervention unnecessary.

CPL is also relevant to overcharging of mobile roaming calls and the use, by the EU, of retail price caps. Furthermore CPL alerts, and thereby protects, consumers to the presence of predatory pricing by mobile providers. Such pricing is already being misused to target new mobile competitors and target geographic (01/02) gateway numbers used by international arbitrageurs (*that help drive down pricing and so aid competition*). CPL is very relevant to the Mobile Sector Assessment being performed by David Stewart. See:

<http://www.ofcom.org.uk/research/telecoms/msa/>

CPL's real time pricing is also germane to the research undertaken by Peter Ingram's team specifically on "*Dynamic Spectrum Access*" and the use of "*dynamic pricing*" highlighted in figure 11 on page 36 of Ofcom's Technology Research Programme 2007/08. See:

<http://www.ofcom.org.uk/research/technology/overview/randd0708/>

CPL is highly relevant to Ofcom's work program on Consumer Empowerment and may be of interest to Alan Pridmore, Claudio Pollock and to Alistair Bridge who are looking at Consumer and Citizen protection policy, albeit from slightly different perspectives. See:

http://www.ofcom.org.uk/about/accoun/reports_plans/annual_plan0809/projects/empower/#d2
http://www.ofcom.org.uk/consult/condocs/alt_dis_res/
<http://www.ofcom.org.uk/consult/condocs/citizens/>

CPL also offers a solution to the Consumer protection from Unfair trading regulation 2008, now in force and, as far as I can see, so far ignored by Ofcom.

Unlike Ofcom's highly intrusive 070 intervention, made and then hastily withdrawn last year, CPL is intrinsically safe and carries no significant Health and Safety risks.

The promotion of CPL would put Ofcom ahead of the EU commission, in that CPL is more consistent with the free-market approach, enshrined in the EU charter, than retail price capping.

Finally, CPL delivers a level playing field to competition, unlike Ofcom's 070, 0870 and 0871 proposed interventions. By empowering consumers, CPL reduces the regulatory burden on Ofcom and industry stakeholders and delivers regulatory certainty. For consumers, it is simple to explain, simple for consumers to understand and post-CPL, if they didn't check the price removes reasonable grounds for complaint to Ofcom and other enforcement agencies.

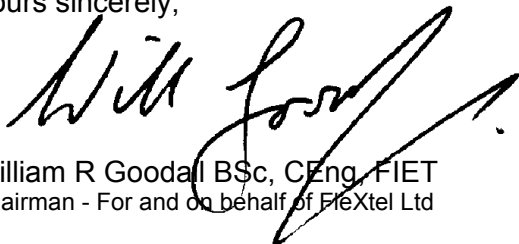
In Conclusion

My purpose of writing to you directly was to gain "helicopter vision" and an overarching strategy from Ofcom. Dealing with the NTS-issue in isolation and ignoring the big-picture will not get matters back on track. The NTS team has done its best with this "Frankenstein's monster". I respectfully suggest they now need your sanction to broaden the scope and find a holistic solution to the consumer protection issue. Whilst I appreciate that Ofcom needs structure in dealing with issues and that a measure of "silo-working" aids efficiency, it carries with it a significant risk of a ludicrous result, when viewed in context. I am deeply concerned that Ofcom has fallen into this trap. I am therefore asking for your personal help i.e. to help the current proposed interventions from bringing Ofcom's reputation into disrepute.

I therefore seek your personal assurance that Ofcom will deal with this issue from a high viewpoint and not see the results, so far, as failure of its staff to deliver. Instead, I would like to see Ofcom acknowledge the need for a radical review of the consumer protection issue, with a good dose of lateral thinking.

In sum, I want you to consider scrapping the plethora of proposed, diverse and ineffective consumer protection mechanisms and replace them with a powerful unified solution, based on CPL. If you would like to discuss the details further, I would be happy to meet.

Yours sincerely,



William R Goodall BSc, CEng, FIET
Chairman - For and on behalf of FlexTel Ltd

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