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**RESPONSE TO THE OFCOM  
CONSULTATION:**

TELEPHONE NUMBERING: SAFEGUARDING THE  
FUTURE OF NUMBERS (THE "CONSULTATION")

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7 June 2006

Hutchison 3G UK Limited ("H3G")



### BASIC DETAILS

Consultation title: Telephone Numbering – Safeguarding the future of numbers  
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## 1 INTRODUCTION

Hutchison 3G UK Limited (“H3G”) welcomes this opportunity to respond to Ofcom’s proposals for the UK Telephone Numbering plan.

H3G welcomes any proposals to increase simplicity in the plan and give greater transparency for consumers. To this end it is important that the tariff banding of personal and premium rate numbers be simplified, and that new service types such as fixed-mobile convergent services be provided on clearly identified number ranges.

H3G disagrees with Ofcom’s analysis that there is a problem in the 08 band; this band is for special rate services and an attempt to re-designate 0870 numbers as ‘national rate’ will cause unnecessary confusion and disruption, and is inconsistent with the introduction of the non-geographic national rate 03 band.

H3G is surprised that Ofcom should be considering the designation of number ranges for multimedia services. This would be unnecessarily complex and confusing for the consumer when their primary number should be used for all services.

H3G believe that tighter control over the allocation of number bands is important and does not believe that Ofcom’s proposals go far enough. Charging for number ranges may increase efficiency of use but it will not prevent abuse.



## 2 QUESTIONS AND ANSWERS

### 2.1 Strategic Context

*Question 1 What are your views on the strategic principles that Ofcom proposes to apply to its numbering policy decisions?*

H3G agrees with Ofcom's strategic principles but it is clear that they are not met with the current numbering arrangements. H3G urges Ofcom to use this review opportunity to make the changes necessary to meet the strategic principles:

- Allocation of fixed-mobile convergent number ranges
- 07 numbers to remain as mobile number ranges for true mobile operators
- Simplification of tariff bands for personal and premium rate numbers
- Tighter and more transparent controls on the allocation of number ranges

*Question 2 What do you think are consumers' key current views on numbering, how do you think those views will change, and how should Ofcom's current decisions take those changes into account?*

**Fixed-Mobile convergence.** H3G notes that in paragraph 3.22 Ofcom reports that consumers 'were clearly concerned to distinguish between fixed and mobile telephone numbers'. H3G has already made it clear to Ofcom<sup>1</sup> that it believe that fixed-mobile convergent services, with their different cost structure and target markets should be provided on separate number ranges.

H3G believe that consumers will wish to distinguish between fixed-mobile convergent services and the existing geographic and mobile services. Apart from issues of transparency for the consumer, separate fixed-mobile convergent number ranges will make it more practical to operate number portability. The different cost structure of fixed-mobile convergent services means it is not practical to port numbers with other mobile services or with fixed services.

**Simplicity.** Ofcom must recognise the limitations of what can be achieved through number recognition; number prefixes are 'signposts' and not precise guides. H3G believe that the complex mix of tariffs and tariff structures within the personal number and premium rate number ranges are already too complicated and must be simplified. The present systems that subdivide the number string to indicate different pricing are difficult for the consumer to recognise.

*Question 3 What do you think are the main ways in which technological developments will change the focus of*

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<sup>1</sup> H3G response to Ofcom Consultation *Number Portability and Technology Neutrality* 2005



*numbering policy decisions, and how should Ofcom's current decisions take these developments into account?*

H3G believes that new means of identifying subscribers apart from PSTN numbers will continue to develop. Indeed many of the services currently provided on 3G networks do not use telephone number addressing. However, the PSTN will not be replaced by ENUM, SMTP, IMS etc – it will continue to run in parallel for many years to come. It is therefore imperative that the PSTN Number Plan is as logical and transparent to the consumer as possible, and that the present inconsistencies and confusions are eradicated.

## 2.2 Current Challenges to the Numbering Plan

*Question 4 Do you have any comments on Ofcom's assessment of the current challenges to the Numbering Plan, in terms of a) number availability, b) transparency, or c) consumer abuses?*

H3G strongly agrees that there are major issues with tariff transparency and abuse in some number ranges but disagrees with Ofcom's analysis of where the problems lie

- H3G disagrees with Ofcom's assessment that there is a problem in the 08 range.
- Ofcom has not considered the problems that exist in the 070 personal number range.

Ofcom has also overlooked that fact that in addition to consumers, Communications Providers are adversely affected by these complexities.

Both the 070 and 09 number ranges suffer from considerable confusion through having sub-ranges with differing pence per minute (ppm) and pence per call (ppc) charges mixed up randomly within the range.

The BT retail price list (which follows the wholesale price list structure) provides an illustration of the problem. In the 070 number ranges there are no fewer than 20 price bands and in the premium rate range there are 60. The premium rates have the additional problem of mixing up pence per minute and pence per call charging structures.

Even more confusing for consumers is that range holders are free to change the charge rates for their number ranges. A number that cost a small amount per call one day could cost £1.50per minute the following day.

This problem also affects Communications Providers who must maintain their retail billing systems in line with the wholesale charges made by range holders. Even the smallest Communications Provider must maintain tens of thousands of rates in their billing systems. It is not unscrupulous number range holders to change their charge structures in the hope that Communications Providers will not be able to keep up with the changes. Artificially Inflated Traffic then follows which generate large sums in outpayments. Such scams are also assisted by the fact that BT as a carrier, reserves the right to back date rate changes for up to three months. BT's interconnect terms should be reviewed to address this concern



## 2.3 Proposals and Next Steps

*Question 5 Do you agree that the extension of conservation measures is the best approach to take before the impact of NGNs eases the pressure on geographic number demand?*

*Question 6 Do you agree that the use of overlay codes is the best backstop approach in the event that extended conservation measures are not sufficient to meet demand for geographic numbers?*

H3G would be happy to accept Ofcom's proposals for number conservation and overlay codes.

*Question 7 Do you agree that Ofcom should continue to respect the geographic identity of numbers until consumer understanding of the impact of technology change evolves further, and what do you consider is the best way to develop that consumer understanding?*

H3G recognises that some consumers value the geographic identity of numbers since some consumers may want to know where they are calling and because there are still distance-related tariff structures in operation. However, it is also clear that the high penetration of mobile handsets has considerably eroded in people's minds the importance of linking the number to the location of the person being called, particularly among the younger age groups.

Given these trends, and since many 01 and 02 numbers are already provided 'out of area' it would be appropriate to drop the designation 'geographic' and replace it with 'fixed'

H3G also agrees with the views of the Mobile broadband Group (MBG) that some landline numbers should be made available as access numbers to value added services. Indeed, in their basic form some services already exist. For example, customers can dial a landline number that acts as a gateway for dialling international numbers at discounted rates. The international leg of the call is charged to a charge card or similar and the access leg at the customer's normal tariff rate.

The mobile sector has developed a similar way of charging for value added services, known as reverse-billed SMS. The customer dials a non-premium rate access number and then pays for the value added service by agreeing to receive premium rate text messages during the call, either at regular intervals, if the charge is based on call duration or a single SMS if the basis for charging is per transaction.

Up to now this method of charging has been used for adult services. As 0871 was being used as the access number, ICSTIS asked that this practice be stopped and the 09 number range be used. There are however interesting possibilities for this charging method being used for non-adult services.

As an example this system could be used to buy cinema tickets. The sequence might look like this:

- a) the customer dials a standard landline access number,
- b) he/she is offered a menu of films – press 1 for Film A at £3.00, press 2 for Film B at £4.50 etc. etc.



c) the customer presses 1, a premium rate SMS is charged to his/her mobile account. The ticket could also be sent to the mobile via SMS or a physical copy to the account holder's registered address.

The system of supplementary charging would be offered in a manner that puts the customer in control and gives full visibility of the charges for value added services.

The MBG has also stated that it would like to be able to use a standard landline access number, just as vendors sell goods over the telephone and charge the customer's credit card.

In recent discussions with Ofcom, it has been suggested that it may be preferable to use a range of access numbers that are not linked to a specific geographic location. The MBG's preference is that such a range is drawn from 01, 02 or 03 ranges, so that the customer is quite clear that the access leg is charged at his/her normal rate. It is important to avoid the 087 range and all its concomitant issues.

*Question 8 Do you agree with Ofcom's proposal to open a new '03' number range for non-geographic, non-revenue sharing services?*

The opening up of the 03 range will allow organisations that are not relying on revenue share to offer non-geographic telephone number access. H3G believe that this would be a preferable alternative to the recent decision to re-designate 0870 numbers as 'national rate'.

*Question 9 How should the '03' range be structured, in terms of tariffs and services?*

H3G would be happy to accept any of the proposals for 03 number range structure.

*Question 10 How should the '08' range be structured, in terms of tariffs and services?*

H3G does not believe that any changes are needed in the 08 number band. Ofcom's proposal to re-designate 0870 as 'national rate' is entirely inconsistent with the opening up of the 03 number band. The proposal to forbid outpayments is heavy-handed and unnecessary. 0870 is within the 'special rate' number band and therefore it is undesirable that consumer expectations for it to be a national rate number range be fostered. Further, there are a considerable number of 0870 users who depend on the outpayments to fund their services. The decision to re-designate 0870 as national rate will result in a substantial quantity of 'number changes'.

Since part of the purpose of this review is to undo confusion caused in the previous review, to knowingly introduce or perpetuate confusion in the 08 number band would be a breach of the Framework.

*Question 11 Which broad approach should Ofcom take to structuring the '09' range, and if a re-structured '09' range is preferred how would you arrange the different types of '09'*

*services (e.g., according to price per minute, price per call, inclusion of adult content)?*

Ofcom's research clearly shows that consumers have a good idea about their overall spend on telecommunications but much less of a grip on the cost of individual calls. Only simplicity of charging will affect this *status quo*.

H3G believes that Option 3 using a structure similar to the one used in Ireland would be best for consumers and Communications Providers alike. The table below shows how the ranges are allocated in Ireland;

1520	cpm not exceeding €0.30
1530	cpm not exceeding €0.50
1540	cpm not exceeding €0.70
1550	cpm not exceeding €1.20
1560	cpm not exceeding €1.80
1570	cpm not exceeding €2.40
1580	cpm not exceeding €2.95
1590	cpm not exceeding €3.50
1512	cpc not exceeding €0.50
1513	cpc not exceeding €0.70
1514	cpc not exceeding €0.90
1515	cpc not exceeding €1.20
1516	cpc not exceeding €1.80
1517	cpc not exceeding €2.50
1518	cpc not exceeding €3.50

- It can be seen that per minute and per call number ranges are split into two separate categories
- The rising digits through the bands indicate a (capped) higher price band. This is simple and intuitive for the consumer
- Number ranges cannot be re-priced to higher levels or moved to a different structure. This protects both consumers and Communications providers.

H3G urges Ofcom to adopt these principles for personal number ranges as well as premium rate number ranges.

*Question 12 Should any specific PRS service categories be identified or segregated in order that parents can block access by their children (e.g., sexually explicit content, gambling)? Is there merit in having a general 'adults only' classification, including a range of services to which access might be restricted on the grounds of content, or might consumers wish to apply different rules for different types of content?*

H3G accepts that this consultation concerns operational not policy issues. However, given Ofcom's justification in support of option 3, "to restructure the 09 range according to a new set of service categories, with 2-digit number ranges allocated to each, providing sufficient capacity for the foreseeable future and greater transparency. These would be ranked in ascending order of potential consumer detriment, that is, the



*likelihood of a service causing consumers harm either through high call costs or the type of content provided”, alludes to the policy objective underpinning Premium Rate regulation, H3G believes that this consultation, and others relating to the provision of Premium Rate Services should have coincided with Ofcom’s review of Premium Rate regulation.*

At present the 2003 statement from Oftel is the last definitive description of the principles underpinning PRS regulation. In that statement Oftel said;

*“The main purpose of regulation in the premium rate sector is to secure the adequate protection of consumers from running up high bills that they cannot afford to pay, and to ensure that adequate standards are applied to premium rate promotions and services. Regulation is justified because of the genuine risk to the availability of the customers’ telecommunications service given the ease with which these services can be accessed, and the expensive nature of the costs involved”.*

There is then no current assumption that the regulation seeks to protect the consumer from accessing specific categories of service, e.g. adult. Without first re-examining the principles underpinning PRS regulation, H3G does not believe Ofcom can propose changes to the numbering plan for PRS that seek to deliver selective service barring when the notion of protection from service type has yet to be consulted upon and agreed as one of principle underpinning the PRS regulation.

Furthermore as services evolve and new methods of access and delivery to content services become available, the use of numbering to afford either financial or other forms of consumer protection will diminish. For these reasons Ofcom should as a priority have sought to establish a consensus on the principles underpinning PRS regulation, which may have negated the need to consult on numbering allocation as a method of protecting the consumer. For example in a world of icons and e-numbering the concept that all access to content services will be via a call to a long number is dead. Instead other means of ensuring consumer protection and clarity of information on the nature of a service will have to be developed. It is this discussion that we expect to see in the review of PRS regulation and would, we believe, have eliminated the need for Ofcom to consult on the use of numbering to ensure consumer protection.

Finally we note with concern Ofcom’s belief that numbering allocation could be used to support selective barring. Ofcom appears to be using the availability of selective barring as a reason for delineating the 09 range, without having established whether such barring is supported by communications providers. Ofcom should confine its justification in this regard to the principle of clarity of pricing to the consumer and not theoretical barring capabilities.

*Question 13 Are there any practical means by which the Numbering Plan could provide improved mobile tariff transparency?*

H3G notes that Ofcom recognises that Mobile Number Portability (MNP) has the potential to reduce the overall level of tariff transparency on calls



to mobiles (para 5.59). H3G notes that a fully functional direct routing solution would have the capability to inform (if required) the calling party that the called customer was on a different network.

In practice however, if a mobile customer is concerned that their retail mobile package leaves them exposed to higher charges for off-net calls, there are plenty of retail tariffs that do not charge different rates; reflecting the highly competitive nature of the UK mobile market.

Under the present arrangements for mobile number portability however, callers to mobile numbers from fixed numbers suffer confusion in understanding the tariff they will be charged if their communications provider sets differential tariffs for calls to the different mobile networks. For example if a caller knows that the person they are calling is on mobile network A, they might expect to be charged by their own communications provider for calling network A. If the called party has ported their number in from network B, however, the caller will in fact be charged for calling network B since that is where the call is initially routed. H3G strongly urges Ofcom to establish the correct termination rates for ported numbers in order that the consumers' confusion be replaced with transparency.

H3G is alarmed at the profligate allocation of mobile number ranges by Ofcom to Communications Providers who are not mobile operators. There are now mobile number ranges being used to provide non-mobile services. This is confusing for the consumer and damaging to the integrity of the number plan. H3G urges Ofcom to

- Reclaim mis-allocated number ranges from communications providers who have no prospect of offering mobile services
- Tighten up the number allocation procedure to avoid future mis-allocation
- Publish the criteria used to ascertain the eligibility of communication providers for number range allocation under the transparency requirements of article 10 of the Framework Directive.

*Question 14 Do you agree that personal numbers should have a tariff ceiling (or recorded message) to restore trust in those numbers? If so, what level, and should that ceiling include the cost of recorded messages?*

H3G believes that the best way to engender trust in personal numbers would be to tariff them according to the principles outlined in the answer to question 11,

*Question 15 Do you agree with Ofcom's proposals to move personal numbers (with the same consumer protection provisions) to the '06' range and to pursue the direct allocation of numbers to end users as proposed at some point in the future?*

H3G believes that moving personal numbers from 070 to 065 would be a retrograde step. Caller confusion exists in two ways; first through a lack of awareness of what 070 numbers are in the first place and second because there are too many tariff bands. A change in the number band would simply add to the confusion.



Ofcom should recognise that the legitimate use for personal numbers is to provide 'follow me' services. There should therefore only be a small number of tariff bands necessary, e.g.:

- Where the 'follow me' train can extend to fixed numbers and messaging services only
- Where the 'follow me' train additionally extend to fixed-mobile convergent services numbers
- Where the 'follow me' train can additionally extend to full mobile services and some international destinations
- Where the 'follow me' train can additionally extend to wider international destinations.

In each of these cases the tariff band would be capped at a maximum rate that would allow adequate margin for the communications provider.

*Question 16 Do you have any comments on the use of the 05 number range?*

As an owner and operator of an 055 number range, H3G is disappointed that Ofcom appears to have rather given up on the 05 numbering space and instead opted to concentrate on other new area such as 03 and 06. Potentially many of the services Ofcom is proposing to use under 03 could be found under 05.

In particular, the designation 'Location Independent Electronic Communications Services' for the 056 number range seems to describe fixed-mobile service perfectly. H3G cannot understand how Ofcom was persuaded to allocate mobile number ranges to Communications Providers such as BT Fusion when 056 was the more obvious number range.

H3G urges Ofcom to reconsider its numbering policy for fixed-mobile convergent services and to allocate these services their own number band. In addition to the number portability arrangements that take place between the fixed number ranges and the mobile number ranges, Number portability would exist between fixed-mobile convergent providers.

*Question 17 Do you agree that Ofcom's overall proposals for a future Numbering Plan are coherent and comprehensive, and do you have any comments on the timescales in which the changes should be implemented?*

As described in the answers to questions 15 and 16 H3G's two main areas of concern with the proposals are

- Ofcom has not considered in any detail the likely evolution of fixed-mobile convergent services and the impact this will have on the Plan.
- Any migration of PRS and PNS services needs to be carefully managed with clear timescales and guidelines in order to minimise the risk of consumer fraud and Artificial Inflation of Traffic (AIT).



## 2.4 Numbering and the Consumer Interest

*Question 18 Do you agree with the principle of using consumer protection tests in numbering in order to limit consumer abuses, as long as the relevant legal tests are met? Do you have any suggestions for what tests would be appropriate or any conditions that should be met to pass such tests?*

H3G notes that 'consumer abuses' in fact also affect originating communications providers (OCPs). H3G is therefore very supportive of any means that Ofcom can bring to bear in managing fraud and abuse.

H3G believes that Communications providers of 07 and 09 services must take responsibility for the behaviour of their customers who misuse the number ranges allocated to them. Where abuse has been identified a Communications provider must show that it has taken action to prevent it re-occurring. In the event of re-occurrence of the abuse, the communications provider should be held responsible for their lack of action and effective control and their number ranges should be withdrawn.

H3G supports Ofcom in all its proposals to remove the abuse of consumers and originating communications providers.

*Question 19 Do you support the proposal to extend the tariffing provisions of the Numbering Plan so that they apply to customers of all providers on all types of network?*

H3G welcomes any initiative that benefits the consumer with greater information and transparency about their services.

The maintenance of pricing information in the personal number and premium rate number ranges is presently almost impossible for many of the smaller originating communications providers. As described in the answer to questions 4 and 11 there are too many rate bands and numbers are allocated to them randomly through the 070 and 09 bands. These rates are frequently changed by the number range holders, and the changes are sometimes communicated to the originating communications providers by BT retrospectively (up to three months).

H3G does not agree that Ofcom should mandate that the originating communications providers be subject to the tariffing provisions until Ofcom has sorted out the personal number and premium rate number ranges.

*Question 20 How do you think the new Numbering Plan could be effectively communicated to consumers?*

H3G has found that 3G mobile customers make use of their web browser to find information about the services available to them

*Question 21 What are your views on Ofcom's analysis and the different options for number charging?*

*Question 22 Which, if any, numbers might appropriately be allocated using a value-based charge?*



H3G has addressed questions 21 and 22 in its answers to questions 48-55.

*Question 23 Do you have any other comments on Ofcom's proposals for numbering as discussed in Section 5, or any other suggestions for how Ofcom might revise the current Numbering Plan or its administration?*

H3G is extremely concerned at Ofcom's approach to the numbering of fixed-mobile convergent services. Fixed-mobile services can be provided in more than one way:

- "Wireless office" service types will use low power mobile spectrum to provide a means of delivering calls to fixed 'office' numbers, but using a mobile handset as the terminal.
- "Fusion" service types combine an MVNO agreement with fixed line access using wireless hotspots
- "Nomadic" service types simply rely on wireless hotspots for coverage.

It is inappropriate that these services are allocated mobile number ranges

- Mobile number ranges have strong associations with full mobile network services in the mind of the consumer. Consumers will wish to distinguish between fixed-mobile convergent services and the existing geographic and mobile services.
  - The cost bases of all these service types are lower than for the full-coverage mobile networks and retail pricing will reflect this.
  - The code 056 already exists for these services
  - The allocation of mobile number ranges to these services implies an obligation to port numbers with the full mobile networks which is an arrangement that will not work<sup>2</sup>

## 2.5 Geographic Numbering

*Question 24 What do you think of Ofcom's proposed general approach to managing geographic numbers?*

*Question 25 Do you have detailed evidence or suggestions on the variables likely to influence demand for geographic numbers, how those variables will change over time, and how Ofcom should develop a demand model?*

It is possible that, over the long term, the migration to fixed-mobile converged products and the increased use of 'buddy' lists in an VoIP world may ultimately reduce demand for fixed line numbers, but this is unlikely to happen until the universal adoption of NGNs has taken place.

*Question 26 Do you agree with the specific proposal for how to extend conservation measures, including the extension to areas with a number shortage predicted in the next five (rather than two) years?*

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<sup>2</sup> See the H3G response to Ofcom Consultation *Number Portability and Technology Neutrality* 2005



*Question 27 Do you consider there to be any upper limit, in terms of technical feasibility, on the number of areas in which conservation measures could be used?*

*Question 28 Do you agree with Ofcom's assessment of the impact of conservation measures on stakeholders?*

*Question 29 Do you agree that Ofcom should pursue these additional ways to improve number utilisation and, if we do, how would stakeholders be impacted and what practical issues are involved?*

*Question 30 What are your views on overlay codes, and Ofcom's assessment of them, as a fallback option to increase number supply? What should be the maximum number of areas where overlay codes are introduced?*

*Question 31 What are your views on closing the scheme, and Ofcom's assessment of it, as a fallback option to increase number supply?*

*Question 32 What are your views on wide area codes, and Ofcom's assessment of them, as a fallback option to increase number supply?*

*Question 33 Might wide area codes be appropriate in regions with a strong identity and, if so, which specific regions are suitable for wide area codes?*

As a mobile provider H3G has no comment on the proposals for the management of geographic numbers.

## **2.6 Improved trust and availability of 07 and 09**

*Question 34 Do you agree with Ofcom's assessment of the problems with current 08 and 09 in terms of information clarity and consumer perceptions?*

H3G agrees with the basement of consumer perceptions but as described in the answer to questions 8 and 10, has concerns about the re-designation of 0870 as 'national rate'

*Question 35 Which of these options for current 08 services do you think is best in terms of a) increasing consumer transparency and b) minimising the costs of re-structuring the 08 range?*

H3G believe that option 3 will provide the best solution for consumers and Communications Providers alike.

*Question 36 How might early migration to the '03' range be encouraged?*

H3G cannot see any justification for 'encouraging' migration.

*Question 37 Is it more important to indicate price per minute or price per call, and does this vary for different types of PRS*



*service? What granularity of PRS tariff information should be given to consumers by the Numbering Plan?*

As discussed in the answer to question 11 H3G believe it is crucial to consumer transparency and operator manageability that PRS numbers are separated into clear bands and that pence per minute and pence per call number ranges are kept separate.

*Question 38 Should there be any PRS number ranges with no tariff ceiling?*

H3G has no objection in principle to making PRS available with no tariff ceiling. However, as consumer confidence in PRS has, in the recent past, been shaken by internet dialler and other issues, H3G does not believe that this should be made available at this review point.

H3G believe that the PRS tariffing should be simplified (as described in the answer to question 11) and that a period of time be allowed for consumer confidence to build.

At the same time, the confidence of Originating communications providers must be rebuilt. Under the present arrangements OCPs are vulnerable to AIT operators changing rates and charging structures in the hope of defrauding the OCRs and their consumers with AIT levels and their consequent high level of outpayments. H3G notes that BT's policy of allowing backdated tariff changes for three months facilitates these unscrupulous operators.

H3G urges Ofcom to intervene to outlaw these practises. Until this happens OCPs are unlikely to want risk making available PRS number ranges with higher tariffs.

*Question 39 What is the typical turnover of 09 numbers, and what does this mean for migration timescales to a new 09 Plan? How could Ofcom structure the 09 range or take other steps to promote voluntary migration of 09 services?*

Migration of 09 services must take into account the risk of fraud and Artificial Inflation of Traffic. In order to reduce this risk, any migration plans need to be agreed by Originating Communication Providers, as well as Terminating Communication Providers.

## **2.7 Mobile and Personal Numbers**

*Question 40 Do you agree that that part of the 07 range which is currently unused (071-075) should be reserved for mobile services, with the aim of establishing 07 as a mobile 'brand'?*

H3G agrees with this approach. Indeed 07 has already established itself as being very clearly associated with mobile calling, despite the presence of personal and paging numbers in the band.

H3G would also support the move to put personal numbers in the 06 range if this was necessary to strengthen the *07 mobile* 'brand'. However, we believe Ofcom should manage this process carefully since the owners and users of 070 numbers are likely to hold the view that these numbers are 'theirs for life'



If such a change is to be made then the opportunity must be taken to simplify the tariffing in line with H3G's answer to question 11.

*Question 41 Should Ofcom reserve specific sub-ranges within the 071-075 range for new mobile multimedia services, in the interests of promoting consumer awareness and tariff transparency, and if so how?*

H3G is surprised that multiple parallel numbers for mobile networks is even contemplated as an option in this consultation. H3G is also puzzled that the Consultation refers to new 3G services in the future tense when they have in fact been available for over three years in the UK. H3G also notes that it has now been discussing the shortcomings of Mobile Number Portability in relation to broadband services for four years - so far to no avail.

H3G is strongly opposed to the use of sub-ranges for non-voice services.

- Consumers do not retain information about sub-ranges; it is too great a level of detail.
- Consumers prefer to have one telephone number. It is an unnecessary complication to have to give out two telephone numbers for mobile contact. The choice of whether the customer is making a basic voice call or a video call is then made on the handset during the call set-up procedure.

It would be quite wrong for parallel number ranges to be implemented as a 'lazy' alternative to sorting out the present shortcomings in the UK's number portability arrangements.

*Question 42 Do you support the use of 100,000-number blocks in allocating mobile numbers to new mobile voice providers?*

H3G is very concerned at the policy that the Ofcom Numbering Unit has been following in relation to the allocation of mobile number ranges. In asking this question Ofcom has failed to address the more fundamental point as to which services and communications providers should be eligible for mobile number ranges.

To date Ofcom has allocated 14 mobile number ranges to:

- Communications Providers offering Fixed-Mobile convergent services where an MVNO partner already has mobile number ranges allocated with Number Portability agreements in place
- Communications Providers offering nomadic services where there is no agreement with a spectrum licence holding mobile network operator.
- Communications Providers who have no credible plans to offer a mobile service

Ofcom has never properly consulted on whether the allocation of mobile number ranges should be extended to non-mobile operators.



*Question 43 Based on the above analysis, if Ofcom were to introduce a charge ceiling on calls to 070 numbers, which of the following levels should be adopted; i) 10 ppm ii) 15 ppm iii) 20 ppm iv) something else ?*

Although there are clear issues with some of the services provided in the 070 range, H3G does not believe that setting a retail price limit in the way that Ofcom proposes is the most appropriate way forward.

H3G believes that firmer contractual conditions between OCPs, terminating CPs and transit providers would help thwart much of the fraudulent activity the industry has witnessed over the last few years. A more simple tariff structure, as described in the answer to question 15, that provides for the various legitimate service levels that might be provided on personal numbers, is the best way of addressing this problem.

*Question 44 Would a requirement to make tariff information clearly available to purchasers of personal numbering services at the point of sale, either in addition to, or instead of a call ceiling, be an effective means of providing tariff transparency on personal numbers?*

H3G supports all initiatives to make tariff information available to consumers at (or before) the point of sale.

*Question 45 If a new sub-range is made available for personal numbering services, how long should the current '070' sub-range remain available for existing providers, in order to minimise migration costs?*

H3G believes this should be a fairly swift process, however the key issue is transparency. As will be the case in any switchover of 09 numbers, there will be some unscrupulous terminating providers who will exploit any loopholes in the migration process, and there could be a significant increase in the amount of artificially inflated traffic. Similar cases were seen when PRS were migrated from 0898 to 090, and with the market being much more sophisticated now, the potential risks are much higher.

*Question 46 What issues do you think would need to be resolved before Ofcom makes individual numbers available for direct allocation to end users?*

A major shift in policy such as direct allocation of personal numbers would require a full cost benefit analysis before it could be implemented.

## **2.8 Meeting consumer needs with market based mechanisms**

*Question 47 What do you consider to be the main strengths and weaknesses of the current rules-based system of UK number allocation?*

As discussed in the answers to questions 13 and 42 H3G is already concerned that Ofcom's control of the number allocation process is too



slack. H3G notes that mobile number ranges have been allocated by Ofcom to Communications Providers who are not mobile operators.

H3G believes that a move away from as 'rules' based system would be a retrograde step. H3G urges Ofcom to tighten up the number allocation procedure to avoid future mis-allocations, and to publish the 'rules' used to ascertain the eligibility of communication providers for number range allocation under the transparency requirements of article 10 of the Framework Directive.

*Question 48 Do you agree with these principles for number charging?*

H3G would not object to a charge being made by Ofcom to cover the administrative costs of number allocation, using the principles outlined. However, H3G believe that where number ranges are required because of Ofcom's failure to regulate effectively, these should not be charged for.

An example of this is the second number that H3G was required to allocate to all its customers for receiving video calls. Because of the shortcomings in the Mobile Number Portability system, video calls originating outside the H3G network did not originally work to customers with ported numbers. This was as a result of Ofcom's failure to mandate a system of direct routing for calls to ported numbers.

H3G notes that question 41 appears to assume that this situation will occur again in the future, and that new multimedia services requiring enhanced signalling will required parallel numbers in order to avoid the problems of onward routing used in number portability.

*Question 49 What are your views on Ofcom's assessment of the issues to be considered in setting and reviewing number charges? For example, should other issues be considered in developing charging proposals?*

H3G believes that if any number charging is required, it should be based on recovering the administration cost of the Ofcom numbering unit.

There may be a case to consider economic charging where numbers are scarce, for example in some geographic areas. However H3G does not consider this to be appropriate for other areas of the number plan for example mobile number ranges where this should not be a 'tax' on numbers.

If Ofcom adopts charging for number range allocation, H3G would expect to see the costs of the Numbering Unit taken out of the Ofcom annual fee.

*Question 50 Do you agree that charging for numbers could disincentivise economically inefficient behaviour, and incentivise economically efficient utilisation?*

H3G believes that if properly implemented number charging could incentivise more efficient behaviour. However, there is a danger that this approach act as a barrier for new entrants. Any number charging



mechanism must be competitively neutral between incumbent and new entrant operators.

*Question 51 What internal changes would communications providers have to make, and at what cost, to support charging for numbers? Would these changes be preferable to earlier and more widespread use of conservation measures and (limited) changes to increase geographic number supply?*

A charge would not affect H3G's internal procedures since the allocation of second numbers to mobile customers is mandated by the need to make multimedia services available to customers with ported in numbers. When Ofcom mandate the implementation of direct routing for calls to ported in numbers the internal process of allocating second numbers to handsets will be altered.

*Question 52 How might existing number allocation rules be reduced if charging for numbers was introduced?*

H3G believes that far from reducing the rules, Ofcom must tighten up the process of number allocation. The introduction of charging for numbers may reduce inefficiency but there is no reason to believe that it will prevent certain communications providers from continuing to make inappropriate use of number ranges.

*Question 53 What are your views on this illustrative charging mechanism, and would you suggest any changes or alternatives to it?*

H3G believe that any charging should be based on administrative costs:

- The administrative cost of issuing several number ranges within one application is lower than issuing the same numbers on separate occasions
- The administrative cost of issuing large and small number ranges is similar
- Costs levied should not act as a barrier to entry for new and smaller communications providers.

*Question 54 How would charging for number blocks affect consumers?*

Clearly the answer depends on how much is being charged for number blocks. If the charge is just to cover the administration of allocating new numbers, it is unlikely that this cost will be passed onto the consumer. If there was a charge based on the efficient utilisation, then there is a risk that some of this could end up being borne by the consumer.

*Question 55 What impact do you think charging for numbers would have on sub-allocation? Should Ofcom encourage or facilitate sub-allocation and, if charging were introduced,*



*would changes be needed to the process of sub-allocation to facilitate trading?*

H3G believe that Ofcom should not 'encourage' sub-allocation. Where sub-allocation occurs Ofcom should retain the same vigilance in ensuring that numbers are not misused.

## 2.9 Protecting consumer interests

*Question 56 Which types of consumer abuse do you think Ofcom should particularly attempt to address through its numbering policy decisions?*

H3G believes that consumer abuse is most effectively tackled by Ofcom adopting a strong approach towards communications providers who perpetrate the abuse, or who enable abuse through inadequate control over their 'customers'.

*Question 57 Which number ranges and types of originating communications provider do you think should be covered by an extension of the Numbering Plan's tariffing provisions? What practical issues are involved, and how would this vary according to the number ranges and service providers involved?*

H3G addressed this question in its answer to question 19.

*Question 58 What do you think of the potential conditions proposed by Ofcom for inclusion in a consumer protection test for number allocation, including the proposals that numbers should not be provided to anyone with a particular track record of persistent and/or serious consumer abuse?*

*Question 59 Are there any other circumstances in which it may be appropriate for Ofcom to refuse number allocations?*

*Question 60 Would you support the use of a consumer protection test as a basis for withdrawing number allocations? What kind of considerations should Ofcom apply in any such test, and what would be the practical issues involved in applying such a test?*

*Question 61 What consumer abuses do you think might occur in the future, and what steps might Ofcom take now in its numbering policy in order to reduce the potential for such abuses?*

H3G supports Ofcom's attempts at establishing qualifying conditions for number allocation. H3G believes that Ofcom's proposals do not go far enough. The evidence of artificial traffic inflation, 'missed call call-back' scams etc suggest that Ofcom should weed out unscrupulous communications providers sooner than at present.



### 3 SUMMARY AND CONCLUSIONS

H3G believe that Ofcom should address the issues raised in this consultation as follows:

- Introduce number ranges for fixed-mobile convergent services, probably in the 056 band. Mobile number ranges that have been allocated to fixed-mobile services should be reclaimed.
- Reclaim all other mobile number ranges allocated to non-mobile communications providers.
- Simplify tariff bands for premium rate and personal number ranges as described in the answer to question 11
- Review BT's interconnect terms to remove the right to backdate three months tariff changes to personal and premium rate number bands.
- Introduce tighter controls on the allocation of numbers
- Keep 08 as the special services band and not re-designate 0870 numbers as national rate
- Mandate direct routing for calls to ported mobile numbers to remove the need for number ranges for multimedia services