

Comments on Ofcom’s proposals to safeguard the future of geographic phone numbers

by VON Europe, May 2012

Preliminary remarks

The Voice on the Net Coalition Europe (‘VON’) welcomes the opportunity to comment on Ofcom’s proposals to safeguard the future of geographic phone numbers (hereafter “the Consultation”).

VON has no objections on two of the three measures proposed by Ofcom to ensure the ongoing availability of geographic numbers across the UK, *i.e.* the closing of local dialling for the 01202 area code as well as the proposal to make available a limited quantity of blocks of 100 numbers in 11 areas with 5-digit area codes, subject to the provisions set forth below. On the other hand, the introduction of a number charging scheme (even in a pilot phase covering a limited area of 30 area codes where only a few number blocks remain available) is not desirable as it will only favour established carriers.

On the long term, VON encourages Ofcom to pursue a holistic approach towards numbering, an approach that fosters future technological and service innovations in further continuation of Ofcom’s numbering policy. Such a holistic approach could for example be achieved by making all UK numbers (by analogy with the 03 range) UK-wide (as opposed to area-wide).

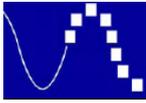
A well-designed and forward looking numbering plan is feasible (numbers are not intrinsically scarce; it is rather the way in which they are structured and managed that can artificially cause scarcity) and will bring consumer benefits and promote competition. We also recognise that numbers have been, are, and will remain, a critical resource for a wide range of communication services and applications.

Ofcom should enable users to choose any of their number(s), keep any of their number(s) wherever they are and use any of their number(s) on the device(s) or services of their choice.

Detailed remarks

1) Geographic Numbering

In general, VON endorses Ofcom’s numbering policy which is fairly balanced and allows competition by different types of carriers and service providers. Telephone numbers are an essential building



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block for a wide range of communication requirements to both consumers and businesses. The increasing demand for geographic numbers over the last 10 years shows that users prefer widely recognised and transparently tariffed numbering ranges for their communication needs (typically geographical numbers and national numbers).

Nevertheless, VON considers that Ofcom should go one step beyond to render the United Kingdom’s numbering plan future-proof. Therefore, VON urges Ofcom to pursue a holistic approach towards numbering, an approach that fosters future technological and service innovations. Such an approach could for example be achieved with the eradication of the linkage of area code and location by making all UK numbers (by analogy with the 03 range) UK-wide (as opposed to area-wide).

Moreover, it is worth noting in this regard that the Swedish regulator PTS highlights in its 2010 study on the future organisation of Sweden’s numbering plan that holding off major changes until the need arises to enforce them swiftly can bring along much higher costs than a well-thought out implementation over time.¹ VON considers that the Australian regulator the ACMA presents an approach in its recent paper² on a coherent and inclusive medium to long term vision for numbering that could make Australia a frontrunner in putting in place a well-designed and forward looking numbering plan. Such an approach to numbering plans is feasible (numbers are not intrinsically scarce; it is rather the way in which they are structured and managed that can artificially cause scarcity) and will bring consumer benefits and promote competition.

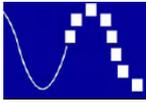
VON strongly encourages Ofcom to take an approach that ensures the fullest possible retail price transparency and that removes the link between location information and geographic numbers. Ofcom should enable users to choose any of their number(s), keep any of their number(s) wherever they are and use any of their number(s) on the device(s) or services of their choice.

VON observes that in the past decades, people have become more flexible and willing to move and travel at the spur of the moment. Today’s consumer is increasingly nomadic. Mobile phones are overtaking fixed phones³ for voice, and calling your plumber happens more often than not on his

¹ See PTS. (2010). *Behov av en framtidsinriktad telefonnummerplan. 6 olika förändringsalternativ. Det fortsatta arbetet* [Need for a Future-Oriented Telephony Numbering Plan. Six Different Change Options. Next Steps] [PTS-ER-2010:20]. Stockholm: PTS. Retrieved at, <http://www.pts.se/upload/Remisser/2010/10-8918-remiss-rapport-100929.pdf>. p. 67.

² See ACMA. (2011a). *Telephone Numbering: Future Directions Paper*. Retrieved at, <http://www.acma.gov.au/webwr/assets/main/lib100283/numbering-future-directions.pdf>.

³ See for example tables 1.24 (p. 51), 1.25 (p. 52) and figures 1.21 (p. 52), 1.23 (p. 53) in Leckner, S., & Facht, U. (2010). *A Sampler of International Media and Communication Statistics 2010* [Nordic Media Trends 12]. Göteborg: Nordicom. Retrieved at, http://www.nordicom.gu.se/common/publ_pdf/NMT12.pdf



mobile phone. In parallel, people divert their fixed phones (*i.e.* call forwarding), or even abandon them to exclusively use their mobile phones.

Today, the relevance of the geographic significance associated to numbers is thus fading. The changing behaviour of consumers regarding numbers and communication identifiers is influenced through advances in applications and services, as well as devices.

The ACMA points out in its Research into consumer behaviours and attitudes towards telecommunications numbering and associated issues to that *“the capacity of a mobile phone to store numbers and then display them as a name had also changed how many participants remember and use numbers”*.⁴ It is also being remarked that the *“increasing number of communication gateways available (...) diminished the importance of, and level of dependence on, any particular service and consequently any particular phone number”*.⁵ Furthermore, people are getting accustomed to the use of user names or IDs through the use of online applications and services.⁶

VON urges Ofcom to swiftly adopt a vision that goes beyond what the Electronic Communications Committee (ECC), part of the European Conference of Postal and Telecommunications Administrations (CEPT), describes in its 2010 Report on the Evolution of Geographic Numbers (hereafter ‘the ECC Report’)⁷ as:

“The design of NGNs implemented today is very much ‘PSTN on IP based networks’ with the features and restrictions of the PSTN being copied.”

The trade-off has been accurately summarized in the ECC Report⁸: the removal of all constraints regarding geographic information in the numbering plan would allow a more innovative use of geographic numbers; decrease the possible barriers of entry for new parties in the telephony market; give consumers the option to keep their number when they are moving; and allows a more efficient use of numbering resources.

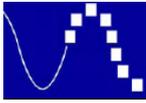
⁴ See ACMA. (2011b). *Community Research Into Consumer Behaviours and Attitudes Towards Telecommunications Numbering and Associated Issues*. Retrieved at, http://www.acma.gov.au/webwr/assets/main/lib312144/numbering_4_research_report.pdf. p. 9.

⁵ See ACMA. (2011b). *Ibid.* p. 10.

⁶ See ACMA. (2011b). *Ibid.* p. 28.

⁷ See ECC. (2010). *Evolution of Geographic Numbers* [ECC REPORT 154]. Luxembourg: CEPT. Retrieved at, <http://www.erdocdb.dk/Docs/doc98/official/pdf/ECCREP154.PDF>. p. 24.

⁸ See ECC. (2010). *Ibid.* p. 17-19.



The ECC Report⁹ also remarks that the removal of geographic information could have wider benefits than a mere efficiency increase, as it would also allow the introduction of wider area location portability, a possibility that is very appealing in a society where both businesses and individuals become more and more mobile.

2) Charging

VON does not agree with Ofcom’s intention to introduce a charging regime at this stage, as this would have more negative effects than positive effects, especially as regards to smaller Communications Providers (CPs) and new entrants of any kind (not necessarily CPs), to whom this additional burden will create a barrier to entry with negative effects for competition.

Whilst the members acknowledge the reasoning behind the objectives for charging, they believe that it is unnecessary (introduction of fees without increase in the underlying cost basis or without any new advantages for the users), disproportionate (versus the traditional CPs for whom the numbering charges will be close to negligible) and potentially damaging to specific sections of the industry.

VON would specifically like to draw Ofcom’s attention to the impact of number charging on smaller and innovative CPs, and on new entrants of any kind (not necessarily CPs). Introducing a charging mechanism on numbers may entrench traditional business models, more specifically the cost and revenue structures, and retail charging mechanisms already in place.

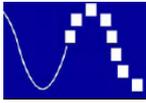
VON believes that Ofcom’s alternative measure to allocate smaller number blocks to CPs will suffice to ensure the on-going availability of numbers for the market as explained in section 3 below.

Moreover, the introduction of a charging scheme will also be detrimental towards customers, as the Consultation remarks that Ofcom “*expect[s] the costs imposed on CPs as a result of number charging (both the direct number charges and implementation costs) to be passed through to consumers in the form of higher prices*”,¹⁰ without being able to even assess the effectiveness of charging as the Consultation notes that Ofcom “*cannot precisely estimate the benefits from introducing number charges at this stage*”.¹¹

⁹ See ECC. (2010). *Ibid.* p. 2 and 10.

¹⁰ See the Consultation, p. 42 (4.53).

¹¹ See the Consultation, p. 42 (4.51).



VON also strongly disagrees with Ofcom’s suggestion for “small CPs/new entrants with innovative services to use other types of number for which we are not currently proposing to charge”,¹² and would like to remind Ofcom that the EU regulatory framework for electronic communications (Directive 2002/21/EC, as amended), requires numbers to be made available for **ALL** public electronic communication services¹³ and that the European Commission’s Information and Consultation Document of 14 June 2004 on the treatment of Voice over Internet Protocol (VoIP) under the EU Regulatory Framework¹⁴, Section 7.1, stated explicitly that:

“Any undertaking providing or using electronic communication networks or services has the right to use numbers. [...]”

Finally, VON considers that the 10p charge proposed by Ofcom represents a substantial amount that is above the European average by a considerable margin.

3) Size of Numbering Blocks

VON welcomes the fact that Ofcom intends to roll out 100-numbers blocks, but again would rather see this effort being implemented at a nationwide scale than on a localised basis, as this would have a positive impact towards lowering barriers to entry especially as regards to smaller and innovative communications providers, as well as anyone else legitimately requiring the use of geographic numbers, for any purpose.

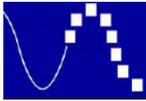
In addition, Ofcom may also consider to proportionally lower the costs for the implementation of smaller numbering blocks with the access operators, in other words acquiring a 100-number block should be 10 times less expensive than acquiring a 1000-number block.

¹² See the Consultation, p. 54 (4.118).

¹³ Article 10 – Numbering, naming and addressing

1. Member States shall ensure that national regulatory authorities control the granting of rights of use of all national numbering resources and the management of the national numbering plans. Member States shall ensure that adequate numbers and numbering ranges are provided for all publicly available electronic communications services. National regulatory authorities shall establish objective, transparent and non-discriminatory procedures for granting rights of use for national numbering resources.

¹⁴ European Commission. (2004). *Commission Staff Working Document on the treatment of Voice over Internet Protocol (VoIP) under the EU Regulatory Framework. An Information and Consultation Document*. Retrieved at, http://ec.europa.eu/information_society/policy/ecomm/doc/library/working_docs/406_14_voip_consult_paper_v2_1.pdf. See 7.1.



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We thank you in advance for taking consideration of these views. Feel free to contact Herman Rucic, VON Europe, by phone (+32 (0)478 966701) or email (hrucic@voneurope.eu) should you need further information.

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About the VON Coalition Europe

The Voice on the Net (VON) Coalition Europe was launched in December 2007 by leading Internet communications and technology companies, on the cutting edge to create an authoritative voice for the Internet-enabled communications industry. Its current members are iBasis, Google, Microsoft, Skype, Viber, Voxbone and WeePee.

The VON Coalition Europe notably focuses on educating and informing policymakers in the European Union and abroad in order to promote responsible government policies that enable innovation and the many benefits that Internet voice innovations can deliver.