



Geographic telephone numbers:

Guidance for communications providers on the administrative arrangements for the pilot scheme to charge for geographic numbers

Publication date:

27 March 2013

Contents

Section		Page
1	Summary and introduction	3
2	Key elements of the pilot scheme	5
3	Administrative documents that Ofcom will issue to relevant CPs	6
4	Discounts applicable to the number charge bill	8
5	Payment process	11
6	Timetable of administrative arrangements for the pilot scheme	12
 Annex		 Page
1	Area codes included in the pilot scheme	13
2	Example charging schedule	14
3	Relevant contacts and links	15

Section 1

Summary and introduction

- 1.1 In July 2012 Ofcom published a statement entitled *Promoting efficient use of geographic telephone numbers* ('the July 2012 Statement')¹ in which we set out, among other things, our decision to put in place a pilot scheme in which we will charge communications providers ('CPs') for geographic numbers they have been allocated in 30 area codes. The pilot scheme commences on 1 April 2013.
- 1.2 This document provides guidance on the administrative arrangements for the pilot scheme. It is important that all CPs which either have obtained, or intend to obtain, allocations of numbers from Ofcom in any of the area codes of the pilot scheme are aware of these arrangements. A list of the area codes included in the pilot scheme is provided at Annex 1 of this document.
- 1.3 The guidance will be updated as and when necessary and appropriate. It should be read in conjunction with:
- the July 2012 Statement; and
 - the relevant conditions for charging for geographic numbers set out in General Condition 17 on the allocation, adoption and use of telephone numbers ('GC17').²
- 1.4 This document includes:
- a summary of the key elements of the pilot scheme (Section 2);
 - information on the administrative documents that Ofcom will issue to CPs with geographic number allocations in the area codes of the pilot scheme (Section 3);
 - information on discounts to the number charge bill that CPs may apply for in respect of numbers allocated to them but used by another CP for regulatory reasons (Section 4);
 - a description of the payment process (Section 5);
 - the timetable for the administrative arrangements, including the charging and billing cycles (Section 6);
 - the area codes included in the pilot scheme (Annex 1);
 - an example of a schedule issued as part of the number charge billing process (Annex 2); and

¹Ofcom, *Promoting efficient use of geographic telephone numbers: Implementing a pilot scheme for certain geographic numbers and making a limited quantity of 100-number blocks available for allocation – Statement, 18 July 2012*, <http://stakeholders.ofcom.org.uk/binaries/consultations/geo-numbers/statement/numbers-statement.pdf>.

² The consolidated version of the General Conditions of Entitlement is available at: <http://stakeholders.ofcom.org.uk/telecoms/ga-scheme/general-conditions/>. Also see Annex 6 of the July 2012 Statement.

- Ofcom contact details and links for further information (Annex 3).

Section 2

Key elements of the pilot scheme

- 2.1 Charges will apply to geographic telephone numbers allocated by Ofcom to CPs in the 30 area codes set out in the Annex to GC17, known as the 'pilot scheme area codes'. The pilot scheme area codes are also listed in Annex 1 of this document for ease of reference. The charges will apply irrespective of whether the allocated number has been adopted by the CP or is in use.
- 2.2 In accordance with the relevant conditions in GC17, charges will be calculated according to the following principles:
 - 2.2.1 charges accrue on a daily basis per geographic number allocated in the pilot scheme area codes; in that respect, a number is considered allocated to a CP from the date recorded on the number allocation certificate provided to the CP by Ofcom until the date recorded on the number withdrawal certificate provided to the CP by Ofcom, if relevant;
 - 2.2.2 the applicable daily charge is £0.1/365 per number (i.e. 10 pence per number per year) for each day on which a CP holds the allocation of that number;³
 - 2.2.3 charges are billed in arrears and on an annual basis; and
 - 2.2.4 a CP may obtain a discount to its number charge bill in respect of numbers allocated to it which are used by a different CP due to a regulatory requirement.⁴ Such discounts apply to ported numbers⁵, numbers used to provide external Wholesale Line Rental ('WLR') and public payphone numbers provided under a Universal Service Obligation ('USO'). Discounts do not apply to numbers used by another CP under a commercial arrangement such as sub-allocation.
- 2.3 The key dates of the pilot scheme and each charging year are:
 - 2.3.1 the pilot scheme commences on 1 April 2013; and
 - 2.3.2 the charging year is the 12-month period from 1 April to 31 March.
- 2.4 We intend to begin a review of the pilot scheme after approximately two years of operation. Charging will continue during the period of the review.

³ In a leap year no charge is applied for 29 February, i.e. the charge per number always sums to 10p if the number is held for a full charging year.

⁴ Further detail provided in Section 4.

⁵ In accordance with GC18 on Number Portability.

Section 3

Administrative documents that Ofcom will issue to relevant CPs

3.1 During each charging year, Ofcom will issue relevant CPs⁶ with the following documents as part of the administration of the pilot scheme.

Validation statement

3.2 Starting from July 2013, during July of each charging year, each relevant CP will receive a 'validation statement'. The validation statement will include a draft invoice and schedule of numbers allocated to the particular CP as at that time and to which charges would be applied at the end of the charging year. The invoice and schedule would be the same at the end of the charging year provided that:

3.2.1 nothing changes in terms of relevant number allocations in the intervening period; and

3.2.2 the CP does not apply for a discount to the bill.

3.3 The purpose of the validation statement is for CPs to familiarise themselves with the format of the invoice and schedule and raise any queries with Ofcom if necessary. This should assist CPs in planning for their reconciliation processes at the end of the charging year.

Draft schedule

3.4 Starting from April 2014, after the end of each charging year, a draft schedule will be issued to each relevant CP in mid-April setting out:

3.4.1 a list of numbers (shown as blocks allocated) for which the relevant charge is applied;

3.4.2 the date on which the numbers were allocated to the CP, the dates between which the number charge applies, and the total number of days for which the numbers were held and charged for during the previous charging year;

3.4.3 the amount of any discount applied (if relevant); and

3.4.4 the total number charge to be paid by the CP.

3.5 CPs will have 45 calendar days (i.e. from approximately mid-April to the end of May) to examine the schedule and raise any queries with Ofcom. This 'reconciliation' process allows for CPs to resolve any queries ahead of Ofcom issuing the invoice for payment. During this period, CPs may want to give their finance department (if relevant) prior notice of the likely amount to be paid.

⁶ A relevant CP is a CP who has been allocated numbers by Ofcom in the pilot scheme area codes.

Final schedule

- 3.6 Ofcom will take into account any queries raised by a CP on its draft schedule within the 45 calendar day period (see paragraph 3.5 above). If a CP either does not respond to the draft schedule or no queries are raised, Ofcom will prepare to issue the final schedule to the CP in unamended form.
- 3.7 Ofcom will aim to resolve all queries and issue CPs with the final schedule (with any amendments as appropriate) during the 15 calendar days following the end of the 45 calendar day period (i.e. by mid-June following the end of the charging year).
- 3.8 The final schedule will be issued around mid-June (starting in June 2014). It will set out:
- 3.8.1 a list of numbers (shown as blocks allocated) for which the relevant charge is applied;
 - 3.8.2 the date on which the numbers were allocated to the CP, the dates between which the number charge applies, and the total number of days for which the numbers were held and charged for during the previous charging year;
 - 3.8.3 the amount of any discount applied (if relevant); and
 - 3.8.4 the total number charge to be paid by the CP.
- 3.9 Any queries concerning the final schedule will need to be raised with Ofcom immediately for resolution.

Invoice

- 3.10 The final schedule is accompanied by the invoice. The invoice sets out the amount for full payment by the CP within 14 days of receipt in accordance with the requirements in GC17.

Section 4

Discounts applicable to the number charge bill

- 4.1 CPs which have been allocated numbers by Ofcom in the pilot scheme area codes may apply to Ofcom for certain discounts to the number charge bill. Discounts may apply to numbers allocated by Ofcom to a CP which are used by a different CP for regulatory reasons. Discounts do not apply to numbers allocated to a CP by Ofcom which are used by a different CP under a commercial arrangement, such as sub-allocation.

Numbers for which a discount may be applied

- 4.2 There are three categories of numbers allocated by Ofcom in pilot scheme area codes for which a CP might be eligible to apply for a discount to its number charge bill in accordance with GC17. These are set out below.

Ported out numbers

- 4.3 A customer's number may have been ported from one CP to another CP. A ported number remains allocated to the CP (known as the range holder) who has been allocated the relevant block of numbers by Ofcom, even though another CP (known as the recipient provider) is using the number to provide a service to that customer.
- 4.4 GC18 requires range holders to provide number portability at the customer's request. Therefore any CP with numbers allocated by Ofcom in the pilot scheme area codes may have ported numbers out to another CP. A discount may apply to such ported out numbers.
- 4.5 The discount does not apply to numbers ported between CPs which are part of the same group of companies.

Numbers used by BT to provide external WLR

- 4.6 WLR is a regulated wholesale service sold by BT, which is used by CPs to provide retail customers with exchange lines and access to other narrowband telephony services.
- 4.7 The WLR line supplied by BT is usually attached to a number allocated to BT (the range holder), but it is the CP providing the service to the customer (the retail CP) which uses the number. A discount may apply to numbers allocated to BT and used to provide 'external WLR' (see definition in paragraph 4.8 below).
- 4.8 Only BT is eligible to apply for a discount to its number charge bill for numbers used to provide WLR services. The discount applies only to WLR lines provided to CPs outside the BT Group (referred to as external WLR).

Numbers used by BT and KCOM to provide public payphone services under a USO

- 4.9 BT (in the UK excluding the 01482 Hull area code) and KCOM (in the 01482 Hull area code) have a regulatory obligation to provide public payphone services. They supply the numbers for those services. A discount may apply to numbers used to provide public payphone services under a USO.
- 4.10 Only BT and KCOM are eligible to apply for discounts to their number charge bills for numbers used to provide public payphone services under a USO.

The calculation of the discount

- 4.11 In February 2013 we issued formal information requests to BT, Cable & Wireless Worldwide ('C&WW'), Virgin Media and KCOM under section 135 of the Communications Act 2003 ('the Act') to provide us with the necessary information to calculate the utilisation rates, which in turn are necessary to calculate the discounts. The utilisation rates will remain fixed until after the review of the pilot scheme.

Ported out numbers

- 4.12 The amount of any discount to a CP's number charge bill in respect of ported out numbers will be calculated by Ofcom as follows, as set out in GC17:

$$(the\ total\ number\ of\ the\ Communications\ Provider's\ Ported\ Numbers) \times \pounds 0.1 \div (the\ Average\ Industry\ Utilisation\ Rate).$$

- 4.13 The calculation of the discount for ported numbers therefore requires an average industry utilisation rate benchmark based on number utilisation across the 30 pilot scheme area codes for the three CPs with the largest quantity of numbers allocated in those area codes. Those CPs are BT, C&WW and Virgin Media.
- 4.14 The utilisation rate of numbers allocated to each of the three CPs in the pilot scheme area codes has been weighted according to their number allocations in those area codes to calculate the average industry utilisation rate benchmark.
- 4.15 We have calculated that the average industry utilisation rate is 54.1 per cent. This equates to a discount of £0.185 per ported out number.

Numbers used by BT to provide external WLR

- 4.16 The amount of any discount to BT's number charge bill in respect of external WLR numbers will be calculated by Ofcom as follows, as set out in GC17:

$$(the\ total\ number\ of\ the\ Communications\ Provider's\ WLR\ Numbers) \times \pounds 0.1 \div (the\ BT\ Average\ Utilisation\ Rate).$$

- 4.17 The discount for external WLR numbers will be calculated using BT's average utilisation rate for numbers allocated to it in the 30 pilot scheme area codes. BT's average utilisation rate is confidential.

Numbers used by BT and KCOM to provide public payphone services under a USO

- 4.18 The amount of any discount to BT's or KCOM's number charge bill in respect of public payphone numbers will be calculated by Ofcom as follows, as set out in GC17:

(the total number of the Communications Provider's Public Payphone Numbers) x £0.1 ÷ (the Communications Provider Average Utilisation Rate).

- 4.19 The discount for public payphone numbers provided under a USO in the UK excluding the 01482 (Hull) area code will be calculated using BT's average utilisation rate for numbers allocated to it in the 30 pilot scheme area codes. As indicated above, BT's average utilisation rate is confidential.
- 4.20 The discount for public payphone numbers provided under a USO in the 01482 (Hull) area code will be calculated using KCOM's average utilisation rate in the 01482 (Hull) area code. KCOM's average utilisation rate is confidential.

How to apply for a discount

- 4.21 Starting from 2013, in July of each charging year, relevant CPs will receive instruction from Ofcom on how to apply for a discount to their number charge bill. A summary of the process is provided below.
- 4.22 CPs applying for a discount for ported/external WLR/public payphone numbers provided under a USO need to provide Ofcom by 1 December with the information required on those numbers as at a date chosen and specified by the CP between 1 September and 31 October of that charging year. CPs may perform the necessary data interrogation on different dates during the applicable period provided the dates are clearly specified by the CP on its application for a discount.
- 4.23 The information provided by CPs on ported/external WLR/public payphone numbers provided under a USO will be the total amount of numbers used under such arrangements respectively across the pilot scheme area codes. The amount of each of such numbers needs to be broken down as follows:
- by each recipient CP for ported numbers;
 - by each retail CP for external WLR numbers; and
 - the total amount of numbers for public payphone services under a USO.
- 4.24 CPs must also explain the method used for collecting the data (e.g. details of relevant interrogation of IT systems) and specify the dates on which the data was collected.
- 4.25 During the last quarter of the charging year we will verify a sample of discount applications by cross-checking with recipient CPs (for ported numbers) and retail CPs (for external WLR numbers) that the numbers listed by the range holder have been ported or used for external WLR. We will work with relevant CPs to resolve any discrepancies in the data that might arise during the verification exercise. If we are not satisfied with the information provided, we may decide not to apply the discount to the relevant CP's number charge bill. The relevant CP will be informed of our decision.

Section 5

Payment process

- 5.1 Invoices for number charges will be issued to CPs in June of each charging year.
- 5.2 Invoices are issued for full payment within 14 days of receipt in accordance with GC17.
- 5.3 We strongly encourage CPs to settle their accounts by direct debit, and Ofcom will provide Direct Debit instructions for completion.
- 5.4 Ofcom's online payment system will be available to CPs issued a bill of £5,000 or less; CPs who have a bill for more than £5,000 cannot use the online payment system. Further information on the online payment system can be found on our website.⁷

Third-party roles in the reconciliation and/or payment process

- 5.5 Some CPs who have been allocated numbers by Ofcom (i.e. range holders) use third parties (such as another CP) to undertake elements of number management on their behalf. It may be the case that some range holders may also want third parties to manage the reconciliation of schedules and/or payment of the invoice with respect to their number allocations. In such situations, the range holder and third party should instruct Ofcom accordingly.⁸

Non-payment of charges

- 5.6 If a CP does not pay the charge within the payment period, this will constitute a breach of a General Condition, and Ofcom has the power to take action in respect of such breach, pursuant to sections 96A to 96C of the Act, including the imposition of specific requirements and a penalty, if appropriate.
- 5.7 In addition, section 58(9) of the Act provides that payments that are required to be made to Ofcom in respect of number allocations (pursuant to section 58(1)(g)), must be paid as soon as they become due in accordance with the conditions imposing the obligation to pay, and, if not so paid, are to be recoverable by them accordingly. This means that Ofcom may bring civil proceedings for recovery of a debt due.

⁷ <https://secure.ofcom.org.uk/payments/>.

⁸ See Annex 3 for Ofcom contact details.

Section 6

Timetable of administrative arrangements for the pilot scheme

6.1 Figure 6.1 below sets out the timetable for the administrative arrangements for the pilot scheme.

Figure 6.1 Administrative arrangements for the pilot scheme

Timing (applies to each billing cycle unless otherwise specified)⁹	Event
April 2013 (applies to first billing cycle only)	Each relevant CP will be asked to provide appropriate contact details for invoice validation and payment purposes
July	Ofcom to issue validation statements to relevant CPs
July	Ofcom to issue instructions to relevant CPs on how to apply for a discount for ported/external WLR/public payphone numbers provided under a USO
Between 1 September and 31 October (specific date(s) to be chosen by the CP)	CPs applying for a discount for ported/external WLR/public payphone numbers to gather the required information on those numbers
1 December	Deadline for CPs to provide Ofcom with the specified details on numbers for which they are applying for a discount to their number charge bill for that charging year
January to March	Ofcom to verify a sample of CPs' discount applications
Mid-April	Ofcom to send a draft schedule to CPs to allow for reconciliation and raising of any queries
Mid-April to end of May	CPs to examine the draft schedule and raise any queries with Ofcom
Mid-June to end of June	Ofcom to issue CPs with their final schedule and invoice
Within 14 days of receipt of the invoice	CPs to make full payment of their invoice to Ofcom

⁹ Indicative timescales – may be subject to change.

Annex 1

Area codes included in the pilot scheme

Figure A1.1 Area codes included in the pilot scheme

Geographic Area Code	Area
01202	Bournemouth
01274	Bradford
01642	Middlesbrough
01273	Brighton
01224	Aberdeen
01793	Swindon
01908	Milton Keynes
01782	Stoke-on-Trent
01865	Oxford
01792	Swansea
01206	Colchester
01582	Luton
01604	Northampton
01603	Norwich
01223	Cambridge
01752	Plymouth
01332	Derby
01384	Dudley
01925	Warrington
01253	Blackpool
01382	Dundee
01482	Hull
01702	Southend-on-Sea
01902	Wolverhampton
01753	Slough
01483	Guildford
01452	Gloucester
01924	Wakefield
01276	Camberley
01772	Preston

Annex 2

Example charging schedule

Figure A2.1 Example of the charging schedule

Number block	Geographic Area	Block Size	Communications Provider	Allocated on	Charge from (inclusive of date)	Charge to (inclusive of date)	Number of days	Total of discounted numbers	Cost per year
1202 00 0	Bournemouth	1,000	Any Telecom Limited	01/06/2013	01/06/2013	31/03/2014	304		£83.29
1202 01	Bournemouth	10,000	Any Telecom Limited	31/12/2007	01/04/2013	31/12/2013	275		£753.42
1206 90 5	Colchester	1,000	Any Telecom Limited	24/11/2013	24/11/2013	31/03/2014	128		£35.07
1223 64	Cambridge	10,000	Any Telecom Limited	07/11/2002	01/04/2013	30/04/2013	30		£82.19
1332 97 7	Derby	1,000	Any Telecom Limited	12/06/2012	01/04/2013	31/03/2014	365		£100.00
1482 69 5	Hull	1,000	Any Telecom Limited	30/04/2013	30/04/2013	31/03/2014	336		£92.05
1482 75 8	Hull	1,000	Any Telecom Limited	28/06/2006	01/04/2013	31/03/2014	365		£100.00
1483 93 9	Guildford	1,000	Any Telecom Limited	01/05/2013	01/05/2013	31/03/2014	335		£91.78
1483 96	Guildford	10,000	Any Telecom Limited	20/12/2002	01/04/2013	31/03/2014	365		£1,000.00
1483 97	Guildford	10,000	Any Telecom Limited	27/07/2008	01/04/2013	31/03/2014	365		£1,000.00
1642 70	Middlesbrough	10,000	Any Telecom Limited	01/05/2000	01/04/2013	31/03/2014	365		£1,000.00
1753 94 7	Slough	1,000	Any Telecom Limited	31/03/2009	01/04/2013	31/03/2014	365		£100.00
1753 95	Slough	10,000	Any Telecom Limited	20/12/2002	01/04/2013	31/03/2014	365		£1,000.00
1772 41 4	Preston	1,000	Any Telecom Limited	17/09/2011	01/04/2013	31/03/2014	365		£100.00
1902 23 3	Wolverhampton	1,000	Any Telecom Limited	07/02/2014	07/02/2014	31/03/2014	53		£14.52
1908 80	Milton Keynes	10,000	Any Telecom Limited	05/09/2001	01/04/2013	31/03/2014	365		£1,000.00
1908 88 1	Milton Keynes	1,000	Any Telecom Limited	31/05/2013	31/05/2013	31/03/2014	305		£83.56
1908 94 9	Milton Keynes	1,000	Any Telecom Limited	24/06/2006	01/04/2013	31/03/2014	365		£100.00
									£6,735.88
							Ported	250	£46.21
							WLR	0	£0.00
							Payphone	0	£0.00
							Total Discounts		(£46.21)
							Total		£6,689.67

Annex 3

Relevant contacts and links

Who to contact

A3.1 General queries with regards to this guidance or the administrative process for the pilot scheme should be directed to Ofcom's Numbering Team:

- email: numbering.applications@ofcom.org.uk
- telephone: call Ofcom's main switchboard on 0300 123 3000 or 020 7981 3000 and ask for the Numbering Team

A3.2 Queries regarding the payment/billing process for the pilot scheme should be directed to Ofcom's Accounting Services:

Email : ar@ofcom.org.uk

Telephone : 020 7783 4930

Relevant links

A3.3 Ofcom, *Geographic telephone numbers: Guidance for communications providers on the administrative arrangements for the pilot scheme to charge for geographic numbers*, 27 March 2013, <http://stakeholders.ofcom.org.uk/telecoms/numbering/guidance-tele-no/geo-guidance/>

A3.4 Ofcom, *Promoting efficient use of geographic telephone numbers: Implementing a pilot scheme to charge for certain geographic numbers and making a limited quantity of 100-number blocks available for allocation - Statement*, 18 July 2012, <http://stakeholders.ofcom.org.uk/binaries/consultations/geo-numbers/statement/numbers-statement.pdf>.

A3.5 Ofcom, *The National Telephone Numbering Plan*, latest version available at <http://stakeholders.ofcom.org.uk/telecoms/numbering/>.

A3.6 Ofcom, *General Conditions of Entitlement*, latest consolidated version available at <http://stakeholders.ofcom.org.uk/telecoms/numbering/>.

A3.7 Ofcom's online payment system: <https://secure.ofcom.org.uk/payments/>.