

**Title:**

Mr

**Forename:**

Keith

**Surname:**

Evans

**Organisation (if applicable):**

Department for Work and Pensions (DWP)

**Question 4.1: Do you agree that the analysis set out in Section 4 and the supporting annexes which draws on our initial assessment in the December 2010 review, stakeholder comments and the further research undertaken in 2011, appropriately characterises the market , the market failures and the effects on consumers? If not please set out your alternative views:**

Yes

**Question 5.1: Do you have any comments on our Equality Impact Assessment? In particular do you agree with our view that our proposals for changes to non-geographic numbers are likely to have an overall positive impact on the equality groups identified in Annex 15?:**

DWP agrees with the assessment that options for changes to non-geographic numbers, especially those relating to the Freephone range, are likely to have an overall positive impact on the identified equality groups. Although most mobile calls to DWP 0800 numbers are already zero rated, a small proportion of calls to these socially important services are currently still subject to call charges levied by the caller's telephone provider.

**Question 9.1: Do you have any comments on our assessment, and in particular the additional evidence (gathered since the December 2010 Consultation) which we have used to support our assessment, on our provisional conclusion that the unbundled tariff should be applied to the revenue-sharing NGC number ranges?:**

DWP has no comments on the assessment, but is concerned about the association of the 0845 range with revenue sharing services, which would be result of Ofcom's preferred option for application of the unbundled tariff. More detailed comments on this point are provided in the answer to Q11.1.

**Question 10.1: Do you agree with our proposal that the AC should be allowed to vary between tariff packages but that OCPs should be subject to a tariff principle permitting only one AC for non-geographic calls? If not please explain why.:**

DWP has no view in this respect

**Question 10.2: Do you agree with our proposed structure for the AC, in particular that: (i) that the AC should be a pence per minute charge only, but can be subject to a minimum one minute call charge (ii) that the AC should not vary by time of day and (iii) that the AC can be included as part of call bundles/inclusive call minutes provided that inclusion does not differentiate by number range? If not please explain why.:**

DWP has no view in this respect

**Question 10.3: Do you agree with our proposal not to impose a cap on the AC in the first instance? If not please explain why:**

DWP has no view in this respect

**Question 10.4: Do you agree with our proposed approach for the structure of the SC? In particular that: (i) bespoke SCs should be prohibited (ii) that no further restrictions on the SC structure should be required (e.g. allowing ppm and ppc SCs, no restriction of ToD charging subject to ability of billing systems to pass through the charges) If not, please explain why and provide evidence if possible.:**

DWP is content with the proposed approach to the structure of the SC provided that organisations who receive calls via the number ranges concerned can choose to zero rate this element of the call charge. This would be the DWP approach if Ofcom decide that the unbundled tariff should be applied to the 0845 range. Zero rating the associated SC would mean that as now, consumer costs to call DWP 0845 numbers would be wholly set by the caller's telephone provider. DWP would continue to assess these costs by monitoring the AC levels set by OCPs in implementing the unbundled tariff.

**Question 10.5: Do you agree with our proposals to impose maximum SC caps for the purposes of protecting the identity of the number ranges? Do you agree that the caps should apply to the 084, 087 and 09 ranges and that they should be set exclusive of VAT in the Numbering Plan? If not please explain why and provide evidence to support your position if possible.:**

DWP has no view in this respect

**Question 10.6: Do you agree with our proposed cap of 5.833p for the 084 range and 10.83p for the 087 range? If not please explain why.:**

DWP has no view in this respect

**Question 10.7: Do you agree that the number of SC price points should be restricted? Do you agree that that restriction should be somewhere between 60 and 100, and where within that range do you consider would be optimal? Do you have any comments in relation to how Ofcom should decide where in that 60 to 100 range the maximum number of SC price points available should be set?:**

DWP has no view in this respect

**Question 10.8: Do you agree with Ofcom's proposed approach to agree the relevant SC price points with industry rather than specifying them as part of the Numbering Plan? Do you have a particular preference for which SC price points are necessary within the different number ranges? What criteria would you propose for the selection of price points?:**

DWP has no view in this respect

**Question 10.9: Do you agree with our assessment on the location of the AHP on BT's and other CPs' networks? If not, please explain why you disagree.:**

DWP has no view in this respect

**Question 10.10: Do you agree that for calls that route via a transit network, the TCP should pay for transit? If not, please explain why you disagree. In particular please explain your views on how incentives can be included within an 'OCP pays' approach to ensure the TCP seeks to interconnect directly (where this is efficient) and not to reduce its points of interconnection at the expense of the OCP and efficient end to end call routing.:**

DWP has no view in this respect

**Question 10.11: Do you agree with our proposed approach for calls between two non-BT CPs, both for the case when a transit network is used and for when direct interconnection is implemented? If not, please explain why you disagree.:**

DWP has no view in this respect

**Question 11.1: Do you agree with Ofcom's assessment that an unbundled tariff should also apply to the 0845 and 0870 ranges? If not please explain why.:**

DWP does not use 0870 numbers so has no view in this respect.

For the 0845 range, the DWP preference is for Option 1, which would geographically rate 0845 call costs rather than apply the unbundled tariff. DWP could accommodate the

unbundled tariff by zero rating the SC, but association with a revenue sharing range would perpetuate the myth that DWP receives a share of 0845 call costs. There would also be costs to the taxpayer in meeting the Ofcom requirement to advertise the SC.

Whilst the proposals do not introduce a requirement on DWP to migrate to or adopt 03 numbers, it is recognised that this would address the adverse impacts identified above.

However, wholesale migration to 03 numbers would incur significant costs to the taxpayer and, based on current tariffs, would have an adverse impact on a large proportion of DWP customers.

If Option 2 is progressed, and the 0845 range is grouped with revenue sharing services for advertising purposes, the associated descriptor should include wording along the lines that a charge MAY be payable to the organisation receiving the call. Otherwise consumers will assume that a call to an 0845 number will always result in part of the call cost being passed to the organisation they are calling.

**Question 12.1: Do you agree with our proposal not to mandate the presentation of disaggregated AC and SC charges on customers' bills? Do you agree with our view that it should be up to OCPs to decide the best way to present these charges to their customers on bills OCPs but that we require that at a minimum, the OCPs should include the customer's AC on the bill they receive?:**

DWP has no view in this respect

**Question 12.2: Do you agree with the requirement for a central SC database. If so what would be your preferred approach ? public sector or private sector provision? If you do not agree with the need for the database what approach for the dissemination and verification of SC would you prefer and why. Are there any other issues with respect to the database you would wish to raise? :**

DWP agrees with the requirement for a central SC database, which would provide a vehicle for recording the zero rating of the SC on our 0845 services (assuming the unbundled tariff is applied to the 0845 range as per Ofcom's preference.) DWP has no view in respect of whether this database should be public or private sector maintained.

**Question 12.3: Do you agree with the need for reformation of the existing processes for number range building and tariff change notification? If so, what do you consider to be the key characteristic of a revised set of processes? Do you consider that there is a need for regulatory intervention in their establishment, if so why and on what basis should Ofcom intervene.:**

DWP has no view in this respect

**Question 12.4: Do you consider that there is a need for additional regulatory intervention in the area of end-users' access to non-geographic numbers, in addition to General Condition 20? If so why and what form should such an obligation take? :**

DWP has no view in this respect

**Question 12.5: What steps / actions do you consider need to be undertaken to ensure changes to the structure and operations of non-geographic numbers are successfully communicated to consumers? :**

The steps and actions set out in Section 12 of the consultation look sufficient and are in line with previous stakeholder comments about the need for a national advertising and communications campaign.

**Question 12.6: Do you agree with our proposal that existing price publication obligations (with some modifications) are sufficient to ensure that consumers are made aware of their ACs? Do you agree that we would need to specify the AC as a key charge?:**

Yes. As now, the DWP position on the costs of calling our 0845 numbers will be that the price is determined by the caller's telephone provider, and under the unbundled tariff that price will be driven by the AC. Compliance with the existing obligations set out in Section 12 of the consultation should ensure that consumers are aware of their AC.

**Question 12.7: Do you agree with our provisional view that the requirement for SPs to advertise their SCs could be implemented through a condition on SPs that is enforced through an industry Code of Practice and the ASA? Are there any other options (beyond the two outlined) which Ofcom should be considering? What do you consider is the best approach for securing industry commitment and developing a Code of Practice?:**

For the reasons stated in the consultation (e.g. less burdensome for SPs) it would be preferable for the requirement for SC advertising to be enforced through a Code of Practice rather than extending the remit of PhonePayPlus. DWP has no view in respect of other options or the best approach to developing a Code of Practice.

**Question 12.8: Do you agree internationally originated calls should be charged at the same SC as an equivalent domestic call? If not, please set out your reasons. Do you agree that originators should be able to set a separate AC level for roaming calls in a given country, though the other characteristics of the AC should still apply? :**

DWP has no view in this respect

**Question 12.9: We would welcome stakeholder views on our proposed approach for applying the unbundled tariff to payphones. Do you agree that it is appropriate to allow payphones to set a minimum fee for non-geographic calls?:**

Assuming the technical obstacles to implementation of the unbundled tariff referenced in the consultation are insurmountable, a minimum fee linked to coinage denomination (as in place

now) appears reasonable. However, if there is no reduction to this fee alongside the implementation of Ofcom's proposals then payphone users (who tend to be among the poorest and most vulnerable members of society) would not receive a share of the expected consumer benefits.

**Question 12.10: Do you consider there is a need to exempt business to business telephony contracts from some of the constraints of the unbundling regime? Is so what exemptions do you consider appropriate and why are they necessary (please give examples of the conflicts you would identify if exemptions are not provided). To which contracts should the exemptions apply and why?:**

DWP has no view in this respect

**Question 12.11: Do you agree with our proposal that implementation should take place 18 months from the date of the final statement?:**

An 18 month implementation period looks reasonable - it is noted that the final statement is not expected to be made until 2013.

**Question 13.1: Do you agree with our estimates of the billing costs for implementing the unbundled tariff, taking into account the discussion in Annex 19? If not, please explain why and provide evidence to support your response, particularly of the level of costs you are likely to incur as a result of our proposals.:**

DWP has no view in this respect

**Question 13.2: Do you agree with our estimates of the level of migration and misdialling costs for service providers who may migrate as a result of the unbundled tariff (taking into account the analysis and evidence in Annex 12)? If not please explain why and provide evidence.:**

DWP would need to undertake detailed work to assess the likely costs of migrating away from 0845 numbers, but high level estimates are within the range quoted in Section 13 of the consultation.

**Question 13.3: Do you agree with our estimates of the communication costs of implementing the unbundled tariff? In particular: (i) the costs of OCP communication with their customers and (ii) the costs of TCP communication with their SP customers. If not, please explain why and provide evidence to support your response, particularly of the level of costs you are likely to incur as a result of our proposals.:**

If the unbundled tariff is applied to the 0845 range (as per Ofcom's preferred option) DWP would incur change costs in complying with the Ofcom requirement to advertise the SC applicable to our numbers (it is assumed the requirement applies even where the SC is zero rated.) Further details would be required regarding the precise nature of this requirement in

order to assess these costs, e.g. it is not clear whether the requirement to advertise SC covers in line messaging as well as printed materials and on line information.

**Question 13.4: Do you have any comments on our impact assessment for the unbundled tariff? Please provide evidence to support your response.:**

DWP has no further views in this respect

**Question 16.1: Do you agree with our assessment of the options for the 080 range? In particular, do you agree with our preferred option of making 080 genuinely free to caller? If not, please explain why.:**

Yes

**Question 16.2: Do you have any comments on the analysis used to develop the Impact Assessment Range for the mobile origination charge and the Mobile Maximum Price range for 080 calls as set out in Annexes 21 to 25? Please provide evidence to support your comments.:**

DWP has no view in this respect

**Question 16.3: Do you agree with our estimates of the level of migration and misdialling costs for service providers who may migrate as a result of our proposal to make the 080 range free to caller (taking into account the evidence and analysis in Annex 12)? If not please explain why and provide evidence.:**

DWP has no view in this respect

**Question 16.4: Do you agree with our proposal to treat the 116 ranges in the same way as the 080 range (i.e. designate all as free to caller) as set out in detail in Annex 27? If not please explain why. :**

DWP has no view in this respect

**Question 17.1: Do you agree with our provisional view that it is appropriate for an access condition to be imposed on all TCPs hosting designated Free to caller numbers requiring them to: (i) purchase wholesale origination services for calls terminating on designated free to caller ranges from any requesting OCP (ii) to do so on fair and reasonable terms and conditions (including charges) and (iii) notify their SP customers of any initial revision to the charges for wholesale origination services within two months of Ofcom imposing the requirement for zero maximum prices. If not do you consider any ex ante intervention is required? Please give your reasons for or against such intervention and your preferred approach.:**

DWP has no view in respect of points (i) and (ii). Assuming point (iii) covers notifications on TCP charges to SPs for using an 0800 service then DWP agrees that a deadline should be set

for such notifications. This would provide for SPs to make timely and informed choices on retention of, and budgeting for, the provision of 0800 services.

**Question 17.2: Do you agree that the access condition does not need to be extended to OCPs, but is effectively binding on both parties? If not please give your reasons.:**

DWP has no view in this respect

**Question 17.3: Do you have any other comments on our proposed implementation approach for making Freephone free to caller? For example, do you consider it necessary for Ofcom to impose a requirement on SPs to publicise that 080 calls are free and do you have any other suggestions for how SPs could be encourage to publish that at the point of call? Are there any other implementation issues which need to be taken into account? :**

As referenced in the consultation, DWP has already negotiated with many mobile OCPs to zero rate calls to our 0800 numbers and call volumes to the service lines concerned have increased since these arrangements have been in place. From a DWP perspective, a requirement for SPs to publicise that 080 numbers are free would therefore be unnecessary and could cause confusion.