



Response to Ofcom Consultation on Service Charge Caps for 09 and 118 Services

Further Comments

on behalf of The Number UK Ltd (118 118)

25 October 2012



Introduction

Further to TNUK's original response to this consultation dated 19 September, we met twice with Ofcom on 3 October and 11 October¹. During the course of those meetings it became apparent that Ofcom was advancing new and substantially different arguments in favour of imposing a cap on the 118 SC from the arguments which are set out in the consultation of 25 July.

TNUK has significant concerns that (despite now forming the basis for imposing price regulation) these new arguments have not been subject to consultation and stakeholders will have no opportunity to respond to them prior to Ofcom issuing its final statement by the end of the year.

These arguments are crucially important to TNUK and it would like to take the opportunity now to respond to those arguments as far as we currently understand them.

Ofcom's new arguments

It is necessary to set out TNUK's understanding of the new or modified arguments which Ofcom is advancing to justify the imposition of a cap on the 118 SC because it forms the basis for the rest of this response in which TNUK will challenge those arguments and the evidence which supports them.

By way of clarification, TNUK has received no written documentation containing these arguments, but rather they have only been communicated to us verbally during meetings with Ofcom on 3 October and 11 October. Therefore, the points which we outline below may not be an entirely complete or accurate representation of Ofcom's current position, but they nevertheless represent TNUK's best understanding of Ofcom's position.

- Ofcom believes that under the current system DQ retail prices are constrained by the actions of OCPs other than BT, particularly the mobile OCPs
- This is because those OCPs refuse to connect calls to DQ services where the wholesale charges are at such a high level that the OCPs either cannot or will not reflect them in their retail prices
- Therefore, the actions of those OCPs effectively act (albeit inadvertently) as a consumer protection cap on very high DQ prices
- There are several examples of this having occurred in practice, as a result of which consumers are only able to call these services from a BT landline
- Furthermore, there have been examples of providers on the 0870 and 09 number ranges trying to set very high termination charges

- Ofcom believes that the introduction of unbundling will remove this constraint because OCPs will connect all DQ calls and simply pass on the SC, however high it might be
- This creates the need for consumer protection price regulation to prevent charges reaching an unacceptably high level

¹ On 3 October, TNUK met with Stuart McIntosh, David Stewart, Caroline Longman, Chris Handley and Mick Fewes and on 11 October TNUK met with Markham Sivak and Chris Handley



- Ultimately Ofcom believes (although is not certain) that unbundling will be effective at restraining DQ prices
- However, there is a risk that (for an unspecified interim period) price transparency introduced by unbundling will be insufficient to restrain prices
- Consequently, Ofcom believes that the introduction of unbundling will create a level of consumer confusion or reduced price transparency which might actually encourage providers to set higher SCs than they would do under the current system

- Ofcom acknowledges that it will have to adopt some process by which the cap will be kept under review, so it can be assessed to determine if it is still required
- As part of that process, Ofcom will want to consider whether the system of unbundling is working adequately in the interests of consumers
- In doing so, it is likely that Ofcom will consider both the level of price transparency/consumer awareness of 118 SCs and whether this is having a tempering effect on the market
- However, Ofcom acknowledges that it has no evidence of the current level of consumer price awareness of DQ calls under the existing system

- Ofcom acknowledges that there is no particular reason why it is proposing that the level of the 118 cap should be at £3/min and £5/call
- Rather, it accepts that these limits have been based on a consideration of the 09 market and then simply transferred across to 118 (having determined that the cap will only impact a very small number of DQ services at current prices)

Although Ofcom has not said so explicitly, TNUK's understanding is that Ofcom is no longer seeking to rely on many of the arguments or 'evidence' contained within the consultation. For example, during our conversations Ofcom made no reference (even when prompted) to what it said in the consultation on issues such as: fraud and bill shock (including consumer complaints); bad debt; efficient prices; or service availability and innovation, as justification for imposing the cap.

We take this to mean that Ofcom acknowledges that the 'evidence' and arguments which it presented on these issues in the consultation do not in fact justify imposing the cap. Indeed, the only argument in the consultation upon which Ofcom continues to rely appears to be transparency and consumer price awareness. However, if we are incorrect in that analysis we would welcome any specific clarification to the contrary.

Having outlined our understanding as to the arguments upon which Ofcom is now relying, we will now address each of them in turn.



The current system constrains DQ prices

Ofcom believes that (predominantly mobile) OCPs (other than BT) refusing to originate calls to the most expensive DQ services has effectively constrained DQ prices. The absence of such “a cap” thereby justifies the imposition of consumer protection price regulation. TNUK believes that there are several flaws in this argument.

As Ofcom acknowledged, these services have not exited the market, but rather they have continued to be available from BT landlines but are “receiving very few calls²”. According to the BT Carrier Price List there are nine DQ services for which the first minute charge is more than £3.

As TNUK’s own call volumes are split almost exactly equally between mobiles and BT landlines, it is reasonable to assume that these services are still generating at least half of the volume that they would be generating were to be available from mobile OCPs. In reality, it is likely that they are actually generating more than half of the traffic which they would be. (This is because where consumers have a choice as to whether to make a landline or a mobile call (as with 118 118), 50% of them choose to make a mobile call. However, if the service is unavailable from mobiles, it is reasonable to assume that a proportion of those callers would instead choose to make the call from their BT landline, thereby inflating the volume of BT landline calls which are actually made.) Either way, these facts demonstrate two important points:

Firstly, the current system has not in fact been effective in constraining the price of these services because they are operating in the market today at the prices they have chosen and are still generating a significant proportion (at least half) of the traffic volume that they would have been generated had they been available from mobile OCPs. Any potential for consumer harm has therefore not been removed.

Secondly, Ofcom acknowledges that they are generating a very low volume of traffic. We do not know the cause, but it is likely to be for one of several reasons, namely (i) the cost is too high compared with other services in the market (ii) there is insufficient demand for the particular type of DQ service they are offering (iii) there is insufficient marketing to promote the service to consumers. But whatever the cause of the low volume, it will not change as a result of the introduction of unbundling and therefore one would expect these services to continue to generate very low volumes.

This is important because a very low volume of traffic strongly indicates a very low level of potential consumer harm. Unfortunately, Ofcom makes no reference to the number of complaints generated by services costing more than £3/min either when discussing the low level of traffic or the volume of complaints generated by DQ services more generally.

In our initial consultation response, we highlighted the remarkably small total number of complaints generated by DQ services, when compared either with the volume of DQ calls or the total number of complaints received by Ofcom and PhonepayPlus (PPP). By way of reminder, Ofcom receives just 7 complaints per month in relation to DQ whilst PPP receives only received 35 in an entire year, compared with approximately 70 million DQ calls which are made in a year. In this context, we believe that the

² Comment by Markham Sivak to Simon Grossman at meeting of 11 October



number of complaints received about the very small volume calls to services costing more than £3/min is certain to be incredibly small and quite possibly zero.

We would welcome clarification from Ofcom about the actual number of complaints in relation to these services and indeed we believe that Ofcom should have considered this information in order to make an assessment about the level of harm generated by services costing more than £3/min, which it is trying to prevent.

Nevertheless, the fact remains that the current system has self-evidently not prevented very high priced DQ services from entering the market and therefore the argument that a price cap is needed to replicate this constraint is a fallacy. However, despite operating freely in the market, these services are generating a very low volume of calls and quite possibly no complaints whatsoever. There is no reason to believe that either of those facts will change as a consequence of unbundling, thereby further undermining the need or justification for a cap.

Moreover, Ofcom will be aware that the real issue at stake is not in fact the wholesale charges set by the DQ SPs but rather it is the retail charges paid by consumers (which Ofcom says are constrained). It is those charges which have the potential to cause consumer harm, which of course is the reason for Ofcom's proposal to cap the DQ SC. But these latter charges more generally are clearly entirely unconstrained in the current system.

We would remind Ofcom that Vodafone already charges £3/min and Orange mobile charges £3.60 for a one minute call to 118 500. Orange Home has just increased its charge for a one minute call to 118 118 to a staggering £4.10. T-Mobile charges £4.60/min and Three charges £6 for a one minute call to some DQ services.

These charges can easily add over 150% to the cost of a standard DQ call (compared with the wholesale/BT landline price), meaning that the mobile OCPs are charging and retaining 60% (or more) of the amount paid by consumers. For cheaper and less well known services the figures are exponentially higher³.

Where is the constraint on retail prices (which Ofcom says is being exercised) in these examples? It clearly does not exist and thus this fact categorically undermines Ofcom's argument that a 118 SC price cap is required in order to replicate some kind of consumer protection mechanism which Ofcom believes that the introduction of unbundling will remove.

As we have referred to above, Ofcom may try to point to literally one or two examples of services which operate only on BT at even higher wholesale rates than the MNOS' retail rates which we have just quoted. As we have explained, it is clear that those examples are so few and the volumes so low that they are

³ For example on a 3 minute call to Maureen 118 212, Vodafone adds 144% to the wholesale charge which it pays and therefore retains 59% of the total retail charge of £6 paid by its customers. Similarly, on a one minute call to BT 118 500, Orange adds 56% to the wholesale charge which it pays and therefore retains 36% of the total retail charge of £3.60 paid by its customers. For cheaper less well known DQ services, the figures are even more extreme. For example on a 3 minute call to TNUK's 118 811 service, Vodafone adds 1100% to the wholesale charge which it pays and therefore retains 92% of the total retail charge of £6 paid by its customers



inconsequential when compared with MNOs' standard retail charges above Ofcom's proposed £3/min cap, which are already being applied to a far greater volume of calls.

Consumer harm resulting from an increase in DQ prices

Ofcom should be aware that whether or not prices increase in the absence of a cap is not per se the critical issue. Rather the critical issue is whether or not any harm results from any increase. Ofcom's principal duty is "*to further the interests of consumers*" which does not necessarily equate to restraining prices where there is no evidence of consumer harm.

In our initial submission, we dealt in some detail with the very low level of complaints currently received by both Ofcom and PPP in relation to DQ services and the fact that there has actually been a recent dramatic decline in the level of complaints, despite the fact that prices are higher than they were previously. We do not intend to repeat those points here, except to say that there appears to be no correlation between the price of DQ services and the level of complaints. This may perhaps be surprising or counter-intuitive, but it is what the evidence shows.

In this situation, there is no evidence to support Ofcom's view that price increases will lead to a level of consumer harm, which requires or justifies the imposition of a price cap. We deal below with the (lack of) rationale for the particular level at which Ofcom has chosen to set the cap, but the point here is even more fundamental. TNUK does not believe that Ofcom would be acting rationally in imposing a price cap where it has no evidence that prices above the level of that cap would result in consumer harm.

Ofcom must at least consider the possibility that in the future consumers will be willing to pay for a DQ service at a higher level without assuming that adverse consequences will necessarily follow as a result, as they have never previously existed to date. Increases in price may persuade some consumers to exit the market in favour of other services. But that does not justify a cap if the consumers who remain are willing to pay and not suffering as a result. Similarly, SPs should be entitled to determine if they want to offer either a standard DQ service or more of a 'premium' service where costs, quality and price are all higher. Either is a legitimate business model and Ofcom should not seek to constrain their availability to consumers, unless there are compelling reasons to do so.

Furthermore, TNUK also questions the consumer confusion and a lack of price transparency which Ofcom believes will be created by the introduction of unbundling, rather than the ongoing availability of unbundling, (which by contrast Ofcom believes will improve price transparency). This belief is absolutely central to Ofcom's view that a SC cap is required, for some transitional or temporary period or however long it believes that this risk lasts.

However, Ofcom provides no explanation (let alone evidence) as to how or why it believes that the introduction of unbundling will create this risk, despite it being so fundamental to its analysis. In addition, unbundling is not due to be implemented for nearly 2 years from now and so Ofcom has ample time to address whatever communication or transparency problems it believes will arise. Most obviously, it should



be considering the publicity obligations placed on both OCPs and SPs in relation to the AC and SC in order to address the problem at source.

It is clearly inappropriate to impose price regulation as a substitute for far less onerous transparency obligations, particularly when Ofcom is unable to articulate the nature of the cause of the problem which it is intended to address. It is also, plainly in conflict with Ofcom's Regulatory Principles both to operate "*with a bias against intervention*" and to "*seek the least intrusive mechanisms to achieve its policy objectives*".

The level of the 118 cap

Although TNUK addressed this issue in some detail in our initial response, we would like to provide some further comments in light of Ofcom's explicit acknowledgement that its proposed caps for the 118 SC are based only on an assessment of the issues related to the 09 number range. Whilst Ofcom has assessed the impact which its proposed 09 SC caps would have on current 118 prices, it confirmed that there was no other basis for selecting them for 118, other than the fact that it is easier to communicate one cap rather than two.

TNUK considers that this approach is unacceptable for several very obvious reasons. Ofcom appears to believe that its principal decision (which requires evidence and analysis etc) is the decision whether or not to impose a SC cap. Meanwhile, the decision as to at what level to impose the cap is somehow secondary and of far less importance, such that Ofcom is not required to analyse or justify it with any evidence at all, beyond stating that it is easier to communicate one cap than two.

This cannot possibly be correct. The decision to impose a SC cap is only relevant or meaningful in the context of the level at which it is set, because that is what will determine both the protection which it will provide to consumers and the impact which it will have on providers, as well as the functioning of the market more generally.

Self-evidently, a cap set at £1/min will have an entirely different impact to a cap set at £20/min. Indeed, one could very well argue that the impact of a £20/min cap is far more similar to the impact of no cap, than it would to the impact of a £1/min cap. Therefore, the level at which the cap is set is of at least equal (and quite possibly greater) significance than the decision to impose a cap in the first place. It is of the most critical importance not only to the providers whose prices it will control, but also to whether it will achieve Ofcom's objectives in setting it.

That decision requires serious evidence, analysis and reasoning and yet Ofcom has not attempted or pretended to do any such thing. Such an approach is clearly irrational and open to challenge.

We highlighted in our initial response that Ofcom should have applied its own assessment criteria separately to each of its three options, in order to determine which of those options best achieved its objectives. But it decided not to do so, as a result of which it has chosen to impose a cap at a level without any underlying rationale whatsoever. Ofcom's analysis can be characterised as nothing more than '*Option 2 is better than Option 3 because it's lower*', which is wholly inadequate as the basis for determining the level of price regulation.



Ofcom must also consider whether its proposed level of cap is the most proportionate and least intrusive level to achieve those objectives. This is no simple task and requires a delicate balance. Whilst it is easy to understand Ofcom's view that if the cap is too high, it will not achieve its consumer protection objectives, the consequences of setting it too low could be severe in terms of their impact on the functioning of the market. TNUK believes (in line with Ofcom's Regulatory Principles) that the default position must be to set a higher cap which is less intrusive and more proportionate. But Ofcom must demonstrate that whatever level is chosen adheres to those principles.

Whilst we note that Ofcom has said that it is open to receiving representations as whether the cap should be set at a different level to that which it has proposed, such a response entirely misses the point. It is not the role of consultees to propose (let alone evidentially justify) the imposition of a SC cap at any particular level (especially if they disagree that any cap is required). Rather, it is the role of Ofcom in proposing a cap to do so at a particular level which it can justify on the basis of the evidence which it presents. TNUK believes that Ofcom's failure to do so fatally undermines the legal basis for the regulation.

Moreover, as we outlined in our previous response, DQ services are fundamentally different from PRS services in several respects. Most importantly, we provided research evidence (in Annex 2 of the response) that DQ consumers highly value calls which are quick, short and efficient, as a result of which DQ providers are incentivised to provide precisely that. That is in contrast to many PRS on 09 which (if not deliberately lengthened by the provider) are certainly not kept as short as short as possible to meet consumers' needs. As a result, the risk profile for calls likely to generate harm in terms of bill shock and resulting complaints is fundamentally different for 118 compared with 09.

We believe that Ofcom is beginning to accept this point, in view of the evidence which we have provided. But it does not yet appear to have featured in Ofcom's consideration of the level of the proposed 118 SC cap and specifically whether it should be different from the 09 cap.

Finally, TNUK is most concerned and perplexed by Ofcom's statement that it has proposed the 118 SC cap at the same level as the 09 cap, only because it is "easier to communicate" one cap rather than two. On a simple level, this argument is clearly disingenuous as Ofcom is not proposing one cap, but rather multiple caps on the various 08 number ranges, so the option of communicating a single SC cap does not exist. In those circumstances, TNUK believes that whether or not the 09 and 118 SC caps are at the same or a different level is immaterial.

Ofcom has provided no details as to what type of communication or publicity it is planning to undertake, but TNUK does not believe that it will have anything other than the most marginal impact on consumer understanding and awareness. Ofcom does not have the resources (and industry will not agree to provide the resources) to undertake the long-term full scale multi-million pound nationwide marketing campaign which would be required in order to inform consumers of the precise level of Ofcom's non-geographic call services price caps. Even if it occurred, TNUK does not believe for a moment that consumers would retain this sort of information (which may or may not reflect actual prices), such as it would have any impact on their behaviour, particularly where multiple caps are being communicated.

In our initial response, we also outlined why this did not matter because the purpose of price caps was to constrain prices, not to inform consumers, which is why neither Ofcom nor the operators have ever



previously publicly communicated the level of any other price caps. In this review, OCPs have made very clear that they have no interest in communicating anything to do with the level of the SC and will limit their communications to the AC. Similarly, Ofcom is proposing no regulatory obligations on them in that regard.

As a result, we believe that the argument about the ease of communicating the 118 SC cap is entirely misleading and Ofcom is being disingenuous (and leaving itself open to challenge) if it seeks to rely on it as apparently its only justification for setting the 118 SC cap at any particular level.

Prices permanently below £3/min & £5/call

At the heart of TNUK's concerns about the proposed 118 SC cap is the question of whether Ofcom will ever allow the DQ SC to rise above £3/min or £5/call, at any point in the future for any type of service.

In our initial response, we outlined a concern that the SC could never rise above those levels because Ofcom was imposing a cap with no sunset provisions, which it had no intention to review. Since that time, Ofcom has shifted its position to one where it says that will have to review the cap to determine whether it is still required, although it has provided no detail as to how or when that will occur.

However, that does not directly address TNUK's principal (albeit longer term) concern. Ofcom appears to be envisaging making an assessment merely to determine (i) whether consumer confusion has led to an increase in prices which requires the continuation of a cap OR (ii) whether competition has reached a point where it is effectively constraining prices, thereby allowing the cap to be removed. Either way, Ofcom only seems willing to accept a situation in which prices stay permanently and forever below the level of its proposed caps.

Ofcom does not appear even to be contemplating a scenario in which at some point in the future there may be a consumer demand for DQ services which cost more than £3/min or £5/call (assuming that there is no substantive evidence of consumer harm at those levels). If that is correct, Ofcom is determining that these caps should effectively apply indefinitely and therefore referring to this as in some way a 'temporary' or 'transitory' measure is entirely misleading.

In our initial response, we highlighted how DQ services may develop in the future and why we believe that the costs may justify higher prices, which consumers may be prepared to pay for the enhanced service being offered. Whether those services ultimately operate on the 118 or 09 number range is immaterial for these purposes because Ofcom is proposing that the same cap apply. The principal fact remains that Ofcom does not appear even to be contemplating allowing these services to be offered.

As a result, some of the other points which we have made elsewhere therefore take on even greater importance. Most specifically, the level of the cap becomes critical, because it is the level above which Ofcom will never allow prices to rise. As we discussed above, the fact that Ofcom has conceded that there is no rationale for the level of the 118 cap which it has chosen, becomes a matter of very great concern.

Part of Ofcom's rationale in relation to the 09 cap is the proposed limits broadly reflect current charges on mobile shortcodes. These charges seem certain to increase over time, not least because (as Ofcom



concedes) the actual limit on mobile shortcodes is in fact £10. But Ofcom appears intent on never allowing the PRS or DQ caps to reach that level, which places them at an obvious commercial disadvantage.

Therefore, TNUK's concerns about the permanence of the cap are in no way assuaged by Ofcom's apparent concession to review it, which would appear to be a procedural rather than substantive review. If our understanding is incorrect, we would welcome clarification from Ofcom and specifically on the point of when and in what circumstances it can envisage the 118 (or 09) SC rising above £3/min or £5/call.

The logic of a transitional cap

We will outline below our concerns in relation to the process for reviewing the 118 SC cap, but TNUK also has significant concerns about the questionable logic of what Ofcom describes as a 'transitory' or 'temporary' measure.

TNUK understands Ofcom's position to be that it will impose a cap in order to address the risk that the introduction of unbundling could lead to customer confusion, which SPs might exploit by setting the DQ SC higher than it would otherwise be. Ofcom says that after a period it will be able to assess the market to determine if this risk has in fact materialised or whether its concerns were unfounded and it can therefore remove the cap. TNUK believes that there are two basic flaws in this position.

Firstly, if Ofcom assesses the market whilst a cap is in place, it will of course find that no prices exceed the level of the cap. Furthermore, it is most unlikely to find any evidence that any provider as ever attempted or proposed to set charges above the cap, because one would assume that any provider will be sufficiently familiar with the regulation to know that it would be pointless.

In this inevitable scenario, how will Ofcom determine whether the potential risk which it identified has or has not materialised in practice? What does Ofcom hope to learn by simply viewing a range of prices below its cap? How will it provide the basis for any decision to remove or not remove the cap? Specifically, how will it determine whether in the absence of a cap, some or many prices would have been above the level of the cap?

It seems likely that Ofcom will look at the level and variety of prices beneath the cap and whether they have increased or decreased, as a way of assessing the level of competition. However, in each of the December 2010, April 2012 and current consultations, Ofcom highlighted the problem of price caps becoming focal points i.e. the fact that the cap itself incentivises providers to raise their prices to that level. The result is that prices are both higher and more closely aligned than they would have been in the absence of a cap.

In line with Ofcom's own analysis in three consultations, TNUK fully expects that this effect will indeed materialise. Therefore, Ofcom may well not find evidence of increased competition beneath the cap (which is common to what one typically finds with many examples of price regulation). TNUK is extremely concerned that Ofcom will therefore use this as justification for retaining the cap, although in reality any lack of competition may actually have been caused by the cap itself.



Secondly, if one follows Ofcom's logic, TNUK would question what would be the sense of ever removing the cap. Ofcom has argued that a cap is required in order to replace the constraint currently provided by OCPs refusing to connect to the most expensive DQ services. The absence of that constraint will continue for as long as unbundling is in place and therefore if one accepts Ofcom's argument (which TNUK does not) the logical conclusion might be that a cap would be required indefinitely.

Ofcom may argue that at some point improved price transparency will replace the need for a cap. But without any detail as to how or when Ofcom will assess the adequacy of the level of price transparency, TNUK is unconvinced that in reality this will provide grounds for Ofcom to conclude that the cap can be removed. Again, we think it more likely that Ofcom's argument about the need for a constraint will endure indefinitely and so Ofcom will never genuinely consider removing the cap.

A process to review the cap

The biggest change from the position which Ofcom outlines in the consultation would appear to be its recognition that any price cap cannot be imposed indefinitely and there must be a process for reviewing it and considering whether it is still required. As a result, there is nothing in the consultation to suggest what process Ofcom may have in mind and so we can only respond to anecdotal comments which have been made to us verbally.

TNUK understands that Ofcom is proposing to undertake some form of assessment as to how well the market is operating which is likely to take account both of the level of price awareness and whether or not it is in some way restraining prices. However, there is no explanation of '*what good looks like*' when Ofcom is making its assessment. Specifically:-

- What level of price awareness does Ofcom require and to what degree of accuracy?
- Would Ofcom require prices to fall before it removed the cap and if so, by what amount or to what level?
- Would Ofcom remove the cap in the event of static or increasing prices and if so, what increases would it accept?
- In either case, would Ofcom be considering highest prices or average prices?
- How long after the introduction of unbundling will Ofcom conduct its assessment and at what intervals thereafter?

Ofcom may well believe that this is a level of detail which it cannot reasonably be expected to provide (or even consider) at this stage in the process, but TNUK strongly disagrees. These questions are of the most fundamental importance to DQ SPs and must be properly addressed prior to any decision to impose a cap.

TNUK is most concerned that Ofcom may only have reluctantly acknowledged that there is a legal and procedural 'step' which it must overcome (in the form of section 6 of the Communications Act) as part of implementing this regulation. However, we have some considerable doubts as to whether the process for



reviewing the cap will be genuine and whether Ofcom will in practice objectively consider whether the cap can be removed.

The lack of any detail as to the criteria which Ofcom will consider increases our fears that it may in fact have no intention of removing the cap. TNUK will not accept vague assertions that Ofcom will 'assess *how well the market is working*' without substance and detail concerning when that assessment will be made and on what basis the decision will be taken.

All queries in relation to this response should be to Simon Grossman, Director of Government & Business Affairs, The Number, Whitfield Court, 30-32 Whitfield Street, London W1T 2RG – simon.grossman@118118.com – 07971 050 001