

COLT Telecommunications

Telephone numbering – proposed modifications to General Condition 17 and the National Telephone Numbering Plan

COLT has reviewed Ofcom's proposals in respect of changes to the National Telephone Numbering Plan and has the following specific comments.

Implementation of price ceilings

The current changes on which Ofcom is consulting propose the introduction of price ceilings for calls to 03 and 070 services. Ofcom intends to implement the price ceilings through modifications to the National Telephone Numbering Plan.

COLT has concerns regarding the manner in which Ofcom proposes to implement the price ceilings, and the enforceability of the proposed price ceilings. COLT does not believe that any price ceiling requirements would be enforceable through the National Numbering Plan alone and that changes also need to be made to General Condition 17 in order for Ofcom to have the power to take any action where price ceilings or pre-call announcements are not adhered to.

Ofcom has in fact addressed this issue previously in its statement and further consultation of April 2004 regarding retail pricing and numbering arrangements for calls to 0870 and 0845.¹ In paragraphs 3.72 and 3.73 of that consultation Ofcom discusses whether it has the power to enforce pricing for calls to 0845 and 0870 on all originating communications providers under Condition 17.5 of the General Conditions:

"The Communications Provider shall install, maintain and adjust its Public Electronic Communications Network so that it routes Signals and otherwise operates in accordance with the National Telephone Numbering Plan and any Allocation of Telephone Numbers made by the Director from time to time".

Ofcom concluded that pricing data stored within billing systems does not fall within the condition and therefore it had no power to enforce pricing requirements through numbering designations. This issue is also clearly relevant when considering the enforceability of price ceilings for calls to 03 and 070 services.

Ofcom also provides further reasoning for its position in paragraph D.16 of the same consultation:

"As explained, the Plan and the Numbering General Condition both require telephone numbers to be used in accordance with their designations. However, 0845 and 0870 numbers are currently allocated to Terminating Communications Providers, not Originating Communications Providers, which means that it is the Terminating Communications Provider that is bound to observe the designations in the Plan. In other words, any references to retail pricing arrangements for these numbers in the designations in the Plan are not enforceable via the Numbering General Condition, since these numbers are allocated to Terminating Communications Providers but retail price arrangements are in general in the control of Originating Communications Providers."

¹ Calls to 0845 and 0870 numbers: review of retail price and numbering arrangements, 29 April 2004
<http://www.ofcom.org.uk/consult/condocs/0845/0845.pdf>

COLT believes that in order to implement meaningful and enforceable price requirements, amendments to the General Conditions are necessary, an issue which is not discussed in the current consultation. Given Ofcom's aim of restoring consumer trust in numbering, COLT would urge Ofcom to ensure that any tariff requirements can be effectively enforced before they are included in the National Numbering Plan and publicised widely to consumers.

Timescales for implementation of a price ceiling for 070

Ofcom has proposed that price ceilings or pre-call announcements for 070 be implemented within a period of 4 months following publication of the statement confirming the level of the price ceiling to be applied. Leaving aside COLT's concerns regarding the enforceability of the proposed requirements, we do not believe that 4 months is a realistic timescale for implementation of a price ceiling.

Operators will have the choice of either adhering to the price ceiling or implementing a pre-call announcement. If operators do choose to adhere to the price ceiling then this is likely to require renegotiation of existing interconnect arrangements in order to ensure that interconnect outpayments are commensurate with the new retail tariffing. Previous experience shows that this can be a difficult and sometimes lengthy process. COLT is also concerned about the ability of operators to implement pre-call announcements within their networks within the period of 4 months. While it may be relatively straight-forward for operators who currently use this facility other operators, including COLT, will need to introduce a pre-call announcement capability. COLT would suggest that a period of 9 months would be more realistic of for the implementation of the proposed tariff requirements.

**COLT Telecommunications
14 September 2006**