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# Telephone directory information obligations and regulations

Response to Ofcom's consultation of 10 March 2008  
("Consultation")

by Thomson Directories Limited ("Thomson")

30 June 2008

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## Contents

<b>NOTICE</b>	<b>3</b>
<b>1. EXECUTIVE SUMMARY</b>	<b>4</b>
<b>2. BACKGROUND AND INTRODUCTORY COMMENTS</b>	<b>5</b>
a) About Thomson	5
b) The importance of Thomson (and its competitors) to the wider economy and consumers	5
c) Conclusions to introductory comments	7
<b>3. REGULATORY RULES AND THE MARKET</b>	<b>8</b>
a) Market structure today is a function of decisions by the regulator	8
b) BT enjoys a monopoly in the upstream market and is vertically integrated with downstream operations which compete with Thomson	8
c) Market entry upstream is at best improbable	9
d) It is wrong to assume that a company in BT's position will behave as if it is subject to normal competitive pressures	9
e) Competition law is unlikely to be an effective constraint on BT's behaviour	10
f) Prospects for the market without regulation are poor	10
<b>4. THE FUTURE – THOMSON'S SUGGESTED SOLUTIONS</b>	<b>11</b>
a) USC7 is not unlawful	11
b) Other options	11
<b>5. CONCLUSIONS</b>	<b>13</b>
<b>6. RESPONSES TO SPECIFIC CONSULTATION QUESTIONS</b>	<b>14</b>

## **NOTICE**

Since the date of publication of the Consultation, Ofcom's determinations in disputes brought to it by The Number (UK) Limited ("The Number") and Conduit Enterprises Limited ("Conduit") (Final Determinations dated 10 March 2008) ("Disputes") have become the subject of an appeal to the Competition Appeal Tribunal (Case No 1100/3/3/08) ("Appeal"). Although Thomson has chosen not to appear as an intervener in the Appeal, it takes the view that USC7 is lawful and therefore supports the Appeal.

This response to the Consultation ("Response") contains arguments about the subject matter of the Appeal and about certain possibilities which may transpire should the Appeal fail. However, it is intended solely as an input to the Consultation and is made entirely without prejudice to the outcome of (and arguments made in) the Appeal.

## 1. EXECUTIVE SUMMARY

- Thomson is a major player in the UK directories market and a key stakeholder in the current process.
- Thomson's prime concern is the continued supply of the OSIS database, or something equivalent, on reasonable terms. This is essential so that Thomson can continue to deliver its services to advertisers and their customers.
- BT is a monopolist in the supply of directory information at the wholesale level and there is no realistic prospect of market entry. BT also competes in downstream markets. Without suitable regulatory constraints, any company in this position is likely to behave in a manner which is detrimental to competition in the downstream markets.
- Competition law alone is likely to be completely ineffective in constraining BT's behaviour.
- If existing regulations are withdrawn and not replaced, there is a significant chance that BT will cease supply, or reduce the quality of its supply (e.g. late supply of data), or increase prices. Ofcom has identified the problem effectively but fails to identify a workable solution. This is disappointing because the problem is essentially of the regulator's making; stakeholders have a legitimate expectation that the regulator will not simply abandon the market.
- Contrary to Ofcom's view, Thomson believes that USC7 is lawful and urges Ofcom not to proceed with its revocation until the outcome of the Appeal is known.
- Thomson also believes that for Ofcom to revoke USC7 (for any reason) without replacing it by an equivalent instrument would be likely to result in a breach of the UK's obligations pursuant to Article 5 of the Universal Service Directive.
- Thomson is keen to work with Ofcom to establish a way forward. At the moment, it seems clear that a regulatory solution is the best approach. Ofcom has ample powers to mandate such a solution and it need not be administratively burdensome.
- Thomson would like to meet Ofcom to discuss this response and will be in touch to arrange a meeting.

## 2. BACKGROUND AND INTRODUCTORY COMMENTS

### a) *About Thomson*

Thomson began operating in 1980 and quickly established itself as the leading local directory publisher in the UK. Today, Thomson produces 174 editions of the Thomson Local directory, distributing 22 million copies throughout the UK. In addition, the information from the printed directories (and certain other information) is available and easily searchable on ThomsonLocal.com. On average Thomson Local directories are used by approximately 6 million people per week and generate 15 million business referrals. Thomson is a part of the SEAT Pagine Gialle Group<sup>1</sup>.

It is clear that Thomson is a significant player in the UK's printed directory and online directory information markets. As such, it plays a significant role in helping the UK to meet its obligations under the Universal Service Directive.

Thomson relies on OSIS data in order to be able to provide its services in downstream markets; without OSIS, it would not be able to do so. Furthermore, in light of the market conditions, it appears likely that any material worsening in the terms under which OSIS is made available to directory providers such as Thomson could ultimately endanger the provision of comprehensive directory information to end-users.

### b) *The importance of Thomson (and its competitors) to the wider economy and consumers*

It is beyond dispute that the services provided by Thomson and other organisations are important for citizen / consumers and for the economy generally. For example, at recital 11, the Universal Services Directive states that:

*“Directory information and a directory enquiry service constitute an essential access tool for publicly available telephone services... Users and consumers desire comprehensive directories and a directory enquiry service covering all listed telephone subscribers”*

Ofcom itself recognises the importance of these services. At the very start of the Consultation, it makes the statement that:

*“the social and economic value of telecommunications is enhanced by access to easy-to-use information about how to reach a particular individual or business”*

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<sup>1</sup> The SEAT Pagine Gialle Group is the European leader and one of the main operators at world level in the sector of multimedia profiled advertising, offering “print-voice-online” directories and other related services. Group turnover was nearly €1.5bn in the year to 31 December 2007.

By bringing together buyer and seller, the classified directory services provided by Thomson and others add considerable value to the economy - well in excess of their contribution as measured by industry turnover. As Ofcom notes, directories enhance the value of telecommunications, which in turn adds considerably to the productivity and value of other industries.

In principle, the services could all be provided by a monopolist. However, as Ofcom is well aware, when left to their own devices, monopolies lead to inefficiently high prices and tend result in lower quality of service relative to competitive markets. Both result in lower demand. This is particularly important in the market for directories which requires a large number of advertisers and active consumers to function effectively.<sup>2</sup> A reduction in the number of advertisers makes the directory less attractive to consumers, and fewer consumers makes the directory less appealing for the advertiser. Therefore it is extremely important to maintain the competitive pricing and high quality of service seen in the market today to ensure the sector continues to provide the greatest value to the rest of the economy.

Furthermore, plurality of service provision tends to lead to innovation. Although there is only limited scope for innovation in the printed directory space, the supply of OSIS data supports a range of downstream services. For example, Thomson supplies its classified data, which requires OSIS data as an input, to support the Google Maps online directory service. It is possible that such a relationship would be forged under monopoly conditions, but it is much more likely that it will appear, along with many others, under competitive conditions given the additional pressure to find new revenue opportunities.

The importance of the sector is borne out by hard data: in 2007 Thomson found that 12.4 million people had used Thomson Local in the last 4 weeks and 21.6 million in the last 12 months. In total, the directories produced by Thomson, Yell, BT and KCom are used 1.33 billion times per year<sup>3</sup>. The Thomson Local directory is of particular importance to small and medium enterprises, many of whom do not have other ways (e.g. websites) of accessing their markets easily: fully 69% of its advertisers employ less than 5 people. One of its rivals, Yell, has calculated that its Yellow Pages directory helps generate revenues for businesses appearing in its directory equal to £67 billion per year<sup>4</sup>. Directory providers are also significant employers: Thomson offers casual employment to over 26,000 workers in local communities each year.

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<sup>2</sup> In their 2006 market investigation, the Competition Commission highlighted this characteristic in describing how directory providers operate in a 'two-sided market'.

<sup>3</sup> Source: Data Publishers Association

<sup>4</sup> Source: Data Publishers Association

**c) *Conclusions to introductory comments***

In short, it is clear that Thomson and its competitors who provide directory enquiry and information sources provide a valuable service to the UK economy as a whole and to consumers. Significantly, it is a service which the UK government is obliged to ensure is provided. However, this has only been possible in a market where the supply of OSIS data is mandated by regulation.

### 3. REGULATORY RULES AND THE MARKET

#### a) *Market structure today is a function of decisions by the regulator*

Left to its own devices, the market for the provision of wholesale directory information is very unlikely to operate efficiently. Indeed, this is why Oftel chose to regulate originally. It is worth re-examining why Oftel took this view. On the 22 July 2003, in its final statement on Universal Service Conditions, Oftel stated that USC7:

*“is the most proportionate and effective way to ensure that providers of publicly available directories or DQ services are in practice able to access the information they need to compile directories and make services available.”*

In its earlier consultation on the matter, in March 2003, Oftel said this:

*“BT is in a unique position to be able to supply this essential input data in an efficient manner that does not involve DQ providers and UK industry as a whole in unnecessary duplication of effort.”*

Oftel's analysis was basically sound. In recognizing that BT had a unique and privileged position and that market entry was unlikely, Oftel reached the ineluctable conclusion that regulation was necessary. Nothing in the current Consultation changes that view.

It is Thomson's view that Oftel created a legitimate expectation that regulation along the lines of USC7 would continue while the fundamental market conditions persisted. It is therefore disappointing that the prospect of an absence of regulation is now being mooted. We believe Ofcom has a duty to stand behind the regulation - proportionate and justified - put in place by Oftel.

In the rest of this section we examine some of the relevant factors a little more closely.

#### b) *BT enjoys a monopoly in the upstream market and is vertically integrated with downstream operations which compete with Thomson*

As rightly identified by Oftel, BT enjoys a monopoly in the provision of directory information at the wholesale level. This point is recognized by Ofcom in the current Consultation:

*“The current UK model is of a single central database of wholesale directory information. While other organisations and DIPs perform separate data enhancement tasks and combine the OSIS data with that from other sources, the core of all DQ services and directories is BT's OSIS database.”*

Oftel noted the following in its March 2003 consultation: *“BT competes in the downstream market for DQ services.”* BT also competes in classified advertising markets downstream.



**c) *Market entry upstream is at best improbable***

While it is incontestable that a monopolist enjoys an incentive to exploit its position, this incentive will be increased where there is little prospect of market entry. Such is the case in relation to OSIS. Ofcom rightly examines the possibilities for market entry quite carefully in the Consultation but ultimately concludes that it is unlikely:

*“While it is possible that there may be significant changes to the industry structure in the future, there are a number of factors that might suggest that a new database is unlikely to be set up in the immediate future...”*

Thomson agrees with Ofcom in this regard.

In addition, as Ofcom is already aware Thomson has considerable experience in attempting to create a rival database to OSIS. (Thomson provided the information to Ofcom confidentially in response to an information request of 3 April 2006.)

**d) *It is wrong to assume that a company in BT's position will behave as if it is subject to normal competitive pressures***

As a monopolist facing no realistic threat of competitive entry, BT enjoys direct economic incentives to behave in a manner which will damage competition and probably derail the objectives in Article 5 of the USD. As with any other publicly-traded firm, BT is incentivised by its shareholders to maximise profits. For a wholesale monopolist, such incentives translate into the need to squeeze as much money as possible from every customer. In order to achieve this, the monopolist is likely to set prices according to willingness to pay rather than some measure of cost, and will attempt to price discriminate between different customers, often by creating different products from essentially the same inputs. This type of price discrimination creates arbitrage opportunities, and so to prevent these from being exploited, the monopolist is likely to set terms and conditions which prevent or restrict the use of the service for onward wholesale sales.

In addition, a vertically integrated firm with an upstream monopoly faces very strong incentives to discriminate in favour of its own downstream business. This could be through pricing, degradation of the service, changes to other terms and conditions, or a combination of all three. The analogy with BT's dominance in the access network and behaviour in relation to downstream competition will be obvious to Ofcom. And as Ofcom found in its Strategic Review of Telecommunications, despite similar regulatory requirements to those found in USC7 having been imposed on BT for many years, even stricter regulation has been required to deliver true competition. Faced with the same enduring structural problem of an upstream monopolist which also competes in downstream markets, the idea of removing regulation and relying on competition law was considered, but dismissed out of hand.

**e) *Competition law is unlikely to be an effective constraint on BT's behaviour***

It has been suggested that the constraints of competition law would serve to regulate BT's behaviour in relation to OSIS. Thomson is not convinced by this argument. Competition law is very slow. Ofcom's two major cases (the Freeserve.com case and the so-called NTS Call Termination case) have so far taken over six and four years respectively<sup>5</sup>.

In a market where a single player enjoys a monopoly upstream and operates vertically integrated downstream business, competition law alone is unlikely to be enough. We believe this is particularly the case in relation to markets covered by the Article 5 USD obligation.

It is worth noting, too, that the likely outcome of reliance on competition law would be a large number of complex complaints. Many of these would relate to abstruse areas of competition law. This would be sub-optimal administratively. Even dealing with a single, simple competition law complaint would be likely to generate more work than implementing any of the measures we propose in Chapter 4. below.

We doubt a situation where large numbers of contentious competition law complaints are referred to Ofcom is likely to be welcomed by anyone involved in this debate -- including Ofcom.

**f) *Prospects for the market without regulation are poor***

In conclusion, Thomson believes that it is abundantly clear that BT is under a strong incentive to exploit its dominant position at the expense of competition and, ultimately, end users. In addition, we are concerned that Ofcom's view of the future (as analysed at paragraphs 5.7ff of the consultation) is coloured by BT's behaviour and financial performance in the past - *when BT has been regulated by USC7*. There is no real analysis of how BT might behave in the future - *if BT is no longer regulated by USC7*. Administratively, as mentioned above, Thomson would expect the proposed measures to result in a significant number of complaints and/or disputes about GC19 and under competition law.

Given the fierce competition in this market in Thomson's view the revocation of USC7 could have potentially serious consequences in downstream markets and jeopardise the goals set out in Article 5 of the Universal Service Directive. We note in this context that Oftel had previously concluded that regulation -- in the form of USC7 -- was necessary for those objectives to be met.

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<sup>5</sup> Periods since the behaviour complained of commenced: The Freeserve.com case was opened in April 2003 and related to behaviour commencing in May 2002; and the NTS Call Termination case was opened in April 2005 and related to behaviour commencing in April 2004.

#### 4. THE FUTURE - THOMSON'S SUGGESTED SOLUTIONS

We understand that Ofcom has concerns about its powers to regulate in this area. Although Thomson understands those concerns, it does not share them. In particular, Thomson does not believe that a concern about resource limitations is a legitimate reason for not regulating in this context. Oftel identified that regulation was necessary in order to meet the objectives of Article 5 of the Universal Service Directive. Thomson does not believe that any significant changes in the market have occurred since that conclusion; nor does Thomson believe that Ofcom has identified any reason why Oftel's conclusions about the requirement for regulation should not remain true.

Having said that, Thomson does not believe that regulatory solutions should be burdensome administratively. In this section we identify a series of possible regulatory solutions.

##### **a) *USC7 is not unlawful***

This question is clearly the subject matter of the Appeal and the question will be decided by the Competition Appeal Tribunal. So, while it appears clear to Thomson that USC7 is perfectly lawful, there is probably little benefit in rehearsing the arguments here.

That said, Thomson would like to make clear its position that Ofcom should not proceed with the proposed revocation of USC7, ideally at all and in any event until the Appeal is decided. Thomson believes that such action would be an abuse of process and quite probably irrational in the *Wednesbury* sense.

##### **b) *Other options***

From a regulatory perspective, the simplest option would be for USC7 to continue in force. However, even if the Competition Appeal Tribunal were to agree with Ofcom that USC7 is *ultra vires* (and we refer to the notice on page 3 above), there are various other mechanisms which could be used to give directory providers such as Thomson appropriate assurances about the terms of future supply. Some of these are regulatory; some not. At this stage they are merely presented for discussion. They include:

- (i) **An alternative approach under the Universal Service Directive:** although the Communications Act 2003 allows considerable freedom in relation to the implementation of the USD, it does not preclude another approach. One such approach would be to use a statutory instrument under the European Communities Act 1972. This would circumvent any perceived restrictions imposed by the Communications Act because the power in the ECA is very wide: it allows for an order to be made "for the purpose of dealing with matters arising out of or related to" EC rights and obligations.

This would require Ofcom to work with BERR, who would be responsible for implementing such an instrument. However, since BERR already enjoys a role in relation to universal service, and since the obligation in the USD sits on the UK (not specifically on Ofcom), Thomson does not see that this would be a problem.

- (ii) **Imposing SMP Conditions:** Ofcom makes it clear in the Consultation that it considers this route may be administratively burdensome. Thomson does not share this view. In fact the market analysis is comparatively simple - much of it is contained in the current Consultation. This market is not complicated when compared with - say - wholesale broadband access. Thomson doubts that the European Commission would raise any objection: the UK approach has already been in place for some time, has been relatively effective and is entirely consistent with the generic aims of the USD as expressed in, for example, recital 26 - that competition is good for end-users and that it is desirable that the price of players with market power should be reflective of cost.
- (iii) **Enterprise Act Undertakings:** related markets (advertising services) have already been the subject of a Competition Commission enquiry. Given the characteristics of this market - embedded dominance, no prospect of market entry, vertical integration - Thomson believes that a Competition Commission reference might easily be appropriate. In such circumstances, Thomson would be content to rely on Enterprise Act undertakings from BT, duplicating the current USC7.

Thomson understands that there has been discussion of BT giving comfort to the market by means of "undertakings with a small 'u'" (for example, at the Directory Information Forum on 19<sup>th</sup> June 2008). It is unlikely this approach would provide great comfort to Thomson. It would ultimately be open to BT to ignore or seek to circumvent such undertakings unless they were legally binding. A non-binding undertaking - for example - not to price above cost would be so vague as to be meaningless unless it were enforceable.

Thomson would be delighted to discuss these options further.

## 5. CONCLUSIONS

USC7 is essential for Thomson's business. Indeed, it provides an essential underpinning for UK directories and classified markets generally. To the extent those markets have operated effectively, it is down largely to the presence of regulation upstream in the form of USC7.

Accordingly, Thomson views the prospect that USC7 may be revoked with considerable concern (unless it is replaced by something equivalent). It is clear that this market is highly unlikely to function properly in the absence of regulation -- a fact recognized by Ofcom in 2003. Thomson -- and, doubtless, its competitors -- will legitimately feel betrayed by the regulatory process if Ofcom fails to stand by the justified conclusions of its predecessor.

The question of the lawfulness of USC 7 will now be decided by the Competition Appeal Tribunal. Naturally, Thomson expects that Ofcom will not proceed with the revocation of USC 7 while those appeal proceedings are ongoing: to revoke USC7 on lawfulness grounds in that time would clearly be an abuse of process; and no serious case has been made out for its revocation on other grounds.

The best solution would be for USC7 to remain in place. However, if USC 7 is ultimately found to be unlawful, Thomson urges Ofcom to proceed as quickly as possible to put in place alternative measures to replicate its effect. Naturally, Thomson considers those to be essential from a policy and competition perspective. Thomson also considers that the absence of regulation in these markets would generate a considerable administrative burden in the form of complaints and/or disputes under General Condition 19 and competition law.

In all of this, Thomson remains committed to ongoing constructive engagement with Ofcom.

## 6. RESPONSES TO SPECIFIC CONSULTATION QUESTIONS

This section contains Thomson's views on the specific questions put by the Consultation. The questions are shown in normal font; answers are indented and shown in italics.

### Section 3

**Question 3.1:** Do you agree with Ofcom's proposed revocation of USC7? If you disagree, what are your reasons for this view?

*Thomson does not agree with the proposed revocation of USC7. In Thomson's view USC7 is lawful and there is no good reason for revoking it.*

**Question 3.2:** Ofcom considers that the current directory services meet the criteria of comprehensiveness, affordability, quality and availability. Do you agree with this assessment? If not please provide a detailed response as to which criteria is not fulfilled and in what way.

*Thomson does not disagree with the assessment. However, in Thomson's view this presents only part of the picture. The downstream markets function only because of the existing regulation; and, even then, they do not function well. The revocation of USC7 would put the status quo in serious jeopardy*

*Normal market conditions do not exist today - this market operates under regulation. So, even if these criteria are met, it is meaningless in terms of the forward view.*

*Ofcom also notes that PhonePayPlus rules oblige directory enquiries providers to maintain up to date, comprehensive listings. This is a distinctly double-edged argument. On the one hand - as Ofcom points out - it will encourage BT to maintain the data it currently collects from communications providers so that it can meet the PhonePayPlus obligation. However, it will also give BT increased leverage in its relations with other directory enquiries providers, who will not be able to ensure compliance with the PhonePayPlus obligations except by the goodwill of BT.*

**Question 3.3:** Do you agree with Ofcom's analysis [on the removal of the obligations to provide a printed directory]? If you do not agree please provide your reasons.

*Thomson has no objection to the proposal to remove obligations to provide a printed directory.*

**Question 3.4:** Ofcom considers that the DQ market is robust and delivering the level of service required by the Universal Service Directive. It also considers that it is appropriate to maintain the condition on Communications Providers to ensure access to a DQ service to ensure that the universality of provision is maintained. If you do not agree please provide your reasons.

*Thomson repeats the comment made in response to question 3.2 above.*

**Question 3.5:** Do you agree with the redrafting of GC8 set out above [at the end of Section 3]? If you do not agree please provide your reasons.

*Thomson has no objection to the redrafting of GC8, subject to the comments made above.*

#### **Section 4**

**Question 4.1:** Do you agree with Ofcom's view that GC19 should be modified so as to clarify persons having 'rights of access' as set out above (a redrafted version of condition GC19 and related definitions is set out at the end of this section)? If you disagree, please provide detailed reasons for this view.

*Yes. However, Thomson believes it would be beneficial to refer to business classified providers explicitly in draft condition 19.2 and the definition of Directory.*

**Question 4.2:** Do you have any other comments about 'rights of access'?

*Not at this stage.*

**Question 4.3:** Do you agree with Ofcom's view that GC19 should be modified so that responsibility for the provision of information rests with the Communications Provider controlling the telephone number (a proposed redrafting of GC19 incorporating this change is set out at the end of this section)? If you disagree, please provide detailed reasons for this view.

*Thomson has some reservations about this proposal. While it may overcome the current difficulties with numbers which are assigned to service providers and resellers, it will not necessarily render the collection of data easier. In fact, it is likely to multiply the numbers of operators who would need to input to any comprehensive database such as OSIS far beyond those envisaged today. It would therefore make the establishment of an alternative to OSIS even more unlikely.*

**Question 4.4:** Do you agree with Ofcom's view that GC19 should be modified so as to capture actual end-users of the relevant telephone numbers assigned by the relevant Communications Provider to its subscribers, where these users are not the same persons as the subscribers themselves (a proposed redrafting of the definition of directory information is set out at the end of this section)? If you disagree, please provide detailed reasons for this view.

**Question 4.5:** Do you consider that Ofcom should consider modifying GC19 (and related definitions, such as 'Directory Information') to include non-geographic telephone numbers assigned for use in public Electronic Communications Service (including, but not limited to, PATS)(a proposed redrafting of the condition and Telephone directory information obligations and regulations definition is set out at the end of this section)? If you disagree, please provide detailed reasons for this view. Or if you disagree in part only (e.g. a reference to public Electronic Communications Service being too wide), how do you suggest that Ofcom should address this matter?

*Thomson agrees with the proposal to include non-geographic numbers within the scope of the GC19 obligation*

**Question 4.6:** Do you consider that Ofcom should modify GC19 (and related definitions, such as 'Directory Information') such that:

- end-user name and address are also required to be provided; and
- business and non-geographic numbers to replace geographic information in the end-user address with more relevant data that would allow the identification of the number by a third party (a proposed redrafting of the condition and related definitions is set out at the end of this section)? If you disagree, please provide detailed reasons for this view. Or if you disagree in part, how do you suggest that Ofcom should address this matter?

*Thomson believes that the "business indicator" field should be mandatory. In the absence of this indicator, it will not be possible to ascertain whether a particular end-user should be included in our directory.*

**Question 4.7:** Do you consider that there is a requirement for a wider mandated set of information beyond subscriber and end-user name and address under GC19? If so, what additional information do you think should be made available under GC19 - please provide reasons and any evidence to support why you consider that users regard such additional information as necessary to find the persons they are looking for by indicating what specific circumstances exist in the UK?



*Thomson repeats the comment made in answer to 4.6: that the "business indicator" field should be mandatory.*

**Question 4.8:** Do you agree with our assessment of Communications Providers responsibilities with respect to the provision of GC19 data? If not, please provide details of your objection to this assessment and your proposed alternative.

*Thomson agrees that the primary responsibility for this data and consents for its use should sit with the Communications Provider. Communications Providers should be under an obligation to seek consent in a manner which is neutral as to which directories end-user information is included. (In other words, they should not seek a consent which allows inclusion only in their own directories). However, it should also be noted that Thomson gets its own consent from end-users. This needs to be borne in mind when assessing what protections are necessary and, clearly, it is not appropriate for BT to restrict the uses to which the data is put for data protection reasons to the extent that other providers can obtain their own consents.*

**Question 4.9:** Do you agree that it is appropriate for the Opt-in approach to assume that not opting-in is equivalent to selecting an unlisted option? If not, please provide your reasons and your proposed alternative.

*Thomson understands this question to relate only to mobile phone numbers and on that basis has no objection to it.*

**Question 4.10:** Do you consider whether there are any issues arising in respect of the DIPs collection of additional data? If so, please provide details of any such concerns.

*No.*

**Question 4.11:** Do you agree that there is no requirement for specific additional protection of end-user information? If not, please provide details of your objection to this assessment and any proposed alternative.

*Thomson agrees.*

*However, in relation to data privacy more generally, Thomson considers that the rights of individuals are significantly enhanced by the presence of the business indicator field. This prevents confusion between private individuals and business users. On this basis, it would be helpful for this field to be a mandatory part of the GC19 data set.*

**Question 4.12:** Do you have any comments about the operation of the requirements in Privacy Regulation 18(3) and 18(5)?

*No.*

**Question 4.13:** Do you have any comments about the operation of the requirement in Privacy Regulation 18(4) as it applies to GC19? We would also be interested to hear your views on whether Privacy Regulation 18(5) is sufficient to protect end-user data.

*Thomson has no comments.*

**Question 4.14:** Do you agree that GC19 should be modified so as to referring also to the word “objective” in the context of the terms on which GC19 data should be provided (a proposed redrafting of the condition and related definitions is set out at the end of this section)? If you disagree, please provide detailed reasons for maintaining this view.

*Thomson agrees.*

**Question 4.15:** Do you agree with the proposed redrafting of GC19 and related definitions as set out above [at the end of Section 4] and discussed through that section? If you disagree, please provide detailed reasons for this view.

*See comments above.*

## **Section 5**

**Question 5.1:** Do you consider that BT will have sufficient commercial incentive to maintain the comprehensiveness of OSIS? Or do you consider that Ofcom should consider additional regulation to ensure that it will remain comprehensive?

*Thomson does not believe that BT will enjoy a particularly significant commercial incentive to maintain the comprehensiveness of OSIS. Thomson believes that additional regulation is required to ensure that it remains comprehensive.*

**Question 5.2:** Do you consider that there is no need for further regulation on the maintenance and management of BT’s OSIS database and it is sufficient to rely on existing market incentives on BT and the option of drawing on ex post competition powers when competition issues are raised? Or do you consider that regulated access to BT’s OSIS database is necessary in order to achieve Ofcom’s policy objective? Or do you think that there are other options that Ofcom should consider? Please state your reasons.

DIRECTORY INFORMATION  
RESPONSE BY THOMSON

*Thomson believes that regulation is required to ensure continued access to OSIS. Such access should be on fair, reasonable, cost-oriented and non-discriminatory terms, if possible through the continuation of USC7. These measures are essential to ensure the proper functioning of the market and to ensure that the objectives of the Universal Service Directive are met.*

**Question 5.3:** Do you have any other comments on assessments made or the matters affecting the issues discussed in this Section concerning access to a UK central database?

*See the main body of our submission.*