



Telephone Numbering: Safeguarding the future of numbers – A consultation

Comments from Yahoo! UK & Ireland

Introduction

Yahoo! welcomes the opportunity to comment on this consultation. Our interest in this consultation arises largely from our use of UK numbers for VoIP services. Our comments are therefore limited to the sections of the consultation which relate to these services.

Number charging

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

It is clear from Ofcom’s analysis that the framework in place to make numbers available to end-users has some inherent weaknesses and that it has resulted in significant wastage of scarce numbering resource in the UK. We welcome the measures set out in annex 1 on number conservation. We also welcome recognition of shortcomings in the current administrative system which requires applicants to demonstrate that any existing numbering blocks allocated within a number range are “*substantially used*” but, in practice, results in a utilisation rate for geographic numbers of just 15-25%. We support Ofcom’s objective that operators in receipt of a primary allocation should be incentivised to use the numbers they receive efficiently.

We agree with Ofcom’s assessment that sub-allocation could lead to efficiency gains through the better utilisation rate and distributive efficiencies. This approach favours smaller operators who require only small allocations but in a wide range of geographic code areas. While the sub-allocation itself may encourage more efficient use of numbers downstream there is, however, a risk that charging has the perverse effect of permitting upstream operators to continue using numbers inefficiently by simply passing on the costs down the value chain, ultimately to the end-user.

We would therefore urge Ofcom to consider a framework which includes complementary checks and balances to mitigate this risk. There should, for example, be sufficient transparency in the charging framework to ensure that charges are shared fairly between operators in the value chain and that the cost of holding (but not using) a number cannot be passed on via sub-allocations. There should also be a clear understanding of how charging would work with respect to other conservation measures outlined elsewhere in the consultation document and the timing of its introduction. Ofcom does not have a specific timetable in mind but it will be important to ensure that the effectiveness of the individual measures proposed in the Review can be measured objectively. It may, for example, make sense to address the shortcomings of the

administrative process and introduce general conservation measures before considering charging.

In terms of the options for charging outlined in figure 5.7, we would favour an annual charge, per number, regardless of service type or geographic area. This would be most transparent for downstream operators, keep administration costs to a minimum and avoid the risk of price discrimination based on customer location.

As Ofcom notes in para 1.11, the role and use of numbers is expected to shift dramatically over the next 5 years and pressure on numbering capacity is likely to fall over time as IP-based next generation networks introduce new ways of routing communications traffic. It would make sense to review the charging framework alongside periodic reviews of number conservation.

We invite Ofcom to consider these matters in the second consultation planned for Summer 2006.

These comments should also be read also as answers to questions 47 to 55.

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