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Our Reference:
Your Reference:

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Dear Elizabeth

Geographic telephone numbers

SSE welcomes the opportunity to comment on the further proposals around managing the scarce resource of geographic telephone numbers i.e. those that begin '01' and '02'.

SSE has a retail business providing fixed line telephony services and, in common with hundreds of other suppliers, uses the regulated product 'wholesale line rental' (WLR) to provide this retail offering. We are not a communications provider (CP) that actually has any allocation of geographic numbers; instead we use telephone numbers from BT's allocation (subject to any subsisting porting arrangements) as these are attached to the WLR lines we rent from BT.

We therefore do not provide views on the consultation questions dealing with technical and network matters as these do not apply to us. We support Ofcom's intention to:

- safeguard the availability of geographic numbers;
- support competition in fixed-line voice services; and
- encourage efficiency in the use of numbers by number-range holding CPs.

We understand that Ofcom wishes to develop a scheme for charging for numbers – initially by means of a pilot scheme in certain geographic areas where there is a danger of the numbers running out in the near term. We support this evolutionary approach and agree that this would enable Ofcom to monitor any unintended consequences of the scheme, as well as ensuring that the scheme is working well before it is rolled out any further. We are fully in agreement with the proposal to simplify the proposed charging arrangements as much as possible in order to reduce implementation costs.

Our main concern is that, if WLR users become required to pay charges, that these are at a reasonable, even-handed level across CPs and do not become inflated due to taking into account the average utilisation rates of CPs whose numbers are used. Annex 5 of the consultation mentions that, in Ofcom's original proposals, there might be a cap of five times the 'standard' charge of 10p/geographic number – raising the prospect of charges per number nearer 50p than the headline rate of 10p as originally proposed by Ofcom: and this would not be something that a WLR user could control.

We therefore support Option 5 set out in Annex 5 of the consultation, which entails no number charges for WLR/ported numbers. We can see that this option has the following benefits:

- restricting the amount of inter-billing that would have to take place within the industry – thus reducing implementation costs;
- simplifying the billing calculations that would need to be carried out through use of a single “utilisation factor” if this concept still needs to be applied (could Ofcom not just bill at the originally proposed 10p rate applied to all allocated numbers?); and
- it would result in costs being applied only to those who have been allocated number ranges and can therefore respond to the cost signals and control their use of numbers accordingly. As Ofcom points out, WLR/ported number users do not control the number blocks that the numbers they use come from.

Our final comment would be to suggest that Ofcom explore the means to establish on a co-regulatory basis the ‘industry forum’ that it intends to set up such that it has a clear constitution, transparent governance and appropriate representation from all CPs who are likely to be affected – which will be, at least, all those with retail fixed-line voice customers. It would not be practical for all the hundreds of WLR users, for example, to attend ad-hoc industry meetings on this topic – but their interests should be represented in a body with a formal constitution, which recognises their place in the market and provides them with a route review definitive documentation and to comment on proposals as they emerge. There is an evident need for industry coordination on an ongoing basis for numbering issues – both geographic, non-geographic and around the thorny subject of porting arrangements – and we believe this should be placed on an enduring footing rather than being addressed by a succession of ad-hoc industry meetings. Ongoing issues that such a body could address include the managing the appropriate granularity of number blocks and the impact of new technology on this and the management of numbers generally.

We believe that Ofcom’s duties to citizens and consumers would be best served by building on the idea of an ‘industry forum’ to establish inclusive and long term arrangements for managing the public interest aspects of making the best use of numbering resources and other numbering issues. Ultimately, this may help to reduce Ofcom’s costs in this area as such a body, acting within a framework set by Ofcom, developed experience and expertise in sorting out, amongst industry parties, how necessary developments were to be introduced and implemented across the industry. It would also be consistent with Ofcom’s duty under the Communications Act on having regard to “the desirability of promoting and facilitating the development and use of effective forms of self-regulation”.

I hope that these comments are helpful and would be happy to discuss them if you have any queries.

Yours sincerely

Aileen Boyd
Regulation Manager

Consultation Questions

Section 5: Reducing the need for new supplies of geographic numbers

Question 1: Do you agree with our proposal to allocate up to 10,000 numbers in blocks of 100 numbers (i.e. 100 x 100-number blocks) in the following 11 five-digit area codes?

Appleby (017683); Gosforth (019467); Grange over Sands (015395); Hawkshead (015394); Hornby (015242); Keswick (017687); Langholm (013873); Pooley Bridge (017684); Raughton Head (016974); Sedbergh (015396) and Wigton (016973)

Question 2 (for CPs): Would it be feasible for your network to handle up to 10,000 numbers allocated in blocks of 100 numbers in the 11 five-digit area codes listed in Question 1?

Question 3 (for CPs): What are your predicted costs and timescale requirements for implementing the necessary changes in your network switches to support routing to blocks of 100 numbers in the 11 five-digit area codes listed in Question 1?

No comment.

Section 6: Charging for geographic numbers

Question 4: Do you agree that the pilot for geographic number charges should be introduced six months after the date the final statement is published? If not, please state your preferred implementation period and reasons.

Question 5: Do you agree that we should introduce charges in a pilot scheme initially? If not, please state your preferred approach and reasons.

Question 6: Do you agree that the revised pilot scheme should capture around 30 area codes with the fewest number blocks remaining available to allocate? If not, please state your preferred threshold and reasons.

Question 7 (for CPs): Are you able to provide an estimate of the administrative costs of implementing number charging? Which aspects generate the most significant administrative costs for CPs?

No comment.

Annex 5: Cost recovery for number charges when the CP using the number is different from the range holder

Question 8: Which option for dealing with number charges for ported and WLR numbers do you prefer? Please set out reasons for your preference.

We support Option 5 as discussed in our covering letter.

Annex 6: Implementing a pilot charging scheme for geographic numbers

Question 9: Do you have any comments on Ofcom's intended billing assumptions for the proposed pilot charging scheme for geographic numbers? (i.e. that Ofcom will bill CPs annually; CPs will be billed in arrears; and charges will accrue for each number block in chargeable area codes on a daily basis)

Question 10: Do you have any views on the appropriate Charging Year and billing cycle for the pilot charging scheme for geographic numbers?

No comment.