13 July 2006: Directory assistance via telephone and Internet

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Conseil de la concurrence accepts commitments proposed by France Télécom andPages Jaunes and decides to close the case

> Version française

Following a referral in January 2006 by the company 118 218 Le Numéro, which provides directory assistance services, the Conseil de la concurrence accepted to close the case as a result of the commitments offered by the companies France télécom, Pages Jaunes Group and Pages jaunes SA. In order to avoid a sudden fall in the quality of the information available via directory assistance and in the expectation of the setting up of a new regulation by ARCEP, Pages Jaunes accepted to extend to July 31st 2006, the access to its directory available to operators entering the market of telephone directory assistance and to share with them, until March 31st 2007 at the latest, the information relative to marketing designations wished by some operators.

France Télécom committed itself to extend the field of information it provides to directory assistance services to every piece of information it has.

History of the case

When a new customer signs up, the telephone operator has to collect certain data concerning the customer: name, address, corporate name, etc. The list of minimum data was set up by ARCEP under the name "L 34 base". In order to build up the basic file used to give directory information, every telephone operator has to update its "L 34 base" and communicate the information to any operator asking for it, at a price fixed also by ARCEP. The difficulties arise from

the fact that new telephony operators have somewhat neglected their obligations as regards "L 34 base", relying on France télécom, the "12" or Pages Jaunes to supply directory services with basic information. Moreover, "L 34 base" proved insufficient to supply quality information. ARCEP thus began to complete its information list designed to appear in "L 34 base" and deeply encouraged telephony operators to fulfil properly their obligations concerning the information base. These measures will not put an end to the difficulties before early 2007. Until this date, the interim period left open by the disappearance of the "12" will have to be managed at best.

Le Numéro company denounced practices, which it considered to be discriminatory from the companies belonging to France Télécom group. The company estimated that the subscribers' list which was delivered by the incumbent operator ("L 34 base") as part of the service giving access to directory data was less comprehensive than the one used by France Télécom group and presented numerous mistakes and omissions compared to the information offered by the "12".

The company held that under these conditions, the closing of the service giving access to its base offered by Pages Jaunes to all the directory service providers, at first from January 31st 2006, would seriously compromise the quality of the information supplied by service providers competing with France télécom group and the company asked for extending the access.

Competition concerns

The adversary discussion before the Conseil showed that this intermediary phase was likely to raise competition concerns.

Firstly, because of previous habits, there was a risk that only France telecom and Pages Jaunes would be able to conveniently supply a quality basic directory assistance service, thus taking advantage on their competitors during the opening up of the service to competition.

Secondly however, there was the risk that while expanding the incumbent role of France Télécom group as a provider of information useful to develop a

directory assistance service, Pages Jaunes would be deprived of a fair reward for the efforts achieved to develop a directory assistance service, and that its competitors would be deterred from making comparable efforts.

The commitments taken by France Télécom and Pages Jaunes

France Télécom committed itself tomake available to directory assistance service providers, all the fields of information it collects from its subscribers, information which should be very close to "L 34 base"in its new form set up by ARCEP.

Pages Jaunes had already temporarily removed the competition concern in extending the access period to certain data (ISPub). ARCEP took advantage of this period in order to make progress in the setting up of the universal directory in order to eventually remove all the competition concerns expressed above. Following a hearing by the Conseil, ARCEP considered that new regulations should be implemented on March 31st 2007 at the latest.

Under these conditions, Pages Jaunes committed itself to provide its competitors, until this date, with the data relative to the names of professional subscribers, which are collected for the supply of its own service (118 008).

The Conseil's analysis

The Conseil has accepted the commitments, considering that they satisfied the competition concerns raised. The commitments are indeed restoring an equal treatment between service providers for the access to information collected by France Télécom on its subscribers and to additional denominative information used by Pages Jaunes for the supply of its directory assistance service in the expectation of the actual implementation of the reforms prepared by ARCEP.

However, the Conseil considered that a new extension of the access for telephone directory service providers to all the data enriched by Pages Jaunes ("Pages Jaunes base") would have been excessive: a common base available to all service providers would restrict the competition territory, while relying on the

quality of their service. Such an extension would occur to the detriment of the service providers who make the major investment efforts for the enrichment of their base.

The Conseil considers that the commitments proposed by the companies are a satisfying compromise since they meet the competition concerns and protect at best the interests of consumers while respecting free competition. They are consistent with the discussions currently held between ARCEP, telephone operators and directory assistance service providers on the conditions of availability of directory lists. The Conseil reminds that its approval of a commitment procedure is not aimed at satisfying the plaintiff but at putting an end to competition concerns unveiled by the Conseil.