

Determination: Metering arrangements

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Summary

This document contains a determination under Condition 11.1 of the licence of Core Telecommunications Limited. The effect of the determination will be to provide for the latest date by which the licensee shall apply for Approval as regards the description of Meter specified by the Director General of Telecommunications (the 'Director') which is in use on the date of that specification.

**DETERMINATION UNDER CONDITION 11.1 OF THE CORE
TELECOMMUNICATIONS LIMITED LICENCE****WHEREAS:**

A. on 25 June 1999 the Secretary of State granted under section 7 of the Telecommunications Act 1984 (the 'Act') a licence to Core Telecommunications Limited (the "Relevant Licence");

B. Condition 11.1 of the Relevant Licence provides that as regards any description of Meter in use on a date specified by the Director in connection with the Applicable Systems and which has been specified by the Director, the Licensee shall apply for Approval as soon as is practicable, and in any case not later than such date as the Director may determine in relation to that description of Meter;

C. this Determination relates to the meter, as specified by the Director in Designation Number Oftel/2001/1 of 21st December 2001 and remade without change 26 June 2002, in use by the holder of the Relevant Licence on the date of that Designation (the 'Meter'); and

D. in making this Determination, the Director is satisfied that it is reasonable to determine that the latest date by which the holder of the Relevant Licence shall apply for approval for the Meters shall be 30 June 2003.

E. in making this Determination, the Director has taken into account representations and observations received as part of the consultation process, and the matters described in the Explanatory Memorandum to this Determination; and

**NOW, THEREFORE, THE DIRECTOR , PURSUANT TO CONDITION 11.1 OF
THE RELEVANT LICENCE, HEREBY DETERMINES THAT:**

the latest date by which the holder of the Relevant Licence shall apply for approval for the Meter pursuant to Condition 11.1 of the Relevant Licence shall be 30 June 2003.

David Albert Edmonds
Director General of Telecommunications
28 May 2003

Explanatory Memorandum

1. In February 2000, Oftel published the Statement 'Ensuring telephone bills are accurate' which set out plans for a revised Metering and Billing scheme. The scheme is intended to improve consumers' confidence in the integrity and accuracy of the bills they receive from communications service providers. The main features of the revised scheme are:

- a revised standard which covers fixed charges (such as line rental and discount schemes) and which focuses on the accuracy of the individual customer's bill as well as the aggregate accuracy of metering and billing systems;
- an increase in the number of approval bodies accredited to operate the scheme;
- the progressive extension of the scheme to all major operators and service providers.

2. Because of its complexity and the decision to proceed on a co-regulatory and hence consensual basis, the revised scheme has taken longer to develop than was originally envisaged. However the key elements have now been set in place:

- the revised standard, OTR 003: 2001, was designated on 21 December 2001 and redesignated without change on 26 June 2002;
- the first issue of the Metering Systems and Billing Systems Approval Scheme Guide was published on 9 January 2002; and
- three Approval Bodies (BAPT, BSI, NQA) were formally appointed by the Secretary of State at the Department of Trade and Industry to approve meters against the designated standard, on 25 March 2002.

3. The only providers included in the original scheme were BT, Kingston, Cable & Wireless (Mercury), BT Cellnet (now O2) and Vodafone, which will migrate to the revised scheme. However the intention is that the revised scheme will be extended to apply to all providers of publicly available telephone services with an annual relevant turnover in excess of £40m. In this context, relevant turnover relates to the annual turnover attributable to the provision of publicly available telephone services. The turnover was originally set at £1m in the February 2000 Statement. The higher figure reflects the threshold that is intended to be adopted in the General Conditions Regulations, shortly to be published. Oftel has been reviewing the draft General Condition of Entitlement on Metering and Billing in the light of responses received to the consultation and is proposing a £40m threshold as one that meets the policy objective of only imposing approval requirements on large providers at present

4. In the February 2000 Statement, the following providers were identified as being the first to be brought in to the revised scheme: One 2 One and Orange (tranche 1); all cable companies i.e. Ntl and Telewest (tranche 2); Colt and Energis (tranche 3); Global Crossing, Torch, Thus, World Com and Your Communications (tranche

4). The identity of these providers was subsequently confirmed in a series of communications from Oftel: the December 2000 open letter to the industry and the October 2001 Statement which introduced the consultation on the revised standard. That October 2001 Statement indicated Oftel's intention to merge the first two tranches and to invite the relevant providers to apply for approval within six months of the revised standard's designation.

5. More recently, in February 2002, Oftel wrote to all the providers in the first four tranches setting out the dates by which they would be expected to seek approval for their metering and billing systems. The dates were 30 June 2002 for tranches 1 and 2, and 30 September 2002 for tranches 3 and 4. These dates were staggered so that the three approval bodies have the capacity and time to handle applications for approval in an orderly way. A first Determination applying to the providers in tranches 1 and 2 was made on 26 June 2002, and a second Determination applying to the providers in tranches 3 and 4 was made on 16 September 2002. In response to the consultation the date by which the providers in tranches 3 and 4 were required to seek approval was set for 2 January 2003. It was intended that further Determinations in respect of other providers not included in tranches 1 to 4 would be made, subject to consultation, in due course. However, there is nothing to prevent any provider seeking approval for its meters in advance of a Determination being made.

6. Under Condition 11.1 (Metering Arrangements) of the standard PTO licence, the Director was minded to determine that the latest date by which Core Telecommunications Limited should have applied for approval of its meter was 30 May 2003. This Licensee was selected on the basis that it has an annual turnover derived from voice frequency switched telecommunication services provided to end-users in excess of £40m.

7. A representation was received from Core Telecommunications Ltd that the proposed date by which it should apply for approval of its meter was not realistically attainable given the complexity of the processes involved in appointing an approval body. The Director accepts that a modest delay in the appointment is acceptable and has now determined that the latest date by which the holder of the Relevant Licence shall have applied for approval shall be 30 June 2003.

8. Only one representation, from Core Telecommunications Ltd, was received. Because of its confidential nature it will not be made publicly available.
