

8th June 2006

Andy Montaser
Ofcom
Riverside House
2A Southwark Bridge Road
London
SE1 9HA

Dear Andy

Ofcom consultation on Safeguarding the future of numbers

THUS is pleased to respond to Ofcom's consultation on Safeguarding the future of numbers dated 23rd February 2006. THUS plc is a leading UK provider of voice, data and Internet services to corporate customers throughout the UK. Headquartered in Scotland, we provide services in every major UK commercial centre, with one of the widest service portfolios available in the market.

We regret to have to begin by saying that we have serious concerns about many, if not all, of Ofcom's main proposals are. For this reason, this response concentrates on those issues rather than working through Ofcom's questions in order.

Geographic numbers

To begin with, we disagree strongly with the implications of paragraphs 5.11 et seq that the number shortage is a short-term issue that will be resolved in a few years. On the contrary, Ofcom should not be assuming that NGNs will have a significant effect on the problem before at least 2012. Even if BT's roll-out plans matched the number shortage situation, which they do not, it would be necessary for the majority of other CPs to be able to route individual numbers at interconnects as well. Until this facility is in place, there will be problems with inefficient routing of traffic and consequential commercial disputes as to who would be responsible for the additional costs incurred by this inefficient routing.

We are also concerned about the assumption that moving to allocation at the F-digit layer is an essentially cost-free way of solving the problems. Even if there is sufficient switch decode capacity available – and this capacity is needed by CPs for many other purposes – there are significant costs in managing decode tables and changes to them. We would want to see the costs of this taken account of when reaching any conclusions.

In examining the other options proposed by Ofcom (the "backstop" measures of paragraphs 5.19 et seq), we feel that closing the dialling scheme is likely to cause much more consumer confusion than benefit and we could not support it. We would also like to avoid number changes where possible. We therefore conclude that an approach *based on* overlay codes is the best idea. However, we disagree with the concept of "exactly the same geographic area" mentioned in paragraph 5.20.

We accept that consumers want to see location information in geographic numbers. However, we question whether Ofcom's research has pushed deeply enough into the reasons for this. In the quoted research, 49% of consumers said "like to know where they are calling from / I am calling to" but – as far as can be seen – there was no question of *why* this was of importance. Our own (admittedly non-rigorous) enquiries tend to indicate that this is primarily a cost issue: consumers believe, rightly or wrongly, that far-away places cost more to call and will modify their behaviour accordingly. (One other reason suggested is that exchange names act as a "memory jogger" when trying to identify a number, for example on an itemized bill.) This would suggest to us that the matter of location can be treated with a "broad brush".

One of the reasons for number shortages is that there is a rigid allocation of exchange and charge code area boundaries. Back when the difference between local and national call rates was significant, there might have been good reasons behind this rigidity, but now that most calls are made on tariffs that don't discriminate between locations, there is room to be more flexible. This allows for a number of strategies:

- Number blocks can be "borrowed" from neighbouring exchanges, either by moving the boundary or allowing overlap. If necessary, new names can be used in these areas to avoid confusion.
- Overlay codes can cover a wider area than the original code.
- Wide area codes can be overlaid on a region without requiring existing customers to renumber.

For example, to pick one area with a number shortage, actions that could be taken in the 01223 (Cambridge) area include the following.

- The proposed new town of Northstowe lies on the boundary of the 01223 and (under-used) 01954 (Maddingley¹) codes. All numbers in this town should be taken from the latter, even if this means moving the boundary.
- New numbers for the proposed development on the eastern edge of Cambridge could be taken from the 01638 (Newmarket) code, perhaps using a new name such as "Granta" to make this acceptable to Cambridge residents without causing confusion. This would address the "location significance and confusion" issues mentioned in paragraph A1.50.
- The 01220 code (formerly Cambridge Ring) could be used as an overlay code for the entire area, not just for the 01223 area. While none of the nearby codes appear to be close to exhaustion, there is no need to use to different overlay codes should this come to pass. Again, a name such as "Granta" or "Fenlands" would avoid confusion.
- Similarly, wide area codes could be used as an overlay mechanism without requiring customers to renumber. Thus, assuming that the 022 code was allocated to East Anglia, numbers in the relevant BC groups could be used in the Cambridge area. This approach would retain the advantages of Wide Area codes while avoiding most of the problems listed in Annex A².

¹ And six other names: Caxton, Crafts Hill, Cottenham, Elsworth, Swavesey, and Willingham.

² We are concerned that over 13,000 blocks need to be reserved for Wide Area Code planning when, in general, it would only seem necessary to reserve one code for each NNG. We would like to see the present plans

Similar situations no doubt apply in other places with number shortages, and those with local knowledge can suggest suitable names for overlay or overlapping codes.

Non-geographic numbers

We have previously expressed concern about Ofcom's proposals for the NTS numbering range. We now find ourselves in the invidious position of having to express even more concern.

An ongoing theme of Ofcom consultations on numbering is that consumers have relatively little understanding of the significance of the details of number allocations. For example, there is almost no understanding that different 09 numbers have different prices or that 0870 and 0871 are vastly different in meaning. As such, there is already little tariff transparency within 08 beyond the separate case of "080 is free". There is also the difficulty that originating providers other than BT don't necessarily honour the published prices anyway.

However, after trying to wall off 08 as the revenue-share zone, Ofcom then turn round and propose that 0845 and 0870 should be non-revenue-share enclaves. We would suggest this shows the futility both of trying to include detailed structure within such zones and the wrongness of the proposals for existing NTS.

Rather than attempting to create an maintain a complicated structure within 08, Ofcom should allocate numbers on a basis of systems efficiency, using the whole of the 08 area for this purpose. For example, new charge bands, and new areas for exhausted bands, should be placed well away from any existing number so that there is room for expansion. Thus the first allocations should be in places like 0810, 0830, 0840, 0850, 0860, 0880, 0890, then followed by 0815, 0825, 0835, etc., generally adopting the rule of "in the middle of the largest gap". Meanwhile further allocations for an existing charge band should be adjacent to that band. This would minimize the number of actual charge groups. The situation that most needs to be avoided is one where a large block at one price has one small exclusion in the middle at a totally different price.

03

We start by expressing our skepticism that there will be a large demand for non-geographic numbers tariffed at geographic rates without revenue share. At present, businesses use NTS contact numbers for several reasons (in no particular order):

1. They can publish a single contact number which is cheaper to call – for non-local subscribers – than a geographic number.
2. They can take advantage of more complex call-routeing facilities.
3. They don't wish to be associated with a specific place (contrary to the arguments for retaining geographic significance in 01 and 02).
4. They receive a share of revenue.

This new range will obviously not be used by the last group, nor will it be used by the first – they are better served by 080, 0844, and 0845. That leaves only the second and third

published so that the reasoning involved can be made clear and so that public opinion on alternatives can be obtained.

groups. Provision of complex call-routing facilities is not related to the number on which the service is provided. Rather, it is traditionally only provided on 08 (and 09) because these ranges are supplied on commercial terms which allow for the costs of providing these facilities – either through a cut of shared revenue or by charging the recipient for incoming calls. With revenue share eliminated, the recipient will have to pay for these services to be provided. Having done so, there will be less reason to use a non-geographic number when the service can be given “locational significance” by putting it in 01/02.

At this point we are greatly concerned that 03 will repeat the fiasco of 0870. As a clearly separate number range, it will be easy for originating providers to price calls above the rate charged for truly geographic calls³. There are also the problems with international access and user confusion. And, as we said, we are skeptical that there will be huge demand for this type of number, certainly not enough to justify using up 11% of the entire numbering capacity! Putting all these together, we would suggest that a much better strategy would be to encourage the provision of complex routing services on geographic numbers while allocating an unused geographic NNG to meet any demand for no-specific-location numbers. If this were buried within the middle of the 01 range – e.g. 01426 rather than 01999 – there would be much less temptation to mis-charge for these calls. If Ofcom are really concerned that one million such numbers is insufficient, they could use a code with unused neighbours (such as 01447/8 or 01800/1/2) or even re-use 0171 (starting with 01710 and 01711).

Mobile

We would see no difficulty in extending the existing number range downwards through 07 (that is, into unused portions of 076, 075, etc.). We have no other comments to make at this time.

Personal numbers

We do not believe – and Ofcom’s own comments support us in this – that the 2001 changes to personal (070) numbers met the objective of “Restoring Trust”. The general public sees them as simply another form of premium rate number; the fact that revenue share is prohibited is lost on them because, after all, somebody is still receiving a large payment for calls to these numbers. The cost of a call to such a number is almost always more than that of a call to the actual destination and, therefore, there is an additional fee being paid for no obvious benefit – whether the recipient is paid this fee in cash or in kind (through enhanced service) is irrelevant. When this is combined with the fact that, unlike *cheaper* 087 and 09 numbers, there is no advanced warning of the price, it is unsurprising that they are unpopular and distrusted. We do not believe that any of Ofcom’s proposals will solve this.

As a result, we are *absolutely* opposed to the proposals in paragraph 5.66 for moving these numbers to 06. This would be a classic case of “rearranging the deckchairs on the Titanic” – until the structural problems are resolved, the only outcome will be to pollute the entire 06 range with the same bad reputation as 070 already has.

We are also opposed to the reservation of 060 for individual allocations of numbers to end users. Until technologies such as ENUM are in widespread use in the main telephone networks, there will be no way to make such arrangements practical. Ofcom should be waiting *at least* three years before considering this possibility, and there is no need to

³ This can be done while still charging “geographic rates”. For example, an OP could set a tariff of 1ppm for “local” calls and 8ppm for “national”, then define all charge groups except 0159575 as “local”, leaving only calls to Foula and 03 charged at the much higher rate while remaining within the letter of the rules.

reserve numbers at this point. We also expect that consumers (possibly encouraged by an increase in nomadic services) to want individual allocation “for life” of their existing 01 or 02 number at a known cost to call, not another overpriced and unknown range.

Graphics

We are intrigued by the graphics for number ranges in the foreword. We don't believe consumers will understand the difference between the symbols for 01 and 02 (“at a specific location using codes that nobody remembers”) and 03 (“at a specific location, but we won't tell you where”). The graphic for 08 is also less than obvious, while we would object to the use of a pound sign for chargeable calls that are often far less than £1 (and, indeed, often cheaper than calls to 08 or 07). As for 07, the symbol is rather technology- and fashion-specific; perhaps a symbol of someone walking would be better.

We are, however, pleased to see that 06 has been given a symbol that will remind consumers that it is a range likely to be full of fraudsters.

Answers to specific questions

Please note that we have omitted those questions which are addressed above or for which we have no specific answer.

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

We generally agree with the principles in paragraph 3.15. However, since it has been frequently shown that users misunderstand telephone numbers no matter how many efforts are made to present their structure, Ofcom should be putting less emphasis on “the continuity and meaning which is provided by numbers and which is valued by 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?

We believe that consumers generally have little interest in phone numbers. They can recognize their own and – perhaps – neighbouring area codes and a few well-known ones such as 0121 for Birmingham⁴. Most are aware that 09 numbers cost lots to call, 0800 is free, and mobiles begin 07. Beyond that, we believe that their primary concern is to use the number as an indication of calling cost.

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?

The introduction of NGNs means that telephone numbers will finally cease to be an address (a mechanism for routing calls) and will be purely a label for a telephone line. As Ofcom have identified, this means that allocations no longer need to be related to service providers or exchanges, and concepts such as “numbers for life” become practical. However, as we discuss above, this is still several years away.

⁴ Even so, it is clear that most people – even those living there – believe that London has two separate area codes of 0207 and 0208.

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 do not believe that consumers care about the location of people they call in itself. Rather, they are interested in the cost of a call. Even when looking for a tradesman, consumers will not usually rely on the number to determine whether someone is local – they will rely on addresses or that the source of the information is local (e.g. local newspapers).

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

Since we disagree with the 03 concept, we are loath to go into much detail. However, the experience of 0845 and 0870 shows that terms like “local rate” and “national rate” are outdated. Any non-geographic non-NTS service on 03 should simply be charged exactly the same as a typical long-distance call within the UK, including all discounts or inclusion in “free call” bundles.

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)?

Since 09 numbers should only be published with tariff information, it is unnecessary to structure these numbers to provide tariff information. It would therefore be better to structure the number space to make blocking of content types easier – that is, each number block should be dedicated to a specific content type (including “general” as a category).

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 strongly suspect that consumers will have different desires concerning blocking, and therefore a “one size fits all” approach will not work. This implies that content should be categorized to make it easy to block one category but not another. We have no specific views on categories, except to note that “adults only” is far too vague a term to use.

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?

Any such tariff ceiling would need to be below 10p per minute to have a chance of restoring trust – above that point these numbers retain their “premium rate” stigma. Since we suspect this to be unlikely (in particular, it would make forwarding to mobile phones uneconomic at present), these “solutions” will not restore trust and we see no point in answering further.

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?

They are neither coherent nor comprehensive.

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?

Yes.

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

We are not convinced that number charging can be made fair – many of the reasons for this are expressed in the consultation document. As such, and as the costs of number allocation are mostly externalities rather than impacting directly on the CP, we do not believe that charging will solve the problems of number shortages.

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?

Wide area codes should not be introduced just to provide “a strong identity”. Areas that already have such an identity do not need it reinforced by telephone numbers, so the cost of renumbering would not be justified. Equally, if an area does not have such an identity, spending money on renumbering telephones will not create it. Therefore we conclude that WACs are not justified on this basis. Rather, as discussed above, they could be used for provision of overlay codes.

In addition – and with the specific exception of Northern Ireland – specifying regions will lead to boundary disputes. If Scottish codes were provided, would Ofcom require that customers living in England but in NNGs which are “Scottish” were not renumbered? Furthermore, regional loyalties do not always match lines on a map (which in turn move over the years⁵): would Berwick-on-Tweed be included in Scotland? We dread to think about the arguments that would happen if “Yorkshire” and “Lancashire” regional codes were introduced (and the even bigger ones if both were included in one region).

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?

See our response to question 11.

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

No. However, we believe it is past time to introduce a new ceiling; the present £1.50 per minute ceiling has been in place for over 10 years. We would suggest £10 per minute as the new ceiling.

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. As seen by previous experience with 092-099 (which were also reserved for multimedia) there is unlikely to be a need for such ranges. However, allocation of 071-075 should be done in a logical manner (e.g. starting with 075) in order not to preclude such a change in the future.

⁵ Many people (e.g. see <<http://www.abcounties.co.uk>>) still profess loyalties to counties that were abolished over 30 years ago. Equally, the division of the UK into regions by the EU would possibly provide a logical division in one sense, but many of these regions have no strong identity and any move to match telephone numbers to them would be seen by many as a Commission plot to further destroy the UK's national identity.

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. The purchaser of a number probably has a good idea of what it calls to cost but, even so, has chosen to use the number. The problem is with the lack of knowledge of callers.

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

Our existing experience is that Ofcom are unwilling or unable to enforce present arrangements, such as the number portability functional specification. Until systematic problems of this kind are resolved, it would be dangerous to open the new can of worms that direct allocation would supply.

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

We feel that Ofcom's own analysis show that no charging methodology would be fair and unbiased. We therefore don't agree that charging should be considered at the present time.

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 the tariffing provisions should be extended to all originating communications providers. This is the only practical way to provide a level playing field and for service providers to be able to provide accurate and useful consumer information.

Yours sincerely

Clive Feather
Regulation & Interconnect Department

Cover sheet for response to an Ofcom consultation

BASIC DETAILS

Consultation title: Safeguarding the future of numbers

To (Ofcom contact): Andy Montaser

Name of respondent: Clive Feather

Representing (self or organisation/s): THUS plc

Address (if not received by email):

CONFIDENTIALITY

What do you want Ofcom to keep confidential?

Nothing

Name/address/contact
details/job title

Whole response

Organisation

Part of the response

If there is no separate annex, which parts?

Note that Ofcom may still refer to the contents of responses in general terms, without disclosing specific information that is confidential. Ofcom also reserves its powers to disclose any information it receives where this is required to carry out its functions. Ofcom will exercise due regard to the confidentiality of information supplied.

DECLARATION

I confirm that the correspondence supplied with this cover sheet is a formal consultation response. It can be published in full on Ofcom's website, unless otherwise specified on this cover sheet, and I authorise Ofcom to make use of the information in this response to meet its legal requirements. If I have sent my response by email, Ofcom can disregard any standard e-mail text about not disclosing email contents and attachments.

Ofcom seeks to publish responses on receipt. If your response is non-confidential (in whole or in part), and you would prefer us to publish your response only once the consultation has ended, please tick here.

Name Clive Feather

Signed (if hard copy)