IV RESPONSE LIMITED

**RESPONSE TO OFCOM CONSULTATION: TELEPHONE NUMBERING
(SAFEGUARDING THE FUTURE OF NUMBERS)**

Please find below our responses to questions in relation to Telephone Numbering (Safeguarding the future of numbers). We have welcomed the opportunity to reply to this consultation.

We are a terminating communication provider (TCP) and in particular we provide number translation services (NTS), international calling where non-geographic numbers (NGNs) are used as the payment collection mechanism, IVR functionality and premium rate number services (PRS). We provide services and applications to many service providers (SPs) and consumers.

We have taken care to best understand the issues raised and balance these with our concerns as a TCP together with those of the SP and consumer.

We are aware that many consumers are becoming increasingly hostile towards many aspects of the current numbering plan and support Ofcom in tackling the reasons for these hostilities.

Consultation Questions

Questions from Sections 1-5

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

We agree with the strategic principles Ofcom has proposed to apply to its numbering policy decisions, however we are concerned that some of the actual proposals do not seem to relate to these principles. We have raised these concerns in our answers to the questions posed by this consultation document.

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

Ofcom has recorded that "*the strongest message from consumer research is the general lack of awareness of number ranges and their costs particularly outside the 01 and 02 (geographic) and 07 (mobile) number ranges*". We agree and support consumers on this issue and believe this has to be the key area of focus in determining a new numbering plan. The consumer must have confidence that when calling a number they will be told of the likely cost of the service being provided. The current numbering regime determines a price point for a given NGN or PRS number, however it has been identified in the NTS consultations

that these charges are rarely applied by many OCPs. Although the changes to general condition 14 will help consumers find pricing information more readily, we strongly believe a new numbering plan has to enforce clear pricing visibility, so as to promote competition between the OCP, TCP and SP, as well as to allow the consumer to make informed choices with the numbers and services they choose to call.

Question 3 What do you think are the main ways in which technological developments will change the focus of numbering policy decisions, and how should Ofcom's current decisions take these developments into account?

Technical developments within the industry will undoubtedly streamline services, reduce operating costs and provide greater choice and value for the consumer. However, it should not be underestimated that a consumer migrating to these services will want to be identified by a telephone number as opposed to an IP address. It is also likely many new subscribers to these next generation services will want to use them in tandem with their existing PSTN services placing further strain on numbering availability.

It is important for Ofcom to understand that as new networks and technologies are introduced, the reasons given to justify the non-implementation of price announcements etc. will in effect diminish. We believe Ofcom should not be influenced by OCPs claiming these actions are difficult or expensive to implement going forward.

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?

Whereas we agree that Ofcom has identified most of the key challenges to the numbering plan, we believe firmer regulation on the part of Ofcom and a code of practice applying to all who utilise 08 and 070 number ranges where revenue share is available, could have alleviated many of the issues outlined and not allowed consumer trust to fall so low. Examples of this are the many and well documented; scams on 070 personal numbers, fraudulent diallers, or unregulated adult chat services operating on 0871 numbers. Unscrupulous operators have not needed to be concerned about any action by ICSTIS and in effect have had a free reign to run amok.

Ofcom has again identified "*the strongest message from consumer research is the lack of transparency associated with the current numbering plan, particularly 08 and 09 number ranges*." An adequate enforceable code of practice applying to all communication providers could have addressed these issues.

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?

We agree with the proposals outlined by Ofcom to extend conservation measures to other areas, particularly allocating smaller number blocks. However, as implied in our answer to question 3, we believe that consumer demand for a local geographic number attached to their VOIP service could increase the strain on number availability. We acknowledge Ofcom is considering other innovative means of conserving numbers.

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?

We agree with this approach – perhaps there is a case for utilising overlay codes for VOIP operators in conservation areas where new consumers migrating to these services are not so concerned with the issue of a number determining geographic location.

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?

We agree the geographic identity of numbers should be maintained. Consumer understanding of new technologies will evolve as new services develop and we expect that new services will be well marketed with clear explanation in order to gain new customers. It is important that the trust the consumer has in geographic numbers is not undermined through excessive disruption when introducing these new services.

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

We do not agree with the Ofcom's proposal to open a new 03 number range for non-geographic, non-revenue share services. We feel the logic Ofcom has applied to reach this proposal is flawed. Our reasoning for this is as follows.

1. Ofcom has recognised the strength of the current 0800 free phone brand and wishes to leave those numbers unchanged due to these being well recognised and trusted by consumers. The reason for this is the fact that the consumer recognises the number and is well aware of the call charge and in most cases the call is actually made free of charge. Furthermore it is a requirement for mobile networks who wish to apply a surcharge to these calls to make a pre-call announcement ensuring the consumer

knows the cost of the call and is given the choice to make that call from that phone.

2. If the above principle was applied to the existing allocated / non allocated NTS number ranges i.e. the consumer is made aware of the price point of the number and any additional network charges applied by the OCP when making a call, there would be no need to open new number ranges to restore consumer confidence as this act alone will go along way to restoring confidence. This also has the benefit of promoting competition between the OCPs, TCPs and SPs.

3. It is interesting to note the first NGN range to reach exhaustion is the 10p 0871 (highest price point!) and PRS £1.50 0909 (highest price point!!). We believe the current numbering plan has done little to promote competition between TCPs and SPs, as most of them use the most expensive numbers, and hence these are the first to run out. We believe the focus should be on promoting the existing number ranges maximising their benefits before any consideration is given to a new number range.

4. In effect revenue share is going to cease on the 0870 number range (and in future the 0845 range) with a requirement for OCPs to tariff these calls at their geographic rates. We believe the focus should be on restoring trust in the 0870 range, with this number being promoted as a national presence number with no revenue share, charged at the OCPs prevailing geographic rate.

5. There are currently price points from 0.5 pence to 10 pence within the existing NTS number ranges. We believe any new number ranges should be to replace these when they reach exhaustion. The current numbering range is adequate and covers all price points. The emphasis should be placed on restoring confidence with the numbers currently allocated through a new numbering plan before consideration is given to confusing the consumer with more numbers.

6. Businesses that have selected an NGN where they receive advanced features or revenue share, have done so in order to reduce costs. Businesses that still require these features will migrate to another NGN where these features and revenue share are available, not to an 03 number where there will be additional charges incurred.

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

As outlined in the reply above, we do not agree with the opening of a new 03 number range. To reiterate, we believe the emphasis should be placed on

restoring the confidence in the existing number ranges and, only when these are exhausted, should new number ranges for NTS services be opened.

It has been suggested by Ofcom that the 03 range could be designated for public services. This would lead to a situation where 200 operators apply for number ranges where there is likely to be only a small amount of potential customers! There is a suggestion that the bigger operators be given larger allocations ensuring they receive the best (memorable /golden) numbers to the detriment of smaller operators. Neither of these suggestions should be allowed to happen.

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

We do not believe there is any need to restructure the current 08 number range. A new numbering plan should enforce clear and accurate pricing, with any OCPs deviating from a price point to inform their customers. There should be a sensible means tested number allocation and adequate regulation from an organisation such as ICSTIS with a code of practice applying to all OCPs TCPs and SPs.

In an ideal world there would be massive merit in a system where 0871 charged 1 pence, 0872 charged 2 pence and so on an so forth. However, due to the legacy of the regimes currently in operation, this scenario would lead to immense disruption were it to be implemented.

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)?

We believe the best approach would involve minimal disruption. We agree a restructuring of the 09 number range is necessary to enable a caller to differentiate between calls that are charged on a per-minute or a per-call basis. However, we do not feel it is necessary for the actual number to reference the likely call cost as the ICSTIS code of practice enforces the requirement to advertise and inform callers as to the cost of the call. We believe the greatest emphasis should be placed on the OCP originating the call to inform their customers of any additional network charges they may apply above the advertised price point. This would remove the need for the service provider to state, "calls from some networks may vary" confusing the consumer and creating mistrust.

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?

We feel the current regime regulated by ICSTIS, dictating that all adult content can only be terminated on ranges starting 0909/0908, is satisfactory. With the proliferation of gambling services and the growth of gambling channels on satellite television, we believe a similar range should be allocated to gambling services with the same level of regulation.

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

We cannot identify any practical means to achieve this.

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?

A tariff ceiling in this instance is irrelevant due to the fact that the ceiling would have to be chosen by the TCP who has no control over what the OCP charges for the call. This illustrates the need for the numbering plan to require the OCP to bill the call at the selected price point or play an announcement outlining their additional networks costs. We can see no reason that if this was to be applied to personal numbering that it cannot also be applied to 08 and 09 numbering.

Question 15 Do you agree with Ofcom's proposal to move personal number (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?

We agree with this proposal, as it would in effect give a fresh start to personal number services. We also believe that adequate regulation by ICSTIS would need to be applied to this range from the outset so as to guarantee consumer faith in these services. We agree that direct allocation of numbers to end users is a valid consideration for the future.

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

We agree the 05 number range should be kept under review for future services.

Question 17 Do you agree that Ofcom's overall proposal 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?

We do not agree that Ofcom's overall proposals are coherent. We feel there are grounds for continued consumer concern for the following reasons.

1. As outlined in our answer to question 8 above, we do not see a valid reason for opening the 03 number range, as this would only promote further confusion. We believe the existing 0870/0845 should be promoted as national non-revenue share brands.

2. To restore consumer trust and confidence in the 08 and 09 number ranges price transparency and adequate regulation is required. We are very concerned and extremely surprised that "*improved service and transparency*" does not appear on the road map until 2010, especially when Ofcom research has identified this to be the most important consumer issue.

3. As outlined in our answer to question 14 above, a tariff ceiling on 070 numbers has little value as the OCP can charge what they like for these calls.

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?

We agree with the proposal to use consumer protection tests when allocating numbers. Historically, particularly with PRS, the number allocation has been made to a "Network Operator", and in some cases, the Network Operator has not even owned his own switching platform and has hosted these numbers on another TCP's network. This has meant that entry to market has been at a very low cost. Regulation through ICSTIS has only applied to the Service Provider taking numbers from the Network Operator and this has opened loopholes where a Network Operator could be the instigator of abuses with little or no regulatory control. The ICSTIS 11th code of practice now places more emphasis on Network Operators to comply with the code or face possible financial sanctions for non-compliance. We believe this will solve many issues.

As a suggestion for a test, we believe there should be a minimum requirement for a new or existing Network Operator to pass the requirements (with respect to identification, financial standing etc.) to open a UK bank account before any

number allocations are processed. Furthermore, ICSTIS should play a major role in any future consumer protection tests for new applicants.

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

We believe this is the single key issue that will transform and fully revitalise consumer trust and confidence in the NTS and PRS sector of the telecoms industry. Ofcom research has identified "*the strongest message from consumer research is the general lack of awareness of number ranges and their costs particularly outside the 01 and 02 (geographic) and 07 (mobile) number ranges*".

We believe the tariffing provisions that apply to BT for NTS and PRS numbers should be applied to all communication providers. As a step further we believe the principles of SMP should also be applied to mobile networks as nearly every person in the UK over the age of 12 owns and regularly uses a mobile phone.

There is and always will be a valid debate that OCPs other than BT have higher operating costs (i.e. origination/termination) than BT and this should be accommodated. We believe the best solution moving forward would be the following-

1. All OCPs who choose to carry NTS and PRS through their network must as a first step charge the call at the designated price point.

2. An OCP who wishes to charge a surcharge over and above the cost of the price point will be perfectly entitled to do so, but they must make this surcharge perfectly clear to the consumer, via a pre-call announcement or something similar.

3. Any surcharges that an OCP applies will be highlighted in all marketing material to allow the consumer to make an informed choice when purchasing their services.

4. To aid transparency and promote competition we believe OCPs should be required to only apply one surcharge to NTS calls and one surcharge to PRS calls.

5. The scope for consumer abuse through lack of understanding would effectively disappear.

This would then create a situation where a SP could promote a service confidently stating "the retail cost of this call is 2 pence per minute" as the responsibility of informing the consumer of any surcharge would reside with the

consumers OCP, who would have to announce "a surcharge of 2 pence per minute applies to the retail cost of this call."

The benefits of this type of regime are enormous, as the competition between TCPs and SPs will lead to utilisation of number ranges in lower price points (i.e. 2p, 3p 0844) which benefits the consumer with cheaper tariffs. The OCP will also have to compete in keeping their surcharges to minimum, particularly with consumers who regularly use NTS and PRS services as the surcharge could influence the purchasing decision for a communication service.

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

If Ofcom puts price transparency and the other measures we have outlined in place, then extra steps to communicate the Numbering Plan to the consumer would become unnecessary.

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

We do not agree with the proposal by Ofcom to charge for numbers and do not see charging as an incentive for number conservation. Number charging will create a barrier to entry for new operators and place prohibitive costs on smaller established operators, it is likely these charges will create higher costs for the consumer. We believe more effective methods of number utilisation by communication providers including the justification of number applications should be the focus.

If Ofcom can demonstrate a justified requirement for Operators to fund certain aspects of their operations (we would strongly object to this) we believe Ofcom should consult on a levy type of approach for this purpose perhaps based on operator revenues, and ensure there is no discrimination against smaller operators and new entrants.

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

We do not agree with the proposal to charge for numbers (see our answer above). We would be very concerned with value based charging as this could in effect give Ofcom the opportunity to auction golden number ranges which would clearly favour larger operators.

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?

We have no further comments and reiterate that the main consumer concerns should be the first areas to be addressed in the numbering plan.

Detailed questions from Annexes 1-5

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

We agree with Ofcom's 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?

We cannot provide detailed evidence on likely variables to influence demand, but we believe it is likely that consumers will run traditional PSTN and VOIP services in parallel which could place a higher than envisaged strain on geographic numbers (see answers to questions 5 and 6 above).

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

We agree and view this measure and consultation as the best approach.

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?

We feel the view of the CPs who utilise these switches as to whether they agree or disagree with the technical research would have the most important opinion on this proposal.

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

If communication providers have raised no concern in previous replies to consultations, then we would have no reason to disagree with Ofcom's assessment.

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?

We agree Ofcom should examine number utilisation, but they must be aware that in certain areas where a provider has been allocated a 10,000 number block, only a small amount of these numbers may have been used, and this usage could be randomly distributed over the whole block, which could make it difficult to reclaim blocks of 1000 numbers.

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?

We agree that overlay codes would offer the best fallback position as using these is the option least likely to cause disruption.

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

We feel it is important not to create any scenarios where the consumer looses confidence in the geographic numbering scheme and would view this option as being the least desirable.

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

We would consider this fallback option as being undesirable (see answer above).

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

Yes this is possible, we would not wish to comment on what those areas may be as this is down to the individuals living in those areas to make that claim.

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

Yes we agree with Ofcom's assessment, we would like to add that the single largest consumer question we are asked is "*what is the cost of calling NGN/PRS numbers from networks other than BT*".

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?

Please refer to the answers we have given to questions 8,9,10 and 19.

We can only offer support to Option 1 (A2.28), as we believe this will cause the minimum disruption. We disagree with Ofcom's view that tariff and service transparency will erode over a period of time. Again we would like to reiterate that an accurate pricing policy and adequate regulation would offer the greatest benefit in helping restore consumer confidence in NTS and PRS.

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

As we have already pointed out, we do not support the introduction of a new 03 number range.

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?

Both single tariff and per minute tariffs are available and it is equally important for the SP to advertise the cost. We cannot see any real benefit in trying to give tariff information via the number, as the ICSTIS code of practice requires service providers to advertise the call cost at point of sale.

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

We cannot see any merit in this as the OCP bills the customer so any ceiling set by a TCP would be irrelevant. As we have pointed out for any of these considerations to have any merit the OCP would either have to charge the call at the price point or have a mechanism in place to inform the caller of any additional network charges. Furthermore ICSTIS adjudications demonstrate that abuses almost always occur on PRS numbers at the highest price point so we would not be in favour of introducing higher value PRS numbers without further consultation.

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?

We have found that many PRS services only run for limited timescales, for example competitions and voting services, and so the turnover of numbers can be quite large. As already stated, we would prefer minimum disruption to the 09

number range but recognise there is a case for introducing a gambling / quiz category and would welcome further consultation on this issue.

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

We agree the whole 07 range should be established as a mobile brand.

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

As per our answer to the above question we agree 07 should be a mobile brand. We feel it is the responsibility of the mobile SP to inform the consumer of the tariff and service when purchasing the product, attempting to do this through the numbering plan would have little value due to the scale of number porting taking place.

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

We agree and support this proposal, especially if this will help create competition in a market, which is currently dominated by a handful of operators.

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

We would recommend a charge ceiling, which would cover the cost of the call terminating on a mobile network; we believe this would currently be at a level of 15 – 20 pence. There is a case that some consumers may require a tariff where the call would terminate on an overseas mobile network where the 15 – 20 pence ceiling would not be sufficient.

Again we would like to reiterate that charge ceilings will only have any merit if the OCP is charging the call at the price point or have a mechanism in place to inform the caller of any additional network charges.

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?

The numbering plan should clearly define the use of personal numbering services and this should not allow a personal number to be used as revenue

generating PRS type service. Personal numbers (as per there definition) should be allocated to individuals only as a follow me type service. We would not deem it necessary to introduce regulatory control to advertise the call costs as we see no valid reason why these numbers would be advertised to promote a service in the first place, they should merely be a means to contact an individual. The issue of price transparency should reside with the OCP on the same basis as how they inform their customers of geographic and mobile calls.

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?

In the instance of personal numbers we believe the opening of the 06 range is positive and encouraging. We would welcome further consultation on this proposal with a view of agreeing the possible call cost and regulation issues as soon as possible.

Due to the many issues created with 070 numbers, due to the lack of awareness and mistrust we would recommend the migration times to the 06 range is kept to an absolute minimum. We would propose 12 months as a maximum in this case.

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

We believe the question of how these numbers are regulated to ensure there is no repetition of the 070 abuses is the key issue.

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

We do not view the current numbering allocation system as being intrusive and obstructive. When making our numbering applications we ensure we have identified the need for the number requirement and have a business plan in place. On occasion Ofcom has requested we provide evidence to support our application; we have provided this evidence in a timely manner and have not found this process to be intrusive. Our understanding is these requests apply to all operators regardless of size and we view this as strength of the current system.

The possible weakness with this system is that it could favour larger operators where it is easier to demonstrate demand, possibly to the detriment of smaller or new entrant operators.

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

We understand the principles Ofcom has outlined particularly in keeping any number charging non-discriminate and fair, however as already stated we do not agree with the concept of number charging.

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

As we have stated we do not agree or support the concept of number charging, however we have stated we support number conservation measures. There could be a case that if operators are "hording" number blocks with a utilisation under a certain percentage then a charge could be applied to those operators, however even with this we would still be concerned with the effect this could have on smaller and new entrant operators.

Question 50 Do you agree that charging for numbers could provide a disincentive for economically inefficient behaviour, and incentivise economically efficient utilisation?

We agree that charging for numbers could reduce the amount of numbers allocated by Ofcom but our view is this will be due to the prohibitive cost for new and smaller operators simply not applying for them, which will benefit the large operators due to lack of new competition. In the long term this could result in higher costs to the consumer due to lack of competition in offering price competitive services.

We would like to remind Ofcom that the profit margin achievable from many telecoms services due to competitive pressures is very low, and the ability to incur losses while trying to gain market share is high. We do not favour Ofcom applying further pressures to new and existing smaller operators by adding further operating expenses.

Question 51 What internal charges 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?

Given our answer to question 50 we would have to assume we would have to pass the cost of number charging on to our customers, we cannot comment on what this cost is likely to be or whether we could absorb the cost because we do not know what it is likely to be.

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

Although our view is that number allocations will decline for the reasons outlined in our answer to question 50. There should be consideration from Ofcom that if number charging were to be introduced, and conservation measures were relaxed leading to even more numbers being issued, then Ofcom has no fallback option.

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

We do not agree with any form of a value based charging mechanism as this will clearly favour the largest operators with the most financial resource and will discriminate against new and smaller operators

Question 54 How would charging for number blocks affect consumers?

This will more than likely increase the cost to the consumer, however it is difficult to identify this until the likely charges to the operator are known. It is also worth noting that some consumers in conservation areas are likely to pay more for their geographic telephone services due to no fault of there own.

We would like also for Ofcom to consider this very important point - if number charging was to be introduced then there is a probability that many operators would be inclined to only request numbers at the highest price points, where the opportunity to make margin would be at its greatest. As an example there would be no incentive for an operator to request 0844 numbers in the 4 pence range and incur extra operating costs when he could just apply for 0844 5 pence numbers and encourage his customers to use these. This scenario does little to promote competition and choice and the consumer will not see a reduction in the cost of their telephone calls to NTS and PRS services.

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?

As an operator we encourage sub allocation and have many secondary customers who are reselling/allocating numbers to end-users. We manage the number allocation to our resellers and utilise our number ranges well.

We believe number charging will have a negative effect on sub allocation due to the extra costs that will be passed to the sub – allocated. As we have stated, in many instances operating profits can be very low for operators trading in a very competitive environment and it would be prohibitive to enforce further costs.

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

We have outlined many views on consumer protection and we believe the numbering plan should be structured as the first form of regulation, with further regulation through an adequate code of practice (such as ICSTIS) on all NTS and PRS services where revenue share is available to an operator.

In conjunction with ICSTIS we believe Ofcom should deny and even withdraw number allocations to operators who are persistent in allowing consumer abuses and code breaches to take place on their networks.

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?

Please refer to our answer to question 19, to reiterate, we believe this is the single key issue that will transform and fully revitalise consumer trust and confidence in the NTS and PRS sector of the telecoms industry. Ofcom research has identified "*the strongest message from consumer research is the general lack of awareness of number ranges and their costs particularly outside the 01 and 02 (geographic) and 07 (mobile) number ranges*".

We believe the tariffing provisions that apply to BT should be applied to all communication providers. As a step further we believe the principles of SMP should also be applied to mobile networks as nearly every person in the UK over the age of 12 owns and regularly uses a mobile phone.

We would urge Ofcom to listen to the *"strongest message from consumer research"* and place priority in tackling "*improved service and transparency*" before 2010 as outlined in the roadmap.

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?

Please refer to our answer to question 18. To reiterate; the 11th ICSTIS code of practice will solve many of the abuse issues experienced due to regulatory control being placed on the Network Operator. We agree with the potential conditions proposed by Ofcom and welcome further consultation on this issue. We believe ICSTIS has valuable experience in this area and their guidance would be most relevant.

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

As we have previously stated, we believe there should be a process in place where a new or existing operator applying for number ranges should at least have the standing to open a UK business bank account. We believe Ofcom should adopt the same process as the banks in terms of financial viability and identification checks when dealing with a new application, and if a standard is not met then the application refused.

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?

We would support the use of a consumer protection test as a basis to withdraw numbers. As already stated, we believe adequate regulation through an organisation such as ICSTIS should apply to all operators utilising any NTS or PRS number within the numbering plan where revenue share is available (including 070/060 numbers). We believe the most constructive answer should be sought from ICSTIS on this issue.

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?

It would be very difficult to identify future abuses, as the individuals who perpetrate these scams are very clever. The best step Ofcom could take is to allow an organisation such as ICSTIS regulate all NTS and PRS services, where all operators in the value chain would have to adhere to a suitable code of practice or be heavily penalised for any breaches.