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Telephone Numbering : Safeguarding the future of numbers

This is the response to Ofcom's numbering consultation by Magrathea Telecommunications Limited, a Network Operator active in most areas of telecommunications, including premium rate and NTS, subscriber telephony and also as a founder member of ITSPA (Internet Telephony Services Providers' Association) active in the Voice over IP market.

We welcome Ofcom consulting on this subject, as we feel that it is vital to have a sound numbering base for the telecommunication industry to build upon in todays market of new technologies and rapid growth.

Throughout the consultation document we notice that Ofcom has repeated themes concerning consumer trust and confidence in using telephone numbers, and we would echo this importance. However we are not sure that Ofcom has suggested measures to make truly ideal changes for the average consumer. In particular we feel strongly that consumers favour consistency and simplicity when dealing with telephone numbers, especially in the key areas of the numbers themselves, price and access.

They do not like numbers that change, regardless of the reason whether concerning their own telephone number or the numbers that they have to call. They also don't understand number codes beyond a simple small list and so would not support suggestions such as a very granular 'service' typing within 09x.

Consumers like to know how much a number costs and so we would support schemes that encourage the publication of number costs (where appropriate) alongside the telephone number itself. However given the huge take up of mobile devices it is very confusing for a user to pay the price they are expecting when using a landline and then use the same number from a mobile device and pay significantly above the expected rate even when taking the mobile 'landline' rate into consideration, so we feel Ofcom should do more to mandate price controls on originating operations where NTS numbers are concerned.

The final area of concern to consumers is access, it causes significant disruption to a user when they are unable to access the same telephone number across difference services, especially when these services appear to be the same as their BT telephone (e.g. from CPS or alternative fixed line suppliers) therefore we suggest that Ofcom should go further in ensuring that there is an obligation on all ECS & PATS providers operating as originating operators to carry numbers designated as 'subscriber' numbering within the numbering plan (e.g. mobile 076/077/078/079, geographic 01/02 and location independent 056).

On other areas, it was very surprising to read as part of this consultation that 056 numbers appear to be now considered 'experimental' only about 14 months after the number range was released as a solution to operators who wished to provide subscriber numbers which did not have a geographic significance. This is characteristic of the lack of support which

combined with Ofcom's inability to enforce the carriage of number ranges by the majority of telecom carriers within the UK, which has led to serious problems in the use of this number range. Whilst it is interesting to read about Ofcom's new plans, for example the 03x range, what guarantee can be given that Ofcom will be able to ensure that these are going to be supported by other operators?

Finally, we are very concerned at the conclusions from Ofcom as a result of the NTS consultation, in particular those involving 0870. We believe that the result benefits no-one. The change to the interconnect mechanisms described together with the retail price changes will result in a range that is only viable to operate on a 'Receiving Party Pays' basis.

Because of the enquries we have already received from existing 0870 numbers we believe that this itself will result in most businesses that selected an 0870 number because of the network services provided within the interconnect revenue, migrating, not to 03x numbers, but 0844 numbers. These will in most cases result in an increased cost to the consumer to call (as most retail customers will call 'off-peak' where 0870 had reduced charges) as well as the great confusion caused by the renumbering and cost to the companies concerned with stationary reprinting etc.

We feel that it would have been far more sensible to perform the simple changes of a) cap 0870 costs at an absolute price point similar to that of a low rated 0844 and b) enforce a requirement to inform customers of the cost of calling the telephone number. This is then more likely to have had the effect of allowing businesses to maintain their existing number and allowing the network operator to continue to provide network services within the interconnect revenue albeit at reduced cost. 03x could still be promoted as an alternative for 'consumer friendly' services.

Answers to the consulation questions follow:

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

We have no particular comment to make, other than to emphasise that continuity and clarity are so important to consumers.

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?

The most important feedback when we talk with consumers about numbering is that they feel that continuity and consistency is very important. They don't like numbers changing, whether they are their own numbers, or the numbers that they are trying to call. They like to be able to access these numbers through whatever device they are trying to use, and they expect to pay broadly the same price whatever device they are using.

In many situations this does not happen today,and with Ofcom currently not regulating in this area and not proposing to do so at this time, the situation is only likely to get worse in the future.

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?

We do not feel that the listed future developments should have any impact of Ofcom's numbering policy at this time, as they are too far in the future to have direct impact to the majority of consumers. However, lower cost and more advanced technology will result in increased numbers of operators active in the market, and this will have an effect on numbering demand.

We feel the most important step Ofcom can use today is to decrease the size of number allocation where required to 1,000 number blocks.

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?

a) We do not have any particular comments on number availability, although it is worth pointing out that, as Ofcom identified, there have not been availability problems with geographic numbers where conservation measures have been in place;

b) We believe that Ofcom has missed the huge confusion caused the often significant pricing differences charged by mobile and some alternative operators compared to the BT retail pricing of these numbers;

c) We cannot accept that the Ofcom data is correct, especially in regard to '82% of consumers would not call an 090 number', we can only assume that the market research had flaws in its sample set or questions asked. Whilst a large minority of consumers do have objections to 07/08/09 this does not form the opinion of most consumers who might be interested in using these services, otherwise there would not be such huge successes of products such as 'Big Brother's eviction vote'.

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?

Yes.

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?

Yes. We are satisfied that (especially since the common use of mobile telephones) most consumers are happy dialling full area codes, and this saves the confusion of large scale renumbering.

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?

Yes, although we think that should be kept 'for the life of the numbering plan', there are sufficient numbers outside 01/02 to satisfy the demand for future nomadic/converged applications.

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

We don't understand how this range is supposed to differ from the 056 'location independent range' launched a year ago, although we note that a number of parties at the time proposed that 056 would be too restrictive and an 06 or 03 code would have been appropriate. In addition, if this range is introduced will we be expected to renumber all our existing clients who have been issued 056x numbering into the 03x range?

We are also concerned given the lack of coverage of 056 amongst some major networks and the lack of Ofcom's power to compel implementation that this will cause the same failure of any new code of this type.

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

We do not think tariff or service flexibility should occur at all, if this range is to have the meaning intended then the only valid implementation is to insist that geographic equivalent rates are applied, at both the retail and interconnect level.

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

Simplicity is important, as is consistency. We would suggest a very simple free/low/high basis similar to 080 = free, 084 <=5p, 081 <=10p. No restriction (other than no adult services) on service types. We would not expect any forced renumbering.

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)?
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 believe that a very simple banding is the only sensible answer, probably no more than 'low rate' e.g. less than 50ppm/ppc, 'high rate' more than 50ppm/ppc, and 'harmful' e.g. sexual/adult services.

If too many categories are applied it will force network operators to hold huge numbers of number ranges to ensure that they can offer the range of services to service providers. Today we already have to have duplicate tariff bands in 0904/5/6,0907, 0908/9 and 0911 bands which waste number space.

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

We do not see any need to do so. The only really valid method would be for larger allocations by operator so consumers knew which operator they were calling, but this would hinder any desire for smaller number block allocations in the mobile range.

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?

We don't believe that this will create any difference of either consumer awareness of the cost of calling or use of this range. Also, because this market uses some of the higher priced numbers for legitimate world-wide contact services any low ceiling will have a significant impact on these. We would not support a ceiling lower than 50ppm.

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?

We don't see the point with a forced renumbering of these services, but can see some value in all new allocations occurring in the 06 range. However, to achieve a '1 by 1' number allocation system for consumers the industry will require a 'call by call' look up database, exactly the same system required for true, effective number portability, therefore we would recommend that Ofcom support such a system as soon as possible.

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

The primary reason that take up of 056 numbers has been as low as it has been is that the number range has been refused to be carried by several major cable telephony operators (or carried on commercially unattractive terms). As a result consumers have been unable to use the numbers from many devices resulting in both lack of calls and service providers being unwilling to issue them.

Ofcom's inability to ensure take up of new number ranges is major contributing factor to this.

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?

We feel that the overall proposals are good, however we have significant doubts over many of the proposed implementation mechanisms required to get to this point.

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 understand the basis upon which Ofcom has proposed this suggestion, however we feel that it is unlikely to be fair and workable in practice, e.g. the given example of breaches of the ICSTIS code are more likely to occur by PRS service providers than network operators, and a network operator is unlikely to be at fault in these cases, and shouldn't be precluded from obtaining more PRS number ranges because of the action of one of their customers.

In fact the vast majority of abuses of these number ranges occur by parties other than the direct network operators obtaining these ranges, therefore we would have to oppose this idea.

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?

We think this is nonsense to expect the 'termination provider' to have to choose the rate for their services based on an unrestricted origination market and in practice could not work.

We believe that consumers need to have much more certainty of the price they will pay for dialling a telephone number, and so for all numbers that are allocated a specific tariff designation within the numbering plan there should be restrictions on the originating operator in place to stop the wide variations that we see today, for example an 0844 abc xxxx number @ 5ppm it should not be allowed for another e.g. mobile company to charge as much as 40ppm for the same number.

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

We agree the telephone book is a good idea for such information, as is working with providers that issue telephone bills to include it with these.

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

Whilst we understand that Ofcom feels the need to investigate all avenues available we would be strongly opposed to number charging. Instead we believe Ofcom should test other systems such as smaller number allocation systems as well as encouraging operators to source numbers from other operators where utilisation in the number blocks required will be low.

It is our opinion that any numbering charges could be detrimental to the market in general. Any measures which have the ability to limit abuse by large operators will significantly impact small new entrants, and restrict competition. Any measures which do not have this level of impact on smaller operators will leave larger operators to continue current practices.

In particular when considering many markets it is important to obtain complete or near complete number coverage to have a viable product at all, for example a nation-wide VoIP operator may not be able to successfully sell the product at all if it only works in 10 major cities - which would be the situation facing many new, innovative NVS operators if number charging applied.

Also, we are especially concerned with any system which will apply charging to numbers obtained in the past, or any retrospective charges, as this may leave many operators in a commercially unviable position, unable to pay for all the number ranges it holds, but unable to return them because of active consumers within them.

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

Only in future where numbers might be allocated on a one by one basis and therefore admin charge might be appropriate.

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?

No

Detailed questions from Annexes 1-5

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

We agree.

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?

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?

Yes, we agree.

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 expect that some networks will have an technical limit on the number of 'decode' entries that they can program into their switching equipment. However, depending on the location of these within the network concerned this may or may not be a real issue. Many networks based on newer technology will not have such a limit.

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

Yes, we agree.

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?

Yes, but only in areas where demand is proved to require it. In real terms withdrawing and reissuing a number block has significant real costs involved as well as a reasonably long timescale.

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 feel that overlay codes are a pragmatic solution when number resources are limited. We would say that rather than restrict an overall number of overlay codes, instead consider a maximum of one overlay code per original area code.

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

Will be technically easy to implement, but can cause possible greater confusion to elderly persons who may find it difficult to understand why they need to call a 'different' number.

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

Wide area codes do release a large quantity of additional numbers, but they will require large scale renumbering which is something that consumers have especial resistance to.

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?

We have no particular views.

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?

We agree that information clarity, especially regarding the actual cost to callers is lacking on 08x and 09x numbering. However, as mentioned in the answer to an earlier question, we do not believe that the majority of consumers mistrust these numbers.

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?

None of them. We'd suggest maintaining a wide banding of '080' free, '084' up to '5 ppm', '087' up to 10ppm, with the special case of 0870 whilst being part of '087' being tariff restricted to 5ppm. This would ensure no forced renumbering, very low cost, and a simple system that consumers could understand.

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

We do not believe that migration should occur. 0870 should be allowed to continue with a lower tariff ceiling. 03x (056x?) should be used for any demand where the recipient of the call requires a nation-wide identity and geographic cost to call.

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?

Price per minute. (Unless single drop call, when price per call). We think the numbering plan should only enforce a very course granularity, ideally 'low/high/adult' bands only.

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

Existing ICSTIS price per call limits should be maintained, however there is value in higher price per call tariffs similar to SMS premium text, e.g. up to £5 per call.

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?

Slow. Whilst some numbers are used for short term promotions some have life of many years.

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'?

Yes, we agree.

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?

No.

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

Yes. We would also support the use of 10,000 number block allocations.

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 ?

We strongly believe a ceiling of 50ppm is the only viable option. There are a number of products in the market place, including our own which specialise in 'international' use of personal numbering where the call revenue is used to fund international diversion, especially to international mobile phones. This whole market section would be forced to close with a ceiling lower than 50ppm.

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?

No. As the consumers concerned are those making the calls, rather than those receiving the calls, we don't see that this could achieve a significant difference.

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?

Renumbering should not be forced for some years as many users still use these numbers for long term contact numbers. However, all new allocations could be made in the new designated range.

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

It is essential that a 'call by call' lookup database is established for such a system to be viable. This same system would be required for a truly effective number portability system, therefore we support its development.

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

We are in general very happy with the current system. It is clear, objective and pure. Attempts to introduce 'market elements' are more likely to cause harm to the system than benefits as any pricing will presume the uses to which the numbers are to be used and to potentially restrict products and models that will develop in the future.

Ofcom has already identified number block size and overlay codes as key mechanisms that can be used first to handle shortages that occur in the future, and together with a true, flexible number portability system should cater for most issues.

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

We do not agree with number charging at this point at all.

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?

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

We agree that it could, but not that it will necessarily do so. We also suggest as mentioned above that it has the potential to stifle innovation and prejudice the market towards operators with establish client bases against new entrants.

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?

We would foresee a large amount of extra workload within organisations to ensure that the financial element is correctly considered, reported and analysed when numbers are managed. We cannot believe that this is better than the fairly simple task of managing smaller number blocks or overlay codes.

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

We would expect to have effectively free access to numbers without restriction if we were expected to pay to acquire them.

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

Once again we would point out that this would always favour the existing provider over the new entrant and by doing so hinder competition. Also, in this example we would dispute the option of releasing a block when it is not viable to hold it anymore, this would not in reality occur as a provider would have to continue service on a number block even if there is only one active customer using it.

Question 54 How would charging for number blocks affect consumers?

We feel that service costs would increase, as some providers would start adding a numbering charge element to their charges, and in addition reduced competition would reduce services available and increase average pricing.

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?

Sub-allocation would be more attractive, both from the primary range holder trying to recover costs, and from the secondary user trying to avoid paying allocation/annual fees directly.

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

In many ways the most important 'abuse' is that inflicted on consumers by both the lack of price awareness and the difference in calling cost between landline and mobile devices, especially where these costs can vary by as much as 40ppm between a landline and mobile device, in most cases without the consumer being aware of this.

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?

We believe that all originating communication providers should be covered, and all ranges where a specific price per minute or price per call has been set for the number range itself, for example 4ppm 0844 numbers. However, it would be fair to allow a maximum price deviance based on the cost of a geographic call i.e. geographic + 4ppm for the above example, rather than a BT retail comparison.

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?

We understand the approach that Ofcom is trying to suggest, however we feel that in practice it is not likely to be effective. For example, most breaches of the ICSTIS code take place by service providers and not network operators, although it is of course network operators who apply for numbers. To have to notify Ofcom of all sub-allocation of numbers will produce a huge administrative overhead, as although many allocations are of number blocks, it is equally common to provide '1 by 1' allocations. We would suggest blocking access to number allocation should only occur in the most severe, repeated cases and even then should only be proportionate, i.e. if the offence involved 09 PRS numbers then access should not be restricted to geographic numbering.

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 only support such a test if suitable legal framework could be put into place which would absolve the network operator from consumer responsibility to continue service and legal challenge if number ranges were withdrawn by Ofcom. Otherwise an incorrectly judged withdrawal would probably lead to the failure of the company in question.