



The 0500 Number Range

Re-consultation on specific elements of Ofcom's proposal for the withdrawal of 0500 Freephone telephone numbers

This is a non-confidential version of the consultation. Redactions are indicated by [X]

Consultation

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Section 1

Summary

Introduction

- 1.1 This consultation concerns 0500 Freephone numbers¹ and Ofcom's proposal to withdraw this number range from use. Our proposal, if implemented, will affect communications providers ('CPs') and service providers ('SPs') that currently use 0500 numbers. The 0500 range has been closed to new allocations since 1997-98.
- 1.2 On 23 October 2012 we published a consultation in which we proposed the withdrawal of the 0500 number range ('October 2012 consultation').² This was part of our programme of work to address concerns we had identified in the provision of non-geographic call services ('NGCS'). In response to stakeholder comments on the proposed approach for this withdrawal we have decided to reconsult on an alternative approach which would allow a migration path to a dedicated alternative 080 sub-range for users of affected 0500 numbers.
- 1.3 In the October 2012 consultation we set out the history and current market context of the 0500 number range, the legal framework governing its provision and operation, and our assessment of the policy options available for the future of the 0500 range: to maintain the status quo; to align 0500 with 080 as free-to-caller when 080 becomes free-to-caller;³ to cap charges to 0500 numbers from mobile phones; and to withdraw the 0500 range.
- 1.4 We explained that withdrawing the 0500 range was our preferred policy option because we considered that, on balance, this would offer the greatest net benefit: reducing consumer confusion, securing best use of telephone numbers and enhancing the clarity and simplicity of the new regime (080) for the benefit of consumers and businesses. The consultation invited stakeholders to comment on our assessment criteria for the analysis of options for 0500, the analysis itself, the proposal to withdraw as well as issues of implementation.
- 1.5 We noted in the October 2012 consultation that, in assessing options for the 0500 range, we had assumed that our preferred option for the 080 range would be implemented, namely that the 080 range would be made free-to-caller by all CPs; if we did not implement those proposals for 080, our proposals for 0500 may need to change and we would review our proposals for 0500 to determine if they should be revised or be subject to further analysis.⁴ However, this uncertainty has now been resolved in our final NGCS statement ('2013 NGCS statement'), published on 12 December 2013, where we have required that calls to 080 and 116 numbers be free-to-caller from 26 June 2015.

¹ A Freephone number is one that is reached free of charge to the customer, except where a charge is notified at the start of the call, i.e. through a pre-call announcement ('PCA'). At present, Freephone numbers are generally free to call from fixed lines but commonly charged from mobiles.

² Available at <http://stakeholders.ofcom.org.uk/consultations/0500-number-range/>.

³ A free-to-caller number means one that is accessed at no charge to the customer (including from payphones). In April 2013, we published a policy position and consultation on NGCS in which we said that our preferred policy position for the 080 range is to change its designation from Freephone to free-to-caller.

⁴ October 2012 consultation, paragraph 5.11, page 24.

Reasons for a further consultation

- 1.6 In the light of specific concerns raised by respondents to our October 2012 consultation, we are proposing a revised approach to the means by which any withdrawal of the 0500 range would be implemented. Specifically, we are now proposing to open a sub-range within the 080 range which will provide a migration path for SPs currently using 0500 numbers who may wish to take up this opportunity. We are consulting on two alternative migration paths – 080 50 and 080 85 – and seek stakeholders' views on the most suitable option.
- 1.7 In proposing this approach for the withdrawal of the 0500 range we would rely on Ofcom's power to withdraw allocated numbers for the purposes of a numbering reorganisation, which is set out in section 61(2)(c) of the Communications Act 2003 ('the Act'), rather than alternative grounds enumerated in section 61 of the Act under which the withdrawal of telephone numbers is authorised. Our detailed analysis of our powers to withdraw telephone numbers, as set out in sections 61 and 62 of the Act, is presented in section 3 of this document, together with our reasons for considering that the legal tests for exercising the specific power in section 61(2)(c) of the Act would be satisfied in this case.
- 1.8 In addition, we set out with this consultation our proposed modifications to: (i) the Numbering Plan, and (ii) the numbering application forms, which are required to give effect to the proposed withdrawal of the 0500 range and the numbering reorganisation that would accompany this withdrawal.

Next steps

- 1.9 This consultation will close on 31 January 2014. After we have duly considered stakeholders' responses to this consultation and the responses we received to the October 2012 consultation on the various options for the 0500 range, we will publish a final decision on the future of the range.

Section 2

Withdrawal basis and implementation approach

- 2.1 In this section we have summarised what we said in the October 2012 consultation about the 0500 range, including our preferred option of withdrawing this range, and the implementation of our preferred option.
- 2.2 We have also presented the views of respondents to our October 2012 consultation on the two specific issues which are the subject of this second consultation, namely: (i) the legal basis of a withdrawal of 0500 telephone numbers, and (ii) the implementation of such a withdrawal. We have then set out our response to those views including our new proposals.
- 2.3 In their responses to the October 2012 consultation, stakeholders also commented on other issues: the market context; Ofcom's numbering precedents; the criteria applied by Ofcom to assess policy options for 0500; Ofcom's cost-benefit analysis of the proposed withdrawal of the 0500 range; and the meaning of "best and most efficient use of numbers". We will respond in full to stakeholders' views on these issues in our statement setting out our decision on the 0500 range.

What we said in the October 2012 consultation

Summary of the market context of the 0500 range

- 2.4 Section 3 of the October 2012 consultation set out our findings concerning the market context for any decision about 0500 numbers. The data were obtained from a number of sources, which we cited there. In this sub-section we present a selection of the most important points.
- 2.5 Seen in the context of the UK market for non-geographic calls, the 0500 market is extremely small and in decline,⁵ with less than [X] [X] of the number range in use. The size of the market is constrained by the fact that the 0500 range has been closed since 1997-98 (i.e. not open to new allocations).⁶ Vodafone (C&WW)⁷ advised us that the number of SPs using 0500 numbers has dropped from [X] [X] in 2007 to [X] [X] by June 2012, a drop of 19% – this includes those that have ported to other operators.⁸ In other words, [X] [X] SPs left the 0500 range in the five years to 2012. Vodafone (C&WW) said that this data should be considered [X] [X].⁹ Similarly, BT

⁵ The 0500 range can, in theory, accommodate 10⁶ (1m) numbers. But, as of October 2012, only [X] [X] numbers were recorded in Vodafone (C&WW)'s Intelligent Network, the network routing system which is used to route calls to non-geographic numbers.

⁶ Email from Justin Hornby (Vodafone(C&WW)) to Samir Prakash (Ofcom), 11 September 2012. Vodafone (C&WW) informed us that "[X] [X]". In response to a formal information request from Ofcom in July 2012, Vodafone (C&WW) noted, with reference to the 0500 range: [X] [X]

⁷ Cable & Wireless Worldwide (C&WW), the range holder for 0500, was acquired by Vodafone in July 2012. Ofcom's discussion (after July 2012) with Vodafone about the 0500 range has been with the unit that was formerly C&WW, we refer to it as "Vodafone (C&WW)" in this document.

⁸ Vodafone (C&WW)'s 17 August 2012 response to Ofcom's 16 July 2012 s.135 information request.

⁹ Ofcom's own survey of 35 SPs on the 0500 range revealed that a quarter of them were no longer using the range – see paragraphs 3.16-3.17 below.

advised us that the number of 0500 SPs that it hosted had dropped from [redacted] [redacted] in 2010 to [redacted] [redacted] in end-June 2012, a drop of 18%.¹⁰

- 2.6 Vodafone (C&WW) provided Ofcom with a list of several SPs on the 0500 range.¹¹ Only a very small proportion of these matched the description used by Ofcom of ‘socially important services’ in the April 2012 consultation on non-geographic number services (‘the April 2012 NGCS consultation’).¹² While recognising the limitations of the sample size, we noted that if we were to treat the list from Vodafone (C&WW) as representative, it would suggest that about 4% of SPs on the 0500 range offered ‘socially important services’. As part of our research into 0500 SPs, we contacted a number of these ‘socially important’ SPs between June and August 2012. Some of them said they no longer operated 0500 numbers, which may suggest that the number of ‘socially important’ SPs actively using the 0500 range could be even lower than our 4% estimate.
- 2.7 The volume of calls to 0500 numbers is low. As can be seen in Tables 2.1 and 2.2 below, the volume of calls to 0500 numbers is a very small percentage of the volume of calls to 080 numbers. Specifically, in 2010 and 2011, the volume of calls to 0500 numbers terminated by Vodafone (C&WW) represented no more than [redacted] [redacted] of the volume of calls it terminated to 080 numbers. At BT, the equivalent figure was [redacted] [redacted]. Also, on both the BT and Vodafone (C&WW) networks, 0500 is among the least likely non-geographic number ranges to be called by consumers. Almost all of this traffic results from calls to just a few dozen numbers. According to BT, the percentage of call volume attributable to the top 30 0500 SPs that it hosted (selected by call volume) in 2011 was [redacted] [redacted].¹³ The equivalent figure for Vodafone (C&WW) was [redacted] [redacted].¹⁴ Therefore, a very large proportion of the total 0500 call volume today is generated by calls to a very small number of SPs.

Table 2.1: Selected non-geographic call volumes terminated by Vodafone (C&WW)

C&WW		03	0500	080	0844/3	0845	0870	0871/2/3	09	118
Call volume terminated (millions of minutes)	2010	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
	2011	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Table 2.2: Selected non-geographic call volumes terminated by BT

BT		03	0500	080	0844/3	0845	0870	0871/2/3	09	118
Call volume terminated (millions of minutes)	2010	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
	2011	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

- 2.8 With respect to call charges for 0500 calls, we noted that while fixed-line providers do not charge for calls to Freephone numbers, most mobile operators did charge for

¹⁰ BT’s 27 July 2012 response to Ofcom’s 16 July 2012 s.135 information request.
¹¹ Email from Justin Hornby (Vodafone (C&WW)) to Elizabeth Gannon (Ofcom), 17 January 2012.
¹² April 2012 NGCS consultation, Part A, paragraph 5.103, page 81.
¹³ BT’s 27 July 2012 response to Ofcom’s 16 July 2012 s.135 information request.
¹⁴ Vodafone (C&WW)’s 17 August 2012 response to Ofcom’s 16 July 2012 s.135 information request.

such calls.¹⁵ We were not aware of any SP on the 0500 range for which all or most mobile OCPs do not levy a charge for calls, i.e. where the SP has negotiated, directly or indirectly, to have those charges zero-rated. We noted that it was possible that some mobile OCPs charged calls to 0500 numbers differently from calls to 080 numbers; however, based on a sample of mobile tariffs examined in September 2012, we concluded that mobile OCPs price 0500 calls the same way they do 080 calls.

- 2.9 Consumer research commissioned by Ofcom in July 2012, and reported in the October 2012 consultation, pointed strongly to very poor consumer awareness and understanding of the 0500 range – both in absolute terms and compared to most other non-geographic number ranges.¹⁶ Our key findings were:
- 2.9.1 15% of telephone users claimed to be aware of numbers starting with 0500. However, only 25% of those who said they were aware of 0500 numbers could identify them as Freephone. Therefore, overall 4% of people with telephones were aware of and understood that 0500 numbers were Freephone.
 - 2.9.2 This level of claimed awareness was significantly lower than that for other number ranges. For example, 57% of consumers claimed to be aware of 080 numbers and 36% for 01 and 02 (geographic numbers). 75% of telephone users either said they had not heard of 0500 numbers or felt unable to give an opinion on how expensive or inexpensive it was to call a 0500 number. This was in comparison to 23% who said this for the price of calling 0800 numbers.
 - 2.9.3 Only 6% said they knew how much it costs to call 0500 numbers (though this does not imply their perception was correct); for 0800, the number was 55%.
- 2.10 In the October 2012 consultation, we provided our findings from our interviews with a sample of 35 SPs with 0500 numbers.¹⁷ We noted that these SPs were drawn from a diverse set of industries (including financial services, consumer goods, industrial products and ‘socially useful’ charities) and a range of organisational sizes (from under 100 staff to over 10,000).¹⁸ We also noted that we contacted a majority of those SPs who collectively accounted for a majority of 0500 call volumes.¹⁹ Our aim was to understand their use of 0500 numbers, the importance of these numbers to their operations and their views on the options we were considering for 0500 numbers.²⁰ Our main findings were as follows:

¹⁵ October 2012 consultation, paragraphs 3.20-3.22, page 17.

¹⁶ A sample of 2,219 16+ adults was interviewed in the UK. Of these, 2,144 said they used a mobile telephone or had a landline telephone within their homes (97% of the overall sample). These respondents constituted the standard base of the research and are referred to as ‘telephone users’ in the report of the survey, which was published at the same time as the October 2012 consultation and is available at: <http://stakeholders.ofcom.org.uk/binaries/research/telecoms-research/omnibus-survey2012.pdf>.

¹⁷ October 2012 consultation, paragraphs 3.16-3.19, pages 14-16.

¹⁸ Contact information for these SPs was provided by Vodafone (C&WW) and BT.

¹⁹ Based on 0500 call volume data for 2011 provided to Ofcom by Vodafone (C&WW) and BT.

²⁰ Options for 0500 are to leave it unchanged (such that it becomes different from 080 when 080 changes); to make it free to all callers; to make it a Maximum Mobile Price (MMP) range, which would make it a new type of number range; or, to withdraw the range completely.

- 2.10.1 Over a quarter of these SPs said they no longer operated 0500 numbers. The remaining findings were, therefore, based on those SPs who responded to our questions.
- 2.10.2 Most of these SPs advised us that incoming call volumes on their 0500 numbers were very small compared to their other telephone numbers. The majority said they have more 080 numbers and/or other non-geographic numbers than they do 0500 numbers.
- 2.10.3 The SPs said that the most important feature of 0500 numbers was that they were free to callers (landline callers at least). Most said that they were aware that 080 numbers were better recognised as Freephone by the public and the main reason they continued to operate their 0500 numbers was that they have had the numbers for a long time and had not experienced an immediate need to change them. A few SPs indicated that were considering giving up their 0500 numbers within a year.
- 2.10.4 Some SPs said they offer their callers a geographic number alternative, which would fall within free call bundles offered to mobile users unlike current Freephone numbers. This is because, these SPs said, their callers believed SPs were profiting through charges paid by consumers for calling their Freephone numbers from mobiles. Almost all these SPs said that the fact that present-day Freephone was not free to all callers, particularly mobile callers, was a significant weakness in the UK's Freephone system. These SPs said they would welcome intervention to make Freephone simpler, clearer and truly free because that would reduce consumer suspicion – and such a change would be positive for their businesses.
- 2.11 With regard to our options for reforming 0500, we noted the following:²¹
- i) **Making 0500 free-to-caller:** Most SPs we asked favoured making the range free to all callers – as we had proposed for 080. This view remained the case if the cost to SPs increased by up to 2ppm per call with the free-to-caller option. These SPs said they wanted to keep services they currently offered through 0500 numbers as free as possible; i.e. if 0500 were made free to all callers, they would maintain their 0500 numbers – primarily because “doing nothing” in that scenario was the simplest option;
 - ii) **Making 0500 a ‘maximum mobile price’ (‘MMP’) range:**²² Only one SP supported this option. MMP was perceived as too complex to explain and communicate to consumers, and as carrying the risk of diluting or confusing the message about the simplification of the 080 range. A few SPs said there was a risk that an MMP 0500 range would be perceived as an inferior form of Freephone, or a different type of Freephone, and this could raise consumer suspicion about Freephone numbers generally;
 - iii) **Withdrawing the 0500 range:** The SPs we spoke to were not resistant to the 0500 range being withdrawn in principle provided:

²¹ October 2012 consultation, paragraphs 3.18, pages 15-16.

²² A ‘maximum mobile price’ (or ‘MMP’) number range is one where a maximum price of zero is specified for fixed calls and a maximum price above zero for mobile calls. This means that SPs do not need to pay a higher wholesale origination payment to mobile OCPs, since any additional costs of mobile call origination can be recouped from mobile callers via the retail price of such calls.

- they were given adequate time to prepare for the change: to enable them to inform customers and business partners, amend their literature and websites, etc.; and
- the transition away from 0500 numbers was carried out in a way which minimised disruption to their incoming calls: e.g. by setting up auto-redirects or caller announcements on their expiring 0500 numbers so that callers were re-directed to their active/live numbers.

Almost all agreed that disruption would be significantly mitigated by a longer transition period, i.e. two years or longer. If 0500 numbers were withdrawn, most said they would migrate their services to 080 numbers, either 080 numbers they already operated, or new ones.

Summary of Ofcom's analysis of options for the 0500 range and preferred option

2.12 Section 5 of the October 2012 consultation presented our assessment of the options available for the 0500 range. We began by recalling our policy objectives in the wider context of our work on reviewing the NGCS market:²³ "simplifying the non-geographic number ranges, making the pricing structures clearer to consumers and removing confusing and misleading inconsistencies".²⁴

2.13 We then set out the criteria by which we proposed to assess each option for 0500.²⁵ To ensure a consistent analytical approach across our consideration of non-geographic number ranges, we used the same criteria for 0500 as we had used (in the April 2012 NGCS consultation) for other non-geographic number ranges: consumer price awareness; efficient prices; service quality, variety and innovation; access to socially important services; and regulatory burden. Additionally, given the unique history of the 0500 range as well as our policy objectives, we applied two other criteria: the impact of the option for 0500 on our preferred choice for the 080 range (namely, making 080 free-to-caller), and efficiency and the best use of telephone numbers.

2.14 We made clear that, in making our assessment, we were assuming that our preferred option for 080 would be implemented, namely that the 080 range would be made free-to-caller by all CPs.²⁶ If we did not implement those proposals for 080, our proposals for 0500 may need to change. If that happened, we said we would review the proposals for 0500 to determine whether they should be revised or be subject to further analysis.

2.15 The four options for the 0500 range were:

²³ October 2012 consultation, paragraphs 5.4-5.5, pages 22-23.

²⁴ We said that an aim of our NGCS review is to make the pricing of calls to such numbers more intuitive for consumers. This means having number ranges which reflect well-defined purposes (that is, being for use for services for which there is demand), and that numbers are as clear and easily understandable to consumers as reasonably possible. We said we wanted to reduce the potential for confusion created by (i) similar-looking number ranges operating services with different price structures, and, conversely, (ii) different-looking ranges not having a distinct identity, in terms of purpose and/or price.

²⁵ October 2012 consultation, paragraphs 5.9-5.11, pages 23-24.

²⁶ October 2012 consultation, paragraphs 5.12, page 24. Since publishing the October 2012 consultation, we have published our policy position on making 080 free to caller – see http://stakeholders.ofcom.org.uk/binaries/consultations/simplifying-non-geo-no/summary/Part_C.pdf. Our proposals in relation to 0500 remain subject to the final decision we take on the 080 range.

- Option 1: Maintain the status quo for 0500;
- Option 2: Make 0500 a free-to-caller range;
- Option 3: Reopen 0500 as an MMP range;²⁷ and
- Option 4: Withdraw the 0500 range.

2.16 In our assessment of these options, we eliminated Options 1 and 3 as they offered few advantages, several disadvantages and were not favoured by SPs.²⁸ We favoured Option 4 because we considered it would go further than the alternatives, including Option 2, in:²⁹

- rationalising telephone numbering to reduce consumer confusion;
- securing the best use of telephone numbers; and
- enhancing the clarity and simplicity of the new regime for the 080 range for the benefit of consumers and businesses.

2.17 We acknowledged that Option 4 had the potential to create costs for some SPs on the 0500 range. Our limited research with SPs indicated that these costs, primarily linked to migration, were unlikely to be large for most of them and would be reduced by means of a longer implementation period, thus allowing SPs more time to prepare for the change, to communicate this change to their customers and business partners, to amend their promotional literature, websites, etc. We noted that there was some evidence that many 0500 SPs operate 080 numbers in parallel with their 0500 number and, thus, may not have to migrate their 0500 number.

2.18 We considered that the potential harm associated with Option 4 is outweighed by the benefits for consumers and SPs. Based on evidence before us, we considered that this option would be more effective, appropriate and proportionate in meeting our policy objectives and satisfying our duties under the Act than the alternatives.

2.19 We noted that circumstances today with respect to 0500 were fundamentally different from 1998 when Oftel, Ofcom's predecessor, proposed the withdrawal of the 0500 range and migration of services to the 0800 range, which was then resisted by some SPs and consumer groups.

- i) The 0500 range was established when BT had exclusive access to 080 numbers. Today, 080 numbers are available to all CPs. Thus, the rationale for 0500 as a range serving the same purpose as 080 has gone.
- ii) Then, 0500 had potential to emerge as a significant Freephone range well-utilised by SPs. Today, utilisation of the 0500 range is below [X] [X]. There are fewer than [X] [X] SPs left on the range, and [X] [X] SPs quit the range in the five years to 2012.

²⁷ See footnote 21.

²⁸ October 2012 consultation, paragraphs 5.13-5.29, pages 25-28 and paragraphs 5.47-5.71, pages 32-37.

²⁹ October 2012 consultation, paragraphs 5.93-5.99, pages 41-43.

- iii) Consumer usage of 0500 numbers, measured by call volumes, are extremely low compared to 080 and most other non-geographic ranges.³⁰
- iv) Finally, consumer understanding of 0500 numbers and call charges are significantly worse than for other 080, geographic and mobile numbers. We consider that, collectively, these indicate that market factors have moved against the case for maintaining the 0500 range.

2.20 We explained that the analysis we had presented of the options available for 0500 represented our impact assessment of our proposal to withdraw the 0500 range. We did not conduct a fully quantified assessment of costs against benefits. This was because:

- with the data available to us at that stage (and which remains the case), we could not confidently estimate all the costs that may arise. In particular, there was significant uncertainty about the number of SPs actively using 0500 numbers, the number of those that would need to migrate to a different number range and the number ranges to which they might migrate their services;
- the benefits that we consider would result from our proposal are not easily quantifiable. These relate to the removal of numbering inconsistency, the reduction of the potential for consumer confusion, and the clarification of the identity and location of Freephone. Although the evidence we have of consumer perception and SPs' opinions gave us confidence that these were benefits that would lead to improved consumer confidence in, and increased use of, non-geographic telephone numbers, we could not estimate the quantum of increase in consumer demand and/or use that would follow.

2.21 We noted that, however, we had conducted a qualitative assessment of the benefits and set out their impacts on consumers, SPs and CPs. We had also referred to the quantitative analysis in the April 2012 NGCS consultation in relation to migration costs, mobile origination costs and impact on the profits of originating communications providers ('OCPs') due to fixed-mobile substitution where relevant. We said that we considered this sufficient to enable stakeholders to assess the likely impact of our proposals.

2.22 Finally, we noted that our provisional conclusion to withdraw the 0500 range was consistent with the policy objectives of our strategic review of non-geographic numbers and the evidence we had set out. In particular, we had set out: (i) clear evidence of consumers' poor awareness and understanding of the 0500 range; (ii) clear evidence of the lack of efficiency in the use of numbers in this range and the long-term decline in the utilisation of the range by SPs; and (iii) findings from our limited research on 0500 SPs which suggested that they appreciated the problems with the present-day Freephone regime as we had presented them and broadly welcomed Ofcom's intervention to simplify and clarify non-geographic numbers and pricing for the benefit of consumers.

Summary of legal framework

2.23 We summarised Ofcom's powers and duties in relation to numbering in section 4 of the October 2012 consultation. In section 6, we set out the legal powers that we proposed to rely on to withdraw the 0500 range.³¹ We considered that the 0500

³⁰ See Table 2.1 and Table 2.2.

³¹ Paragraphs 6.18–6.27 of the October 2012 consultation.

range had not been used to a significant extent since its closure and that its withdrawal would secure, in our view, the best and most efficient use of numbers.

- 2.24 We noted that General Condition 17 ('GC17') provides for the withdrawal of numbering allocations where numbers within a series have not been adopted to any significant extent within 6 months of allocation or such period as Ofcom may direct. In light of the powers under sections 58 and 61 of the Act, we proposed to modify this provision to clarify that a withdrawal may be made where numbers within a series have not been used to a significant extent within a period specified by Ofcom and for the purpose of securing what appears to Ofcom to be the best and most efficient use of telephone numbers.

Summary of implementation

- 2.25 In Section 6 of the October 2012 consultation, we set out how we proposed to implement the withdrawal of 0500 numbers if we were to proceed with that option.
- 2.26 With regard to the timing, we outlined the steps that would be involved in such a withdrawal. We noted that we were consulting on two alternative timetables for the withdrawal of the 0500 range, 18 months and 24 months. Having discussed the advantages and disadvantages of each option, we proposed the longer implementation period of 24 months because we considered that it would go further in mitigating disruption and minimising costs incurred by SPs using 0500 numbers as a result of their withdrawal.³²
- 2.27 We noted that, if we proceeded with our proposal to withdraw the 0500 range, this would form part of a wider communications campaign we were planning to inform consumers about the other changes to non-geographic numbering we are proposing to make. This wider communications plan, combined with more specific communications activities (e.g. through Ofcom's website, or other consumer groups), would be one way in which we would help ensure that the message that 0500 numbers were being withdrawn would be propagated to consumers. We also said that SPs would want to ensure that their customers could reach them without disruption and therefore they had an incentive to take action during the implementation period to inform their customers and business partners by various means available to them. We invited CPs and SPs to suggest how consumers and SPs could be made better aware of numbering changes.³³

Stakeholder responses related to implementation of Ofcom's preferred policy for the 0500 range

- 2.28 Several respondents to our October 2012 consultation commented on issues related to the implementation of the withdrawal of 0500 numbers. We summarise these here. (Stakeholders' responses to the October 2012 consultation are available on our website³⁴ and we will respond in full to their comments when we publish our decision on the 0500 range.)

Implementation costs and timing

- 2.29 Some respondents expressed views on the costs that would arise as a consequence of the withdrawal of 0500 numbers and migration by SPs of their services to other

³² October 2012 consultation, paragraphs 6.5–6.14, pages 43-45.

³³ October 2012 consultation, paragraphs 6.15–6.17, pages 45-46.

³⁴ <http://stakeholders.ofcom.org.uk/consultations/0500-number-range/?showResponses=true>

number ranges. BT said migration would take money and effort and submitted that Ofcom's estimate of £1,000 to £2,500 in migration costs per SP may represent a "significant and... unnecessary cost imposition upon cash-strapped smaller SPs". [redacted] [redacted].

- 2.30 Respondents expressed a range of views on the question of the time scale for the withdrawal of 0500 numbers.³⁵ [redacted] [redacted]. National Savings & Investment (NS&I) argued that "a long notice period is desirable to minimise disruption"; it favoured two years over 18 months for implementation. Three said it had no strong views in favour of an 18-month or 24-month withdrawal period but said it supported "Ofcom's efforts to minimise costs and disruption to industry as a whole". Vodafone (C&WW) has also informed us that a longer timescale would help reduce costs and disruption for its SP customers on the 0500 range. Missing People said it supported the "maximum length of time for implementation for the withdrawal of 0500 numbers" and went on to request a three-year period. [redacted] [redacted]. [redacted] [redacted].

Communication

- 2.31 NS&I recommended that Ofcom develop a "targeted campaign supported by press releases and other methods" and a dedicated helpline for consumers. Missing People said that publicity about the changes should either be delivered by Ofcom or that charities should be provided funding for this.

Migration path

- 2.32 Both BT and Vodafone (C&WW) noted that the October 2012 consultation had not offered a migration path for services that would be affected by the withdrawal of 0500 numbers. BT suggested that Ofcom open 080 85 as a replacement range so that customers with 0500 numbers can preserve the last six digits of their numbers.

Pricing

- 2.33 BT said that, if Ofcom decided that 0500 numbers were to be withdrawn, then Ofcom would need to consider what caller pricing should apply to 0500 after 080 is made free-to-caller and before 0500 numbers are withdrawn. BT said its preference was that 0500 pricing be left unchanged in this period "in order to prevent further customer confusion".

Other

- 2.34 Three noted that Ofcom had proposed using pre-call announcements (PCAs) as a possible way to drive awareness of the withdrawal of 0500 numbers. Three said that while it could support a generic PCA for Freephone numbers, it would be unable to support bespoke PCAs for individual SPs without "significant investment (in terms of time, money and resource)". Such costs, it said, should fall on the SP rather than the OCP.

³⁵ Those favouring a period of 24 months or longer for implementation were: BT, [redacted] [redacted], NS&I, [redacted] [redacted] and Missing People. Those favouring 18 months were: the FCS, [redacted] [redacted], SLA Consultants, NetTek Ltd and one individual.

Stakeholder responses related to the legal basis of Ofcom's preferred policy for the 0500 range

- 2.35 Two respondents to our October 2012 consultation have questioned the legal basis for Ofcom's proposal to withdraw 0500 numbers, as presented in the October 2012 consultation. We summarise below the points raised by them which directly relate to issues discussed in section 3 of this consultation.
- 2.35.1 Vodafone (C&WW) said that Ofcom had not identified which particular legal power it was seeking to exercise.³⁶ It considered that sections 61(2)(a) and (f) did not apply. In relation to a potential withdrawal under section 61(2)(c), where the withdrawal is made for the purposes of a numbering reorganisation applicable to a particular series of numbers, Vodafone made the following points:³⁷
- 2.35.2 Vodafone (C&WW) noted that the October 2012 consultation on 0500 numbers did not consider 055 and 056 numbers. If the withdrawal of 0500 numbers is carried out as a numbering reorganisation under section 61(2)(c), then it should be done "in conjunction with the consideration of other potentially affected ranges or risk predetermining their fate", it said.
- 2.35.3 Vodafone (C&WW) also expressed concern that Ofcom had not discussed in detail its duties under section 62, which, it said, were materially relevant, and had "entirely neglected to consider, or at least consult upon" the checks that exist in relation to authorisation of powers to withdraw numbers. In particular, Vodafone (C&WW) noted that no guaranteed migration path had been provided to a comparable matching number and there was no consideration of this presented. Vodafone (C&WW) also noted that section 62 "guards against" undue discrimination against particular CPs. Because Vodafone (C&WW) is the sole range holder of 0500 numbers – as a result of past regulatory interventions, the implication of any changes to the 0500 range would fall "disproportionately" on Vodafone (C&WW) and its customers, it said, discussing, for illustration, the costs that would result from number change announcements.
- 2.36 Likewise, BT noted that if Ofcom were to withdraw 0500 numbers as part of a reorganisation, that would require Ofcom to allocate replacement numbers and submitted that Vodafone (C&WW) would be discriminated against as a result of 0500's withdrawal because predominantly Vodafone (C&WW) customers use the 0500 range.³⁸ BT said this discrimination would be undue because Vodafone (C&WW) would "suffer disproportionate economic loss" as a result of SPs switching away from its numbers as well as its service.
- 2.37 BT also said that Ofcom's proposal to withdraw 0500 numbers may not be consistent with Ofcom's obligation to act in a way that is: (i) proportionate, with a bias against intervention, and (ii) not unduly discriminatory.³⁹

³⁶ Vodafone (C&WW) response dated 3 January 2013, pages 1-2.

³⁷ Vodafone (C&WW) response dated 3 January 2013, pages 3-6.

³⁸ BT response dated 8 January 2013, pages 8-10.

³⁹ BT response dated 8 January 2013, page 8.

Ofcom's response

- 2.38 In the light of the comments we have received and summarised above, we have reviewed and revised our proposals for withdrawing the 0500 range. Our new proposals are set out in paragraphs 2.40–2.60 below. As a result of these new proposals, the legal mechanism we propose to use to effect a withdrawal would be different from that set out in section 6 of the October 2012 consultation. Our revised legal assessment is set out in Section 3.
- 2.39 As noted earlier, we will consider and address the comments we have received in response to the October 2012 consultation on issues other than implementation and the legal framework when we issue our final statement on the 0500 range.

The migration path proposal

- 2.40 We observed above, in paragraph 2.32, that both BT and Vodafone (C&WW) noted that the October 2012 consultation had not offered a migration path for SPs who would be affected by a withdrawal of the 0500 range.
- 2.41 In the light of these responses, we are now proposing to open up a sub-range within the 080 range to enable SPs to migrate their services currently on 0500 numbers to the 080 range prior to the withdrawal of 0500 telephone numbers.
- 2.42 Provision of a number migration path helps to create a smooth transition process for SPs and consumers from the old number being withdrawn to a new number provided for the same service. Migration paths offer this by providing a set pattern for converting the old number to the new number in the replacement range, thus making it easier for consumers to deduce the new number. The migration path pattern works by replacing the old number prefix with a new prefix while retaining the remaining digits of the phone number. Padding digits may be required if the old and new numbers are different lengths. This would be the case for 0500 numbers, which are 10 digits-long rather than the current UK standard of 11 digits.
- 2.43 The migration path that Ofcom would provide for 0500 numbers would need to be a completely clear (i.e. unallocated) block of 1 million 080 numbers to allow for a direct migration path for any in-use 0500 numbers that SPs wanted to take up. This is a consequence of the absence of any pattern in the spread of active 0500 numbers across the 0500 range today. This quantity of contiguous unallocated 0800 numbers does not exist, so we need to provide a migration path in a different 080X range. We have looked at options to create the most recognisable and memorable 080X digit sequence to replace 0500 and have identified two options for consultation:
- 080 50 (for example, the phone number 0500 123456 would become 080 50 123456); or
 - 080 85 (for example, the phone number 0500 123456 would become 080 85 123456)
- 2.44 We are consulting on two migration path options in order to provide SPs, CPs and other interested parties the opportunity to inform our decision on which migration path would offer the most suitable digit sequence. However, only one 080 migration path will be made available for 0500 numbers. This is to ensure that a single format exists, thus providing consumers a simple formula to work out how an 0500 number would become an 080 number if the SP takes up the option of the migration path.

This would also allow a clear and simple message to be used in any awareness promotions, changed number announcements, etc.

Q2.1: Should new replacement 080 numbers – offered to SPs with 0500 numbers in use at present as a migration path away from the 0500 range, prior to the withdrawal of the 0500 range – begin with an 080 85- prefix or with an 080 50- prefix? Please explain your preference.

Allocation of the new 080X sub-range

2.45 Vodafone (C&WW) is the existing range-holder for 0500 and the vast majority of in-use 0500 numbers today are still hosted by Vodafone (C&WW). In the years since 1997-98, when the 0500 range was closed to new allocations, a number of 0500 telephone numbers have been ported by their SPs and are now managed by other terminating communications providers ('TCPs').⁴⁰ The CP hosting the second-largest number of active 0500 telephone numbers today is BT. But the number of in-use 0500 telephone numbers hosted by BT is less than [~~10~~] [~~10~~] of that hosted by Vodafone (C&WW). Apart from Vodafone (C&WW) and BT, there is a significant number of CPs which host a very small number of 0500 SPs each. Thus, all else being equal, the vast majority of SPs who decide to exercise the option to migrate their 0500 numbers to the replacement 080X sub-range are very likely to be customers of Vodafone (C&WW).

2.46 We have therefore considered whether:

- replacement numbers in the 080X sub-range should be made available for allocation to all CPs currently hosting active 0500 telephone numbers; or
- we should allocate these replacement numbers in the 080X sub-range only to Vodafone (C&WW) in response to requests for migration.

Availability of migration path to CPs hosting active 0500 numbers

2.47 The principal advantage of allowing any CP which presently hosts an active 0500 number to request and obtain (on behalf of the concerned SP) a replacement number in the 080X migration sub-range would be that all CPs would be treated equally in that they are all able to request allocations from the new migration sub-range.

2.48 However, there are very significant technical difficulties with this approach which are a consequence of the absence of any pattern in the spread of active 0500 numbers across the 0500 range as well as in the spread of active 0500 numbers across CPs, the existence (or not) of porting agreements between pairs of CPs and the current reality of call-routing arrangements among CPs.

2.48.1 **Number portability:** At present, CPs have ported 0500 numbers from Vodafone (C&WW) such that each CP hosting an 0500 number has a porting agreement in place with Vodafone (C&WW). An existing 0500 number block allocated to Vodafone (C&WW) may contain numbers that have been ported to two or more other CPs ('CPa' and 'CPb'). If new replacement 080X number blocks were to be allocated to CPa (rather than Vodafone (C&WW)), then CPb would need to port to itself replacement 080X numbers on behalf of its 0500 SPs from CPa (assuming those SPs

⁴⁰ Information provided by Vodafone (C&WW) to Ofcom on 17 August 2012 and 11 September 2012.

wish to migrate to replacement 080X numbers). This would require a porting agreement between CPa and CPb. While this may not present difficulties for large CPs such as BT and Vodafone (C&WW), which already have multiple number porting agreements in place, it would create problems and costs for a small CP which may be required to port a replacement 080X number to another CP with which it does not have a porting agreement. Negotiating the necessary agreement(s) could incur additional costs for CPs affected even though they may only need to port very few telephone numbers (with low traffic volumes); this consideration may make them less likely to offer replacement 080X numbers to their affected 0500 SPs.

- 2.48.2 **Decoding required for call routing:** Currently, OCPs route all calls to 0500 telephone numbers to Vodafone (C&WW). This routing can be achieved with a single entry in their switch's data decode (the network software that determines, from the number dialled or keyed by the caller, where a call needs to be routed). If replacement 080X number blocks are allocated to multiple CPs, data decode would be needed for each 080X number block in order to ensure routing to the correct CP. This would expand the data decode needed from a single entry up to 100 (if all blocks of 10,000 numbers each were allocated). BT (and possibly other transit/interconnect providers) would need to provide new routing data for each number block at each of its Digital Local Exchanges (DLEs). This would increase costs and the complexity of the reorganisation.⁴¹
- 2.48.3 **Call re-routing by CPs affected, traffic management and added costs:** As explained earlier, the majority of active 0500 numbers today are of SPs hosted by Vodafone (C&WW). If a replacement 080X number block were allocated to a CP other than Vodafone (C&WW), Vodafone (C&WW) would need to port back to its network the replacement 080X numbers of SPs it hosts (assuming those SPs wish to migrate to the new 080X sub-range). While the porting agreement to achieve this will be in place (as the other CP will currently port 0500 numbers from Vodafone (C&WW)), this means traffic that currently routes directly to Vodafone (C&WW) will have to route via the new block-holder and then to Vodafone (C&WW). For some CPs, particularly smaller CPs, this traffic re-routing could significantly impact their networks' capacity or require them to re-plan their interconnects with Vodafone (C&WW) and other CPs. Furthermore, where numbers need to be ported from the CP holding the replacement 080X number block to another CP (i.e. other than Vodafone (C&WW)), in addition to establishing a porting agreement, the two CPs would need to agree how to route traffic between them. It is likely that some CPs which host ported-out 0500 numbers presently would not have pre-existing interconnect agreements with the new 080X block holders. The two CPs could establish a direct interconnect, although traffic volumes may mean that this is not economic, or they could use a transit service (such as BT's number portability transit offer). The latter would mean that a significant majority of affected call traffic would be taking a longer route to the TCP, thus increasing total call costs.
- 2.49 Our provisional view is that the benefit of making allocations of replacement 080X numbers open to all CPs who currently host active 0500 telephone numbers is outweighed by the very real risk that this approach will result in significant disruption

⁴¹ Data decode limitations may also occur on other time-division multiplexing (TDM) networks.

and costs for affected CPs, which may in turn prejudice their willingness to facilitate telephone number migration for their 0500 SPs.

- 2.50 These issues would not arise if allocations of numbers in the 080X sub-range were restricted to Vodafone (C&WW). However, we want to ensure that 0500 SPs which have ported their number from Vodafone (C&WW) to another CP have access to their “matching” number within the 080X migration range that we make available. Such an 0500 SP would be dependent on Vodafone (C&WW) requesting an allocation for the matching migration block if it is to be able to migrate its 0500 number. Given the sparsely used nature of the 0500 range, it is possible that there will be 0500 SPs who are alone – or one among a few SPs – in using a number within a block of 10,000 numbers. Where such an SP (or a very small number of SPs) has ported to another CP (or CPs), Vodafone (C&WW) will have little incentive to request the matching block. We have no power to require Vodafone (C&WW) to apply for a number block allocation. While there are alternative mechanisms which might enable a similar outcome to be achieved, they would necessitate complex regulatory intervention. We do not consider such intervention to be justified given that the problem would be dealt with more simply and directly by allocating the entirety of the new 080X sub-range to Vodafone (C&WW) with the requirement to port numbers to other CPs which make a migration request on behalf of their 0500 SPs.
- 2.51 Accordingly, we propose to make it a requirement of the allocation (of the new 080X sub-range) that Vodafone (C&WW) must treat a request from another CP for a number within the migration sub-range as if it were a request for portability made in accordance with General Condition 18. This will mean that Vodafone (C&WW) will be required to port the relevant 080X number to the requesting provider. That CP, in turn, will only be able to use that number for the purpose of enabling its SP to migrate its service from the 0500 range. Effectively, existing porting arrangements for 0500 numbers will be mapped across to the new 080X sub-range where an 0500 SP exercises the option to obtain a replacement 080X number. (In the case of 0500 numbers for which SPs do not request replacement 080X numbers, those 0500 numbers and associated porting arrangements would expire when the 0500 range is withdrawn.)

Best and most efficient use of the 080X sub-range

- 2.52 Having set out our view that, if we decide to withdraw the 0500 range, then it would be appropriate to allocate the entire 080X migration sub-range to Vodafone (C&WW), we now consider whether that allocation should be subject to further conditions to ensure that best use is made of this sub-range and that it is used efficiently.
- 2.53 We noted above that less than [X] [X] of numbers available in the 0500 number range are in use today, and the number of SPs using the 0500 range dropped by 19% between 2007 and 2012. We also discussed the very low call volume on the 0500 range – and that almost all of 0500 call traffic results from calls to just a few dozen numbers. As also observed earlier, active 0500 numbers today – although a very small percentage of the total number of available telephone numbers in the range – are scattered across the range in no particular pattern. This renders all but impossible the challenge of predicting which blocks in the replacement 080X sub-range would be required in practice to implement migration for all those SPs who wish to exercise the option.
- 2.54 While we want to ensure that the 080X sub-range allows for the migration of any 0500 SP who wishes to take up that option, we also consider it appropriate to ensure that best use is made of this sub-range over the longer term. In particular, we want to

ensure that the new sub-range is used efficiently. In addition, although the 0500 range is allocated in its entirety to Vodafone (C&WW) for historic reasons and we consider that it is necessary to replicate this position for numbers within the 080X migration sub-range that are taken up by migrating SPs, we are cognisant that we would not typically allocate an entire sub-range of numbers to a CP absent a demonstrable demand for those numbers in the short term. In this instance, Vodafone (C&WW) would have the benefit of an allocation of 1 million numbers although, in all likelihood, it is unlikely to have a use (in the short-to-medium term) of more than [X] [X] of these for migration purposes.⁴²

- 2.55 In order to promote the best and most efficient use of numbers, we are therefore proposing to allocate the entire 080X migration sub-range to Vodafone, but make this allocation subject to a time limitation.⁴³ That limitation will apply unless one or more 080X numbers from within a block of 10,000 numbers is used by an SP migrating from the 0500 range, in which case the allocation of that particular block to Vodafone (C&WW) will not be time-limited. Where Vodafone (C&WW) retains a 10,000 block of numbers at the end of the limitation period, it will be able to make unused numbers within that block available to new SPs which did not previously operate on the 0500 range.
- 2.56 At the end of the limitation period, those blocks of 10,000 numbers within the 080X sub-range which are entirely unused for migration purposes will automatically revert to Ofcom. Following their return to Ofcom, we will consider how best to manage these unused 080X number blocks, taking full account of potential costs and other difficulties that might arise for CPs. In particular, we will consider again the technical factors set out in paragraph 2.48 in conjunction with the status of the allocation of 080X blocks to Vodafone (C&WW) resulting from the take-up of 080X numbers by SPs to determine whether unused blocks in the 080X sub-range should be allocated only to Vodafone (C&WW), should be opened up to other CPs or should be kept unallocated until further consideration/determination by Ofcom in the future.
- 2.57 In order to enable all 0500 SPs to migrate prior to the withdrawal of 0500 and allow time for a reconciliation of used and unused blocks of 080X numbers, we propose that the appropriate limitation period for the allocation of the 080X migration sub-range to Vodafone (C&WW) is 3 years and 3 months.⁴⁴
- 2.58 Notwithstanding these measures, we recognise that the new 080X sub-range will be under-used during the migration period (when numbers within this sub-range may only be allocated as replacements for expiring 0500 numbers). This is an unavoidable consequence of the fact that active 0500 numbers today are spread sporadically across that range. However, we consider that our proposed approach will, in the longer term, result in a better position than the current situation with respect to 0500: the 0500 range is closed at present, so only those 0500 numbers that were in use in 1997-98 and have not been given up by their SPs may still be used. Our proposed approach addresses the consumer harm associated with the 0500 range (discussed in detail in section 5 of the October 2012 consultation) and replaces a closed and very poorly-recognised number range with a new sub-range, within the much better-recognised 080 range and fully aligned with it. As noted

⁴² Based on data available to Ofcom on 0500 numbers currently in use.

⁴³ We propose to rely on our power under section 56A of the Act to allocate numbers for a limited period of time. This is explained in more detail in section 3.

⁴⁴ We propose below that the 0500 range should be withdrawn after a 3-year migration period (see paragraph 2.62). Our proposed limitation period of 3 years and 3 months is therefore intended to allow a short period after the end of the migration period in which the reconciliation of used and unused 080X number blocks can be carried out.

above, following the end of the limitation period, Vodafone (CWW) will be able to make available unused numbers from within the blocks it retains and Ofcom will also consider whether it is appropriate to open up entirely unused number blocks for allocation. These measures should facilitate greater number use than at present. For the reasons set out in paragraphs 2.40–2.42, we consider that a migration path will facilitate the withdrawal of the 0500 range in a manner that minimises costs and disruption for SPs and CPs. For the reasons outlined in paragraphs 2.45–2.55 above, we consider that the initial allocation of the entire replacement sub-range to Vodafone (C&WW) is the most practical, cost-effective implementation solution. Our aim here is to enable migration for all 0500 SPs who wish to exercise the option while also advancing the best and most efficient use of numbers in the longer term. As noted in paragraph 2.56 above, in determining what to do with unused 080X blocks following the withdrawal of 0500, we will be mindful of the costs and other impacts on CPs of any decision we take – as we do when we open up any new number blocks and ranges in response to demand for numbering resource.

- 2.59 As set out in the October 2012 consultation, we consider that withdrawal is the best policy option for addressing our central concern in relation to the 0500 range, namely the removal of consumer confusion caused by having a dissimilar number range fulfilling a similar function to the 080 range. Furthermore, we consider that the withdrawal of the 0500 range will contribute to our main policy objective, namely the simplification and clarification of non-geographic numbers – and of the pricing of calls to such numbers – for the benefit of consumers.
- 2.60 Therefore, we propose that, if we decide to proceed with a withdrawal of the 0500 range, then the entirety of the migration 080X sub-range be allocated to Vodafone (C&WW), subject to the following requirements:
- Vodafone (C&WW) ports to other CPs, upon request from those CPs, any numbers in this sub-range that match expiring active 0500 numbers hosted by those CPs;⁴⁵
 - during the migration period, numbers in the new 080X sub-range are used only by 0500 SPs migrating their services from expiring 0500 numbers;⁴⁶ and
 - the allocation to Vodafone (C&WW) of each block of 10,000 numbers within the 080X sub-range will be subject to a time limitation of 3 years and 3 months, save to the extent that at least one number within the block is taken up by a migrating 0500 SP, in which case the allocation of that block will not be time-limited. After the limitation period is over, Vodafone (C&WW) will be allowed to allocate unused numbers within blocks it has retained to new SP customers.

Q2.2: Do you agree with our assessment of the technical difficulties, and potentially significant costs and disruption, that would result from making the proposed 080X migration sub-range available for allocation to all CPs currently hosting active 0500 telephone numbers and that, accordingly, it is appropriate to restrict the allocation of the sub-range to Vodafone (C&WW) during the migration period? If not, please explain your reasons.

Q2.3: Do you agree with the measures proposed to ensure that all 0500 SPs are able to migrate regardless of the CP they use to host their 0500 number(s) currently? If not, please explain your reasons.

⁴⁵ See proposed amendments to the Numbering Plan in Annex 8 and at paragraphs B3.2.5.

⁴⁶ See proposed amendments to the Numbering Plan in Annex 8 and at paragraphs B3.2.4 .

Q2.4: Do you agree with our proposal to impose a time limitation of 3 years and 3 months on the allocation of each block of 10,000 numbers within the 080X migration sub-range to Vodafone (C&WW), save to the extent that at least one number within the block is taken up by a migrating 0500 SP (in which case the allocation of that block will not be so time-limited)? If not, please explain your reasons.

Timing

- 2.61 In the October 2012 consultation we preferred the option of a longer implementation period of 24 months (as opposed to 18 months) for the proposed withdrawal of 0500 numbers because we considered that it would go further in mitigating disruption and minimising costs incurred by SPs using 0500 numbers as a result of their withdrawal.
- 2.62 In their responses to the October 2012 consultation, several SPs and CPs commented on the costs and disruption that could arise as a result of the 0500 range's withdrawal. While some respondents favoured a quicker implementation, a number of SPs and CPs voiced views favouring a longer implementation period to minimise such costs and disruption, as noted above in paragraph 2.30. These responses are consistent with the findings of the informal interviews we conducted in June-August 2012 with a sample of 35 SPs using 0500 numbers.⁴⁷ As we noted in the October 2012 consultation, almost all SPs we interviewed agreed that any disruption caused by 0500's withdrawal would be significantly mitigated by a longer transition period. Having reflected further on all the comments we have received on this issue, we now propose a 36-month (3-year) timeframe for implementation. This means that from the date on which Ofcom publishes a decision on the future of the 0500 number range, if the decision is to withdraw the 0500 number range, the 0500 range will cease to operate after 36 months. SPs and CPs will have 36 months to migrate services currently on 0500 to another non-0500 number. For SPs who wish to secure replacement numbers in the new 080X sub-range made available as set out above, the new numbers would need to be secured from their CPs and made operational by the end of the 36-month period. We consider that a three-year implementation time frame strikes an appropriate balance between not delaying the longer-term benefits that would result from addressing the consumer harm we identified in the October 2012 consultation and mitigating the costs for SPs of migration.
- 2.63 SPs would be free to use their replacement 080X migration number(s) from the point it is provided to them by their CP. Therefore, SPs would have some freedom (within the 3-year implementation period) over when to complete their number migration. They could do this at a time more suitable to their individual requirements, for example, contemporaneous with a new advertising campaign, an update of their website or corporate literature, etc. An SP may also use both the expiring 0500 number and the new 080X migration number concurrently until such time as the 0500 number range is withdrawn.

Q2.5: Do you agree with our proposal of a 3-year timeframe for the withdrawal of 0500 numbers and for the migration of active services on these numbers to a new 080X sub-range (if so desired by any individual SP operating an 0500 number)? If not, please explain your reasons.

⁴⁷ See paragraphs 3.16-3.19.4 of the October 2012 consultation.

Call charges

- 2.64 If we proceed to withdraw the 0500 range, then the pricing regime for 0500 numbers will remain unchanged until the range is withdrawn. By this we mean that, as at present, OCPs will not be permitted to charge callers for 0500 calls except when their charges are notified to callers at the start of the call, through a pre-call announcement ('PCA'). Subject to this PCA requirement, OCPs will remain free to set whatever price they wish.⁴⁸
- 2.65 With respect to the replacement 080X numbers made available to 0500 SPs, these numbers will be subject to the same pricing regime as the rest of the 080 range. This means that they will initially be Freephone. However, as set out in the 2013 NGCS Statement of 12 December 2013, we will require that calls to 080 numbers be free-to-caller from 26 June 2015. The 080X migration sub-range will therefore become free-to-caller part way through the 3-year migration period for 0500 SPs. If SPs avail themselves of replacement 080X numbers after the 080 range has become free-to-caller, then their new 080X numbers will be free-to-caller from the moment they are operational.

⁴⁸ BT is currently subject to the NTS Call Origination Condition for calls to 0500 numbers, which has the effect of restricting the price it charges for these calls. As set out in Ofcom's fixed narrowband services markets statement – published 26 September 2013 (<http://stakeholders.ofcom.org.uk/consultations/nmr-13/statement/>) – this condition will expire once the regulatory changes we are proposing to make to the 080 range (to make it free-to-caller) come into effect. On the basis of current proposals, this will remove the regulatory constraint on BT's retail prices for 0500 calls prior to the withdrawal of the range. However, 0500 SPs would have the option of migrating to the 080X sub-range which we are proposing to make available and which will be free to call from all CPs from the point at which the NTS Call Origination Condition falls away.

Section 3

Legal framework

Introduction

- 3.1 In the October 2012 consultation, we proposed to modify GC17 to enable the withdrawal of the 0500 range on the basis that it comprised a series of numbers which had not been used to a significant extent within a period specified by Ofcom and for the purpose of securing what appears to Ofcom to be the best and most efficient use of numbers. This proposal was made in the light of the assessment of options under consideration for the 0500 range as set out in section 5 of the October 2012 consultation.
- 3.2 In light of our new proposal to provide a migration 080X sub-range, we have reassessed the legal basis for a withdrawal of the 0500 range. We have also had regard to the comments from stakeholders that the legal basis for such a withdrawal was not sufficiently clear in the October 2012 consultation. Having reflected further, we set out in this section:
- our revised view on the appropriate legal basis for a withdrawal of the 0500 range;
 - the various legal tests which must be satisfied to exercise a withdrawal and our view that they would be so satisfied in this case;
 - the modifications to the Numbering Plan and the numbering application forms that would be required to implement a withdrawal; and
 - in relation to those modifications, the legal tests that must be satisfied and our reasons for considering that they would be so satisfied in this case.

Ofcom's powers to withdraw numbers and their application to 0500

- 3.3 We set out our duties and powers in relation to telephone numbering in paragraphs 4.2–4.3 of the October 2012 consultation. As we noted, those duties and powers are set out in sections 56 – 63 of the Act. These include Ofcom's powers to withdraw numbers that it has allocated at sections 61 and 62 of the Act. GC17 makes provision for the withdrawal of numbers in exercise of certain of these powers.
- 3.4 In relation to Ofcom's powers to withdraw numbers, section 61(1) provides that Ofcom may withdraw numbers that it has allocated if it is a case in which such a withdrawal is authorised. The cases in which a withdrawal is authorised are listed in section 61(2) and are:
- where the person allocated the numbers consents to the withdrawal;⁴⁹
 - the withdrawal is made for the purposes of a transfer of the allocation required by numbering conditions;⁵⁰

⁴⁹ Section 61(2)(a) of the Act.

⁵⁰ Section 61(2)(b) of the Act

- the withdrawal is made for the purposes of a numbering reorganisation applicable to a particular series of telephone numbers;⁵¹
 - the withdrawal is made in circumstances specified in the numbering conditions and for the purpose of securing that what appears to Ofcom to be the best and most efficient use is made of the numbers and other data that are appropriate for use as telephone numbers;⁵²
 - the allocated numbers have not been adopted during such period after their allocation as may be specified in the numbering conditions;⁵³
 - the allocated numbers comprise a series of numbers which have not to a significant extent been adopted or used during such period as may be so specified.⁵⁴
- 3.5 The cases at section 61(2)(a), (b) and (e) are not relevant in this instance. The current rangeholder of 0500 numbers – Vodafone (C&WW) - has not consented to the withdrawal (and we have not sought that consent); there is no transfer of numbers required by the numbering conditions for which the withdrawal of 0500 numbers is needed; since there are 0500 numbers in use, it is clear that the numbers have been adopted since allocation.
- 3.6 In the cases at section 61(2)(d) and (f), a withdrawal can only be effected if circumstances specified in the numbering conditions have been met. As currently drafted, the numbering conditions (specifically GC17.19) only provide for the withdrawal of numbers where a CP has not adopted telephone numbers either at all or to any significant extent within 6 months (or such other period as Ofcom may direct) of the numbers being allocated. These circumstances are not applicable to 0500 and therefore would not allow for the withdrawal of the range in the absence of a modification to GC17.
- 3.7 In the October 2012 consultation, we therefore proposed to modify GC17 (in exercise of our powers under sections 61(2)(d) and/or (f)) to specify that numbers can be withdrawn where they have not been used to a significant extent within a specified period and for the purpose of securing what appears to Ofcom to be the best and most efficient use of telephone numbers. On the basis of our assessment that the 0500 series of numbers has not been used to a significant extent since the closure of the range to new allocations in 1997-98 and that its withdrawal would secure, in our view, the best and most efficient use of numbers, we considered this modification would, if implemented, enable the withdrawal of 0500 under sections 61(2)(d) and/or (f).
- 3.8 However, as set out in section 2 of this consultation, we are now proposing to make a 080X sub-range available so that 0500 number holders can migrate to an equivalent number on that range prior to the withdrawal of 0500.
- 3.9 We consider that these revised proposals amount to a numbering reorganisation. Accordingly, we consider that the appropriate legal basis for the proposed withdrawal of 0500 is section 61(2)(c), namely a withdrawal made for the purposes of a numbering reorganisation applicable to a particular series of numbers. As explained

⁵¹ Section 61(2)(c) of the Act.

⁵² Section 61(2)(d) of the Act.

⁵³ Section 61(2)(e) of the Act.

⁵⁴ Section 61(2)(f) of the Act.

at paragraph 2.55, we also propose to impose a time limit on the allocation of the 080X migration sub-range to Vodafone (C&WW) in respect of blocks of 10,000 numbers which are entirely unused at the end of the migration period. We intend to rely on our power (referenced in section 56A(b) of the Act) to allocate numbers for a limited period of time. We set out in the next sub-section our reasons for considering that the legal tests for exercising these powers will be satisfied in this case.

Legal tests for our proposed withdrawal and numbering reorganisation

- 3.10 In carrying out its functions under the Act, Ofcom must act in accordance with its general duties in section 3 of the Act (including its principal duty to further the interests of citizens and consumers, where appropriate by promoting competition) and the Community requirements in section 4 of the Act.
- 3.11 In addition to these requirements, Ofcom must satisfy the specific requirements that apply to a withdrawal made under section 61(2)(c) and its general duty in relation to its numbering functions. The specific requirements – set out in section 62 of the Act – which must be satisfied in order for such a withdrawal to be implemented are as follows:
- the reorganisation, so far as it relates to numbers of any description, is not such as to discriminate unduly against: (a) particular communications providers; (b) particular users of the allocated numbers; or (c) a particular description of such providers or users (section 62(2));
 - the reorganisation provides for the withdrawn allocations to be replaced with allocations of numbers “so nearly resembling the numbers to which the withdrawal relates as the purpose of the reorganisation allows” (section 62(3));
 - Ofcom does not require payment for the replacement allocation unless the situation set out in section 62(5) applies. The situation in question is an existing requirement on allocatees to make periodic payments in relation to the numbers which are withdrawn.
- 3.12 Ofcom’s general duty in relation to its numbering functions (which include a withdrawal of numbers under section 61) is set out in section 63 of the Act. This requires Ofcom to secure, in carrying out those functions, what it considers to be the best use of telephone numbers and to encourage efficiency and innovation. In addition, it must secure that there is no undue discrimination by CPs against other CPs in relation to the adoption of telephone numbers for purposes connected with the use of an electronic communications network or an electronic communications service.
- 3.13 In the following paragraphs, we set out why we consider these duties and requirements (to the extent they are applicable) are satisfied.

No undue discrimination

- 3.14 It is clear that, in withdrawing 0500 numbers, we are proposing to treat the 0500 range differently from the 080 range. Our policy position is that the 080 range should be made free-to-caller. Stakeholders (such as Vodafone (C&WW) and certain SPs on the 0500 range) have contended that the difference in treatment will put Vodafone (C&WW) (as the principal 0500 rangeholder) and SPs with 0500 numbers at a

disadvantage relative to the position of 080 rangeholders and 080 SPs. Although there are important features in relation to the current use and consumer understanding of 0500 which distinguish it from 080,⁵⁵ we recognise that key characteristics of the two ranges are the same. As set out in the October 2012 consultation, 0500 was established as an equivalent Freephone range to 080, the former allocated exclusively to Mercury Communications while the latter was held by BT. Like 080, 0500 is still designated as a Freephone range in the Numbering Plan, and like 080, calls to the range are generally free from fixed lines but charged from mobiles. Mobile call charges for 0500 are comparable to those for 080 calls. As set out in paragraphs 5.6 – 5.8 of the October 2012 consultation, the market failures we have identified in relation to 0500 and 080 are the same and, likewise, the adverse impacts which we consider result from those failures.

3.15 Accordingly, we accept that 0500 and 080 should be treated as comparable situations. Nonetheless we consider that our proposal to treat 0500 differently from 080, by withdrawing the 0500 range, is objectively justified, given the distinguishing features of the 0500 range and Ofcom's duty to ensure the efficient use and effective management of numbers.

3.16 The distinguishing features of 0500, which we set out in the October 2012 consultation, include the following:

- it is a closed range in that numbers within the range are not available for allocation by Ofcom. There is also a prohibition on the use of allocated numbers unless they were in use by a customer at the time the range was closed in 1997-98 (in which case the number may continue to be used). As a result, the range holder, Vodafone (C&WW) (the successor to Mercury Communications), holds a significant number of redundant 0500 numbers;
- there are a declining number of SPs on the 0500 range and call volumes are very low. There are estimated to be just under 12,000 SPs and, in 2011, 82 million 0500 call minutes to the range. In contrast, 080 has the largest proportion of call volumes and active numbers of all the non-geographic number ranges:⁵⁶ according to the 2010 Flow of Funds study, just under 40% of all non-geographic calls were made to the 080 range, amounting to 11.2 billion minutes;
- a very large proportion of 0500 call volumes are attributable to a small number of SPs – 99% of BT's 0500 call volumes are accounted for by 30 SPs; , given that 080 remains open to allocations and has the largest proportion of active numbers of all the non-geographic ranges, it must follow that there is no equivalent concentration on the 080 range;
- survey evidence indicates that consumer awareness and understanding of the 0500 range is materially lower than for the 080 range. In the July 2012 consumer survey (see paragraph 2.9), only 15% of respondents were aware of the range and only 6% said they knew the cost of calling these numbers; the equivalent figures for 080 were 57% and 55% respectively.

3.17 Because of the very low usage of 0500 numbers relative to 080 numbers, the overall consumer harm attributable to the 0500 range must be proportionately less than that for 080 range. This might suggest that a more intrusive remedy for 0500 (withdrawal) compared to our policy position on 080 (free to call) would not be appropriate.

⁵⁵ See paragraphs 2.5 to 2.10.

⁵⁶ Paragraph 11.9, Part C, April 13 Policy Position.

However, we consider that when the distinguishing features of the 0500 range are assessed by reference to Ofcom's duty to ensure the efficient use and effective management of numbers, withdrawal of the range is objectively justified.

- 3.18 As set out in the October 2012 consultation,⁵⁷ we found that the distinguishing features of 0500 meant that the benefits of making the range free-to-caller were lower than those expected to result from making 080 free-to-caller. Furthermore, we considered that because of the very poor consumer awareness of the range, there would be continued scope for confusion about the 0500 range and this could adversely affect the clarity of the free-to-caller message in relation to 080. We said that having two dissimilar looking ranges fulfilling the same function did not represent a good use of numbers, particular given the low usage of the 0500 range. The combination of all these factors led us to the view that withdrawal was the best course of action.
- 3.19 On the basis of this assessment,⁵⁸ we consider that the proposed withdrawal of 0500 is objectively justified, taking account of our legitimate policy objectives under section 63 and will not give rise to undue discrimination within the meaning of section 62(2) and our general duty in relation to our numbering functions in section 63 of the Act .
- 3.20 Section 2 of this consultation sets out our proposal for providing a migration path for current SPs on the 0500 range. We will open for allocation to the 0500 range holder a sub-range within the 080 series (either 08085 or 08050) which will be available for use by 0500 SPs who wish to migrate to the matching number in that range. For the reasons set out in paragraphs 2.47–2.51, we are proposing to initially allocate this 080X sub-range in its entirety to Vodafone (C&WW). In order that SPs which have ported their 0500 numbers to other CPs are in the same position as Vodafone (C&WW)'s 0500 customers, we are proposing to make it a requirement of allocation that a request from another CP for a number within the migration range will be treated as if it were a request for portability made in accordance with General Condition 18. This will mean that Vodafone (C&WW) will be required to port the relevant 080X number to the requesting provider. That provider, in turn, will only be able to use that number for the purpose of enabling its SP to migrate its service from the 0500 range.
- 3.21 We consider these proposals will ensure that all CPs with 0500 SPs are in the same position as they are presently in relation to the 0500 range and all 0500 SPs are in an equivalent position in terms of access to the 080X migration sub-range. While the allocation of the 080X migration sub-block will only be made to Vodafone (C&WW), this is because there are significant technical difficulties associated with making the range available to other CPs that would materially increase costs and could undermine the intention of making the range readily available to all 0500 SPs wishing to migrate.⁵⁹ Further, we are proposing the measures set out at paragraph [2.56] to limit the extent to which Vodafone (C&WW) permanently retains numbers from the 080X sub-range which it has not used for migration purposes. Thus, to the extent that the allocation of the migration sub-range to Vodafone (C&WW) confers a benefit on it, we consider that it goes no further than is required to enable migration of active

⁵⁷ See paragraphs 5.30 – 5.46 and paragraphs 5.74 – 5.92, 0500 consultation document.

⁵⁸ *Ibid.* For clarity, this assessment remains subject to our consideration of the submissions we have received on this issue in response to the October 2012 consultation. We have not reached any final determination at this stage and will only do so following consideration of all responses we receive in relation to our 0500 proposals.

⁵⁹ See paragraphs 2.48–2.51 above.

0500 SPs who wish to take up that option and is therefore objectively justified. Accordingly, we consider that the reorganisation we are proposing does not give rise to undue discrimination in accordance with the requirements of section 62(2) of the Act.

- 3.22 Finally, in response to Vodafone (C&WW)'s comment that a withdrawal for the purposes of a reorganisation should consider other potentially affected ranges (Vodafone (C&WW) citing 055 and 056 as examples), we note here (as we have in prior NGCS publications) that our strategic aim is to simplify the non-geographic numbering system; for this, we have been considering separately whether changes may be required to the regulation of the 055 and 056 number ranges. We have been gathering evidence on the use of these ranges and will continue to monitor their use to assess if intervention is merited. The 055 and 056 ranges perform materially different functions to 0500 and we do not consider it necessary or appropriate to consider the policy options for all of these ranges simultaneously. For the same reason, we do not think the withdrawal of 0500 would necessitate the withdrawal of the 055 and 056 ranges. That and other policy options must be assessed separately on the basis of facts and considerations applicable to those ranges.

Replacement of 0500 allocations

- 3.23 We consider that either of the two sub-ranges we are proposing as replacement numbers for 0500 – 08085 or 08050 – will allow users to migrate to a number resembling their own (by retaining the final 6 digits of their existing 0500 number) while at the same time bringing them within the 080 range. This will achieve our objective of enhancing consumer understanding of non-geographic numbers by not having, as far as possible, dissimilar number ranges fulfilling similar functions in terms of pricing. We therefore consider that the reorganisation will provide for the withdrawn allocations to be replaced with allocations of numbers so nearly resembling the numbers to which the withdrawal relates as the purpose of the reorganisation allows.
- 3.24 We are not proposing to require any payment for allocating a replacement 080X number to existing allocatees of 0500 numbers and therefore the third requirement of section 62 is satisfied.
- 3.25 Accordingly for the reasoning set out in paragraphs 3.14–3.24, we consider that the specific requirements in section 62 which apply to a withdrawal made for the purposes of a numbering reorganisation under section 61(2)(c) will be satisfied in this case.

Time limited allocation of the 080X migration sub-range

- 3.26 As explained at paragraph 2.55, we are proposing to impose a time limit on the allocation of the 080X migration sub-range to Vodafone (C&WW) in respect of blocks of 10,000 numbers which are entirely unused by migrating 0500 SPs at the end of the migration period. We propose that the time limit for any such unused blocks should be 3 years and 3 months from the date of our final decision on the future of the 0500 range (i.e. 3 months after the end of the migration period). We consider that, as required by section 56A(b) of the Act, this time limitation is objectively justified as the 080X sub-range is intended to be initially used for services migrating from the 0500 range. Where a block of 10,000 080X numbers is entirely unused by such services at the end of the 3 year migration period then it is appropriate that the allocation for the purposes of migration should cease and the numbers automatically revert to Ofcom. As explained in paragraph 2.57, the limitation period is 3 months

longer than the migration period in order to allow time for reconciliation of used and unused 080X number blocks.

Our general duty in carrying out our numbering functions

- 3.27 For the reasons set out in paragraph 3.18 above and in more detail in the October 2012 consultation,⁶⁰ we consider that the proposal to withdraw the 0500 range will secure what we consider to be the best use of telephone numbers and encourage efficiency and innovation. We have explained at paragraphs 2.47–2.51 why it is necessary to initially allocate the entirety of the migration 080X sub-range to Vodafone, even though it is only likely to require about a very small proportion of the numbers for migration purposes. However, we are proposing that any blocks of 10,000 numbers within the sub-range that are entirely unused by migrating 0500 SPs at the end of the migration period will automatically revert to Ofcom. This will ensure that Vodafone (C&WW) is not permanently allocated a large number of 080 numbers for which it currently has no use. We therefore consider that, taking account of the practical issues associated with enabling the migration of 0500 SPs, the allocation of the 080X migration sub-range to Vodafone (C&WW) in this manner is consistent with our duty to secure the best use of telephone numbers.
- 3.28 Our general duty under section 63 of the Act also requires us to secure that, in carrying out our numbering functions, there is no undue discrimination by CPs against other CPs. As explained in section 2 and summarised in paragraph 3.20 above, we are proposing measures to ensure that all CPs hosting 0500 SPs will be able to secure access for their 0500 customers to a matching number within the 080X migration sub-range. On that basis, we do not consider that the reorganisation we are proposing will give rise to undue discrimination by CPs against other CPs in relation to the adoption of telephone numbers. We therefore consider that the proposals are consistent with our duty under section 63 of the Act.

Ofcom's duties under section 3 and 4 of the Act

- 3.29 Our assessment at paragraphs 6.28–6.29 of the October 2012 consultation, that the proposed withdrawal of 0500 is consistent with our general duties under sections 3 and 4 of the Act, is unchanged by the refinements to our proposal set out in this consultation.
- 3.30 Accordingly, we are satisfied that the proposed withdrawal of 0500 under our powers in section 61(2)(c) of the Act would be consistent with our general duties and the specific requirements that apply to such a withdrawal (see also paragraphs 3.48–3.49 below).

Consultation on legal instruments

- 3.31 We are consulting today on the legal instruments that we need to make in order to withdraw the 0500 range under section 61(2)(c) of the Act for the purposes of a numbering reorganisation. These draft legal instruments can be found at Annexes 8 and 9.
- 3.32 Specifically, we propose to amend the National Telephone Numbering Plan ('the Numbering Plan') (see Annex 8) in order:

⁶⁰ *Ibid.*

- to remove 0500 from Part C5 of the Numbering Plan. We are proposing that this modification would take effect 3 years from the date of our final statement, should we ultimately conclude to proceed with a withdrawal of the range;
- to introduce the requirements and restrictions that will apply in relation to the use of the 080X sub-range that we are planning to open as part of our proposed numbering reorganisation.

3.33 We are also proposing modifications to the relevant numbering application form to reflect the opening of the new 080X migration sub-range (see Annex 9).

Numbering Plan

3.34 Annex 8 sets out our proposed modifications to the Numbering Plan. It should be noted that the modifications at Annex 8 relate to the Numbering Plan that is currently in force.

3.35 In the 2013 NGCS Statement (of 12 December 2013) we have modified the Numbering Plan. We would, therefore, propose making modifications to that version of the Numbering Plan which mirror those set out at Annex 8.

3.36 We propose to modify Parts B3 and C5 of the Numbering Plan. The modifications to B3 we are proposing are two-fold. First, they set out the restriction that will apply to the use of 080X numbers, namely that they are only available for use by a customer migrating from a matching 0500 number. This proposed modification is made in accordance with our duty in section 56(1)(b) of the Act to set out the restrictions that we consider appropriate on the adoption of numbers available for allocation. It should be read in conjunction with paragraph 4 of GC17, which requires CPs to comply with all applicable restrictions and requirements as are set out in the Numbering Plan.

3.37 The second modification to Part B3 of the Numbering Plan sets out the requirement that the CP with the allocation of these 080X numbers deals with a request by another CP for a number within that block as if it were a request for portability made in accordance with General Condition 18, in order to enable a customer of the provider making the request to migrate from an 0500 number. As explained in paragraph 3.20, the purpose of this requirement is to ensure, in accordance with section 62(2)(b), that all 0500 SPs are able to access the matching 080X number in the new migration sub-range (irrespective of their host CP) in order to migrate their services prior to the withdrawal of the 0500 range. The modification is made in accordance with section 56(1)(c) (which requires Ofcom to set out in the Numbering Plan “such restrictions as they consider appropriate on the other uses to which numbers available for allocation in accordance with the plan may be put”) and Ofcom’s general duty under section 63 to ensure in carrying out its numbering functions that there is no undue discrimination by CPs against other CPs.⁶¹

3.38 It is proposed that these modifications to Part B3 of the Numbering Plan will only remain in place for a period of 3 years from the date on which this modification is made (i.e. the proposed implementation period for the withdrawal of the 0500 range).

3.39 It should be noted that the proposed modification to the Numbering Plan makes reference to the two alternative 080X sub-ranges which we are considering making

⁶¹ In applying these powers, we have also had regard to Part C3 of the Annex to the Authorisation Directive which permits number portability requirements to be a condition attached to a right of use for numbers.

available. However, the final modification will only cite the 080X sub-range that we select in the light of responses to this consultation.

- 3.40 Our proposed modification to Part C5 of the Numbering Plan would remove 0500 and its designation from the list of numbers specified in the table as in use but no longer available for individual allocation. Should we decide to implement the withdrawal of 0500, this modification will take effect 3 years after the date of that decision.
- 3.41 As set out above, we consider that our proposed modifications to the Numbering Plan fall within the scope of section 56(1) of the Act, which requires us to publish the Numbering Plan which, amongst other things, sets out the numbers which we have determined to be available for allocation and such restrictions as we consider appropriate on the adoption of such numbers and on other uses to which numbers available for allocation may be put. We consider that the obligation in section 56(1) does not preclude us from modifying information in the Numbering Plan, where this is appropriate in the light of our other statutory powers and duties. In particular, paragraph 3 of GC17 only permits a CP to use or adopt a number listed in Part C of the Numbering Plan and in accordance with its designation. It is therefore appropriate to modify Part C to remove the listing of 0500 and its designation in order to give effect to its withdrawal.

Q3.1: Do you have any comments on the draft modifications to the Numbering Plan, as set out in Annex 8, that we are proposing? Where you disagree with any of the proposed modifications, please explain why.

Numbering application forms

- 3.42 Annex 9 sets out our proposed modifications to the Form S8 – the numbering application form for numbers beginning ‘08’.
- 3.43 Our proposed modifications are as follows:
- 3.43.1 a modification to add the new 080X number range to the list of Freephone numbers which are available for allocation for migrating 0500 SPs. The proposed modification makes reference to the two alternative 080X sub-ranges which we are considering making available but the final modification will only cite the one that we select in the light of responses to this consultation; and
- 3.43.2 a modification to questions 6 and 7 to exclude the new 080X sub-range from the scope of these questions.
- 3.44 It should be noted that for the reasons set out in section 2, we are proposing to allocate the 080X migration sub-range in its entirety to Vodafone (C&WW), subject to a time limitation of 3 years and 3 months applying to any block of 10,000 numbers which is entirely unused by migrating 0500 SPs during that period. Therefore, once Vodafone (C&WW) has submitted its application, no further allocations from the sub-range will be available during the migration period. Should any blocks of 10,000 numbers revert to Ofcom at the end of the period as a result of the time limitation, Ofcom will then consider how best to manage these unused 080X number blocks and whether they should be opened up for allocation to other CPs.
- 3.45 We consider the modifications to the Numbering Application Form that we are proposing fall within our powers to give a direction for the purposes of a general

condition, pursuant to section 49 of the Act.⁶² We consider that they are in line with the modifications we are proposing to make to the Numbering Plan and are necessary for the effective implementation of those modifications.

Q3.2: Do you have any comments on the draft modifications to the numbering application form, Form S8, as set out in Annex 9, that we are proposing? Where you disagree with any of the proposed modifications, please explain why.

Legal tests and statutory duties

3.46 We may not modify the legal instruments described above unless we are satisfied that the modification is objectively justifiable, not unduly discriminatory, proportionate and transparent.⁶³ We are satisfied that our proposed modifications meet these requirements.

3.47 In particular, we consider the modifications to be:

3.47.1 **objectively justifiable**, in that the withdrawal of 0500 numbers will contribute to our objective of making the pricing structure of non-geographic numbers clearer and remove confusing and misleading inconsistencies and address the negative horizontal externality that 0500 has on demand for 080 and NGCs generally. The restrictions we are propose to set in relation to the availability of the 080X sub-range are required in order to provide a migration path for 0500 SPs to a number closely resembling their existing 0500 number;

3.47.2 **not unduly discriminatory**, for the reasons set out in paragraphs 2.47–2.59 and 3.14–3.21 above;

3.47.3 **proportionate**, in that the modifications are the minimum necessary to achieve the objective outlined above. We have explained in the October 2012 consultation why we consider that alternative regulatory approaches (including setting maximum retail prices) would fail to address our concerns in relation to 0500 and in paragraphs 2.40–2.44 of this document why we consider it necessary to offer an 080X sub-range for migration purposes; and

3.47.4 **transparent**, in that the modifications are set out in full in Annexes 8 and 9 and are explained in detail in this document. Furthermore, the modifications themselves contribute to an increase in transparency for consumers by making the pricing structures associated with non-geographic numbers clearer and more intuitive.

3.48 We consider that we are fulfilling our general duty in relation to our telephone numbering functions, as set out in section 63 of the Act, by:

3.48.1 **securing the best use of telephone numbers**, in that our proposals will removing a duplicate range serving an identical function when the main

⁶² GC17.9 requires CPs, when applying for an allocation of telephone numbers, to use an application form as directed by Ofcom.

⁶³ See section 60(2) in relation to the Numbering Plan and section 49(2) in relation to the numbering application forms. However, we are not required to satisfy ourselves that a direction affecting a general condition is objectively justifiable (see section 49(2A)).

range 080 is not exhausted as a resource, thereby contributing to increased price transparency for consumers;

- 3.48.2 **encouraging efficiency and innovation**, in that our proposals are likely to ensure, as a result of improved price transparency, that consumers are able to make purchasing decisions commensurate with their own individual consumption preferences. We also consider that our proposals will result in improvements in pricing efficiency (in particular, by addressing the horizontal and vertical externalities) and improvements in SPs' incentives to innovate and invest in the NGCS market and to promote their services; and
- 3.48.3 **securing that there is no undue discrimination by communications providers against other communications providers in relation to the adoption of telephone numbers**, in that our proposals will ensure that the CP allocated the 080X migration sub-range will be required to port numbers within the range to other CPs on request so that SPs using an 0500 number will be in an equivalent position in terms of securing access to the sub-range in order to migrate to a matching 080X number.
- 3.49 We also consider that our proposals are consistent with our principal duty under section 3 of the Act, and the Community requirements set out in section 4 of the Act. In particular:
- 3.49.1 we consider that our proposals will result in benefits to **consumers and citizens** (sections 3(1), 3(5) and 4(5)) by addressing consumers' poor awareness and confidence in the pricing of NGCS, improving vulnerable consumers' access to socially important services and encouraging SPs to improve the quality, variety and innovative nature of their services;
- 3.49.2 as explained above, we consider that our proposals will result in improvements in **efficiency, investment and innovation** (sections 3(4)(d));
- 3.49.3 in carrying out our review, we have had regard to the needs of **vulnerable consumers** (section 3(4)(h) and (i)), in particular through our Equality Impact Assessment (see Annex 6 of the October 2012 consultation) and by the explicit consideration in that document of the extent to which our proposals would impact on vulnerable consumers' access to socially important services;
- 3.49.4 we have had regard to the **opinions of consumers and members of the public generally** (section 3(4)(k)), through consumer surveys, consultation and engagement with various bodies representing consumer interests; and
- 3.49.5 we have also had regard to the principle that regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed, and to other principles of **best regulatory practice** (section 3(3)). In particular, we have explained in detail in the October 2012 consultation why we consider that regulatory intervention is required, and we explain above why we consider that our proposals are proportionate and transparent.

Annex 1

Responding to this consultation

How to respond

- A1.1 Ofcom invites written views and comments on the issues raised in this document, to be made **by 5pm on 31 January 2014**.
- A1.2 Ofcom strongly prefers to receive responses using the online web form at <http://stakeholders.ofcom.org.uk/consultations/re-consultation-0500-freephone/> as this helps us to process the responses quickly and efficiently. We would also be grateful if you would assist us by completing a response cover sheet (see Annex 3), to indicate whether or not there are confidentiality issues. This response coversheet is incorporated into the online web form questionnaire.
- A1.3 For larger consultation responses – particularly those with supporting charts, tables or other data – please email NGCSReview@ofcom.org.uk attaching your response in Microsoft Word format, together with a consultation response coversheet.
- A1.4 Responses may alternatively be posted or faxed to the address below, marked with the title of the consultation.
- Samir Prakash
Competition Group
Ofcom
Riverside House
2A Southwark Bridge Road
London SE1 9HA
- Fax: 020 7783 4109
- A1.5 Note that we do not need a hard copy in addition to an electronic version. Ofcom will acknowledge receipt of responses if they are submitted using the online web form but not otherwise.
- A1.6 It would be helpful if your response includes direct answers to the questions asked in this document, which are listed together at Annex 4. It would also help if you explain why you hold your views and how Ofcom's proposals would impact on you.

Further information

- A1.7 If you want to discuss the issues and questions raised in this consultation, or need advice on the appropriate form of response, please contact Samir Prakash on 020 7783 4156.

Confidentiality

- A1.8 We believe it is important for everyone interested in an issue to see the views expressed by consultation respondents. We will therefore usually publish all responses on our website, www.ofcom.org.uk, ideally on receipt. If you think your response should be kept confidential, can you please specify what part or whether

all of your response should be kept confidential, and specify why. Please also place such parts in a separate annex.

- A1.9 If someone asks us to keep part or all of a response confidential, we will treat this request seriously and will try to respect this. But sometimes we will need to publish all responses, including those that are marked as confidential, in order to meet legal obligations.
- A1.10 Please also note that copyright and all other intellectual property in responses will be assumed to be licensed to Ofcom to use. Ofcom's approach on intellectual property rights is explained further on its website at <http://www.ofcom.org.uk/about/accoun/disclaimer/>

Next steps

- A1.11 Following the end of the consultation period, Ofcom intends to publish a statement on its decision.
- A1.12 Please note that you can register to receive free mail updates alerting you to the publications of relevant Ofcom documents. For more details please see: http://www.ofcom.org.uk/static/subscribe/select_list.htm

Ofcom's consultation processes

- A1.13 Ofcom seeks to ensure that responding to a consultation is easy as possible. For more information please see our consultation principles in Annex 2.
- A1.14 If you have any comments or suggestions on how Ofcom conducts its consultations, please call our consultation helpdesk on 020 7981 3003 or e-mail us at consult@ofcom.org.uk . We would particularly welcome thoughts on how Ofcom could more effectively seek the views of those groups or individuals, such as small businesses or particular types of residential consumers, who are less likely to give their opinions through a formal consultation.
- A1.15 If you would like to discuss these issues or Ofcom's consultation processes more generally you can alternatively contact Graham Howell, Secretary to the Corporation, who is Ofcom's consultation champion:

Graham Howell
Ofcom
Riverside House
2a Southwark Bridge Road
London SE1 9HA

Tel: 020 7981 3601

Email: Graham.Howell@ofcom.org.uk

Annex 2

Ofcom's consultation principles

A2.1 Ofcom has published the following seven principles that it will follow for each public written consultation:

Before the consultation

A2.2 Where possible, we will hold informal talks with people and organisations before announcing a big consultation to find out whether we are thinking in the right direction. If we do not have enough time to do this, we will hold an open meeting to explain our proposals shortly after announcing the consultation.

During the consultation

A2.3 We will be clear about who we are consulting, why, on what questions and for how long.

A2.4 We will make the consultation document as short and simple as possible with a summary of no more than two pages. We will try to make it as easy as possible to give us a written response. If the consultation is complicated, we may provide a shortened Plain English Guide for smaller organisations or individuals who would otherwise not be able to spare the time to share their views.

A2.5 We will consult for up to 10 weeks depending on the potential impact of our proposals.

A2.6 A person within Ofcom will be in charge of making sure we follow our own guidelines and reach out to the largest number of people and organisations interested in the outcome of our decisions. Ofcom's 'Consultation Champion' will also be the main person to contact with views on the way we run our consultations.

A2.7 If we are not able to follow one of these principles, we will explain why.

After the consultation

A2.8 We think it is important for everyone interested in an issue to see the views of others during a consultation. We would usually publish all the responses we have received on our website. In our statement, we will give reasons for our decisions and will give an account of how the views of those concerned helped shape those decisions.

Annex 3

Consultation response cover sheet

- A3.1 In the interests of transparency and good regulatory practice, we will publish all consultation responses in full on our website, www.ofcom.org.uk.
- A3.2 We have produced a coversheet for responses (see below) and would be very grateful if you could send one with your response (this is incorporated into the online web form if you respond in this way). This will speed up our processing of responses, and help to maintain confidentiality where appropriate.
- A3.3 The quality of consultation can be enhanced by publishing responses before the consultation period closes. In particular, this can help those individuals and organisations with limited resources or familiarity with the issues to respond in a more informed way. Therefore Ofcom would encourage respondents to complete their coversheet in a way that allows Ofcom to publish their responses upon receipt, rather than waiting until the consultation period has ended.
- A3.4 We strongly prefer to receive responses via the online web form which incorporates the coversheet. If you are responding via email, post or fax you can download an electronic copy of this coversheet in Word or RTF format from the 'Consultations' section of our website at www.ofcom.org.uk/consult/.
- A3.5 Please put any parts of your response you consider should be kept confidential in a separate annex to your response and include your reasons why this part of your response should not be published. This can include information such as your personal background and experience. If you want your name, address, other contact details, or job title to remain confidential, please provide them in your cover sheet only, so that we don't have to edit your response.

Cover sheet for response to an Ofcom consultation

BASIC DETAILS

Consultation title:

To (Ofcom contact):

Name of respondent:

Representing (self or organisation/s):

Address (if not received by email):

CONFIDENTIALITY

Please tick below what part of your response you consider is confidential, giving your reasons why

Nothing	<input type="checkbox"/>	Name/contact details/job title	<input type="checkbox"/>
Whole response	<input type="checkbox"/>	Organisation	<input type="checkbox"/>
Part of the response	<input type="checkbox"/>	If there is no separate annex, which parts?	

If you want part of your response, your name or your organisation not to be published, can Ofcom still publish a reference to the contents of your response (including, for any confidential parts, a general summary that does not disclose the specific information or enable you to be identified)?

DECLARATION

I confirm that the correspondence supplied with this cover sheet is a formal consultation response that Ofcom can publish. However, in supplying this response, I understand that Ofcom may need to publish all responses, including those which are marked as confidential, in order to meet legal obligations. 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

Signed (if hard copy)

Annex 4

Consultation questions

A4.1 Below is a list of the consultation questions asked in each part of this document.

0500 Re-consultation

Section 2 – Withdrawal basis and implementation approach

- Q2.1: Should new replacement 080 numbers – offered to SPs with 0500 numbers in use at present as a migration path away from the 0500 range, prior to the withdrawal of the 0500 range – begin with an 080 85- prefix or with an 080 50- prefix? Please explain your preference.
- Q2.2: Do you agree with our assessment of the technical difficulties, and potentially significant costs and disruption, that would result from making the proposed 080X migration sub-range available for allocation to all CPs currently hosting active 0500 telephone numbers and that, accordingly, it is appropriate to restrict the allocation of the sub-range to Vodafone (C&WW) during the migration period? If not, please explain your reasons.
- Q2.3: Do you agree with the measures proposed to ensure that all 0500 SPs are able to migrate regardless of the CP they use to host their 0500 number(s) currently? If not, please explain your reasons.
- Q2.4: Do you agree with our proposal to impose a time limitation of 3 years and 3 months on the allocation of each block of 10,000 numbers within the 080X migration sub-range to Vodafone (C&WW), save to the extent that at least one number within the block is taken up by a migrating 0500 SP (in which case the allocation of that block will not be so time-limited)? If not, please explain your reasons.
- Q2.5: Do you agree with our proposal of a 3-year timeframe for the withdrawal of 0500 numbers and for the migration of active services on these numbers to a new 080X sub-range (if so desired by any individual SP operating an 0500 number)? If not, please explain your reasons.

Section 3 – Legal framework

- Q3.1: Do you have any comments on the draft modifications to the Numbering Plan, as set out in Annex 8, that we are proposing? Where you disagree with any of the proposed modifications, please explain why.
- Q3.2: Do you have any comments on the draft modifications to the numbering application form, Form S8, as set out in Annex 9, that we are proposing? Where you disagree with any of the proposed modifications, please explain why.

Annex 5

List of respondents to the October 2012 consultation

CPs

- British Telecommunications ('BT')
- Cable & Wireless Worldwide ('Vodafone (C&WW)') – acquired by Vodafone plc in July 2012
- EE – formerly known as Everything Everywhere
- [redacted] [redacted]
- Three
- [redacted] [redacted]

SPs

- [redacted] [redacted]
- Citizens Advice ('CAB')
- Missing People
- National Savings & Investments ('NS&I')
- [redacted] [redacted]
- NetTek Ltd
- SLA Consultants

Individuals

- [redacted] [redacted]
- [redacted] [redacted]

Other

- Federation for Communication Services ('FCS')

Annex 6

List of sources

A6.1 Below is a list of Ofcom research reports, previous consultations and other external reports relevant to this review and which relate to this consultation. While this list covers the main documents and research reports we have relied upon, it is provided for convenience only and is not intended to be exhaustive.

Previous Ofcom consultations, statements or determinations

- i) *Simplifying non-geographic numbers – Final statement on the unbundled tariff and making the 080 and 116 ranges free-to-caller*, 12 December 2013 (**2013 NGCS statement**), published at: <http://stakeholders.ofcom.org.uk/consultations/simplifying-non-geo-no/>
- ii) *Simplifying non-geographic numbers – Policy position on the introduction of the unbundled tariff and changes to 080 and 116 ranges*, 15 April 2013 (**April 2013 NGCS policy position**), published at: <http://stakeholders.ofcom.org.uk/consultations/simplifying-non-geo-no/>
- iii) *The 0500 Number Range: Proposal for the withdrawal of 0500 Freephone telephone numbers*, 23 October 2012 (**October 2012 consultation**), published at: <http://stakeholders.ofcom.org.uk/consultations/0500-number-range/>
- iv) *Simplifying Non-geographic Number: Detailed proposals on the unbundled tariff and Freephone*, 4 April 2012 (**April 2012 NGCS consultation**), published at: <http://stakeholders.ofcom.org.uk/consultations/simplifying-non-geographic-no/>

Evidence from stakeholders

- i) BT's 27 July 2012 response to Ofcom's 16 July 2012 s.135 information request
- ii) Vodafone (C&WW)'s 17 August 2012 response to Ofcom's 16 July 2012 s.135 information request
- iii) Informal interviews with 35 SPs who are or were users of telephone numbers on the 0500 range, conducted by Ofcom between July and September 2012

Annex 7

Glossary

Call Termination:

The service provided by a TCP to allow an OCP to connect a call with the intended recipient on that TCP's network.

Communications Act 2003 ('the Act'): The Act of Parliament that sets out Ofcom's duties in relation to electronic communications networks and services, and the powers which Ofcom has to discharge those duties.

Communications Provider ('CP'):

This is a person who provides an electronic communications network or provides an electronic communications service.

Free-to-caller:

This means a number that is accessed at no charge to the customer and, in the case of public payphones, without having to use coins or cards.

Freephone:

A number that is reached free of charge to the customer, except where charges are notified to the caller at the start of the call. Freephone numbers begin with 080 (e.g. 0800 and 0808) and also include the 0500 range. 116XXX numbers are also required to be Freephone or Free-to-Caller.

General Conditions:

Obligations on all Communications Providers imposed by Ofcom in exercise of its powers set out in the Act.

Geographic number or geographic call:

A telephone number, or call to a telephone number, where part of the digit structure (beginning with 01 or 02) contains a geographic area code that is used for routing calls to the physical location of the subscriber to whom the number has been assigned.

National Telephone Numbering Plan ('the Numbering Plan'):

This is a document setting out telephone numbers available for allocation and the restrictions on the adoption and other uses of those numbers, and as provided for in section 56(1) of the Act.

Non-geographic call ('NGC') or non-geographic number:

A telephone number, or call to that telephone number, which is used to identify a type of service rather than a geographic location. These services include NTS and PRS numbers. Mobile and personal numbers are also non-geographic numbers.

Non-geographic call services ('NGCS'):

A service that is provided by means of a non-geographic number.

Number Translation Services ('NTS'):

Telephone services using the following numbers: Special Service numbers (including Freephone, special basic rate and special higher rate) and Premium Rate Services numbers ('PRS') (services currently provided under 090 and 091 number ranges). Within these ranges, calls to 0844 04 numbers for Surfetime internet access services and calls to 0808 99 for FRIACO ('Flat Rate Internet Access Call Origination') are excluded.

NTS Call Origination Condition:

SMP Condition 8 set out in Part 3 of Schedule 1 to the Notification which is contained in Annex 1 of the regulatory statement completing Ofcom's review of the fixed narrowband services markets, published by Ofcom on 26 September 2013.

Number Portability:

A facility whereby a subscriber can retain their telephone number when they switch CPs.

Number range-holder:

A CP that has been allocated a particular block of numbers by Ofcom.

Number Translation Services ('NTS'):

Telephone services using the following numbers: Special Service numbers (including Freephone, special basic rate and special higher rate) and Premium Rate Services numbers ('PRS') (services currently provided under 090 and 091 number ranges). Within these ranges calls to 0844 04 numbers for Surftime internet access services and calls to 0808 99 for FRIACO ('Flat Rate Internet Access Call Origination') are excluded.

Originating Communications Provider ('OCP'):

The Communications Provider (either fixed or mobile) on whose network a call originates.

Pre-call announcement ('PCA'):

This is a pre-recorded message played to the caller before the call is connected setting out how the call will be charged for.

Premium rate service ('PRS'):

These are a particular type of service provided on the 090, 091, 098 and 0871/2/3 number ranges. Calls are generally charged above 10p a minute from a BT landline.

Service Provider ('SP'):

This is a provider of voice or data services to third parties using non-geographic numbers.

Terminating Communications Provider ('TCP'):

The CP on whose network a call terminates.

Annex 8

Notification of proposed modifications to the provisions of the Numbering Plan under section 60(3) of the Act

1. General Condition 17 of the General Conditions of Entitlement has effect by reference to the provisions of the Numbering Plan.
2. In accordance with section 60 of the Act, Ofcom proposes to modify the provisions of the Numbering Plan.
3. The draft modifications to the Numbering Plan are set out in the Schedule to this Notification.
4. Ofcom's reasons for making these proposals, and the effect of the proposed modifications, are set out in the accompanying consultation document.
5. Ofcom considers that the proposed modifications comply with the requirements of section 60(2) of the Act.
6. In making these proposals, Ofcom has considered and acted in accordance with their general duty as to telephone numbering functions under section 63 of the Act, their general duties under section 3 of the Act and the six Community requirements set out in section 4 of the Act.
7. Representations may be made to Ofcom about the proposed modifications until **5pm on 31 January 2014**.
8. If implemented:
 - a. the modifications in Schedule 1 shall enter into force for a period of 3 years beginning on the date of Ofcom's final statement in relation to these proposals; and
 - b. the modifications in Schedule 2 shall enter into force on the day which falls 3 years after the date of Ofcom's final statement in relation to these proposals.
9. In this Notification:
 - a. "the Act" means the Communications Act 2003;
 - b. "the General Conditions of Entitlement" means the general conditions set under section 45 of the Act by the Director General of Telecommunications on 22 July 2003, as amended from time to time;
 - c. "Ofcom" means the Office of Communications; and

- d. "Numbering Plan" means the National Telephone Numbering Plan published by Ofcom pursuant to section 56(1) of the Act, and amended from time to time.
10. Words or expressions shall have the meaning assigned to them in this Notification, and otherwise any word or expression shall have the same meaning as it has in the Act.
11. For the purposes of interpreting this Notification: (i) headings and titles shall be disregarded; and (ii) the Interpretation Act 1978 shall apply as if this Notification were an Act of Parliament.
12. The Schedules to this Notification shall form part of this Notification.

Stuart McIntosh
Competition Group Director

12 December 2013

A person authorised by Ofcom under paragraph 18 of the Schedule to the Office of Communications Act 2002.

SCHEDULE 1

The following proposed modification to the Numbering Plan shall enter into force upon the date of Ofcom's final statement in relation to these proposals and remain in force for a period of 3 years beginning on the date of that statement.

1. In Part B, Section B3.2 is modified as shown highlighted in yellow (with the text shown as "[08085][08050]" in the proposed modification being replaced with the number which Ofcom determines is the appropriate migration range in its final statement):

B3.2 Non-Geographic Numbers starting 03

03 numbers

B3.2.1 Those who Adopt or otherwise use Non-Geographic Numbers starting 03 shall not share with any End-User any revenue obtained from providing a service on those numbers.

B3.2.2 Those who are Allocated Non-Geographic Numbers starting 030 shall assign those numbers only to Subscribers that are public sector bodies or not-for-profit bodies.

B3.2.3 Those Communications Providers who Adopt or otherwise use Non-Geographic Numbers starting 034 or 037 shall only do so for the purpose of providing a service to a Customer who is migrating from a Non-Geographic Number starting 084 or 087 which is exactly identical to the 034 or 037 number except for the second digit (a "matching 084 or 087 number"). A Non-Geographic Number starting 034 or 037 shall not be Adopted or otherwise used by a Communications Provider where no matching 084 or 087 number is in use by a Customer.

08 numbers

B3.2.4 Those Communications Providers who Adopt or otherwise use Non-Geographic Numbers starting [08085][08050] shall only do so for the purpose of providing a service to a Customer who is migrating from a Non-Geographic Number starting 0500 of which the final 6 digits are exactly identical to the final 6 digits of the [08085][08050] number (a "matching 0500 number").

B3.2.5 Where a Communications Provider allocated a series of [08085][08050] numbers ("the Recipient Communications Provider") receives a request for a number within that series from another Communications Provider for the purpose specified in paragraph B3.2.4, the Recipient Communications Provider must:

(a) treat that request as if it were a request for Portability in respect of that [08085][08050] number; and

(b) deal with the request in accordance with the requirements of General Condition 18 of the General Conditions of Entitlement.

SCHEDULE 2

The following proposed modification to the Numbering Plan shall enter into force 3 years from the date of Ofcom's final statement in relation to these proposals.

1. In Part C, Section C5 'Public Communications Network Numbers which have been individually Allocated', the modification marked as a deletion and highlighted in yellow below shall be made to the entry for the number 0500:

0500	Special Services — No charge to caller (except where charges shall be notified to callers at the start of the call). These numbers are no longer available for Allocation. A number within this range may not be Adopted or otherwise used, unless that number was Allocated and assigned to a Subscriber prior to this number range being closed, in which case that particular number may continue to be used for the purpose of serving that Subscriber.
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Annex 9

Notification of proposed modifications to the provisions of numbering application form S8

Proposal for making a Direction under paragraph 17.9(a) of General Condition 17 relating to numbering application forms

1. Ofcom makes the following proposal for a Direction to be given under paragraph 17.9(a) of General Condition 17.
2. The draft Direction is attached to this Notification.
3. Ofcom's reasons for making this proposal, and the effect of the proposed Direction, are set out in the accompanying consultation document.
4. Pursuant to section 49A(1) of the Act, Ofcom is of the opinion that this proposal would not have a significant impact on a market for any of the services, facilities, apparatus or directions in relation to which Ofcom has functions under Chapter 1 of Part 2 of the Act. Ofcom considers that the proposal is not of EU significance pursuant to section 150A(2) of the Act.
5. In making these proposals, Ofcom has considered and acted in accordance with their general duty as to telephone numbering functions under section 63 of the Act, their general duties under section 3 of the Act and the six Community requirements set out in section 4 of the Act.
6. Representations may be made to Ofcom about the proposed modifications until **5pm on 31 January 2014**.
7. In this Notification:
 - a. "the Act" means the Communications Act 2003;
 - b. "General Condition 17" means the General Condition 17 of the general conditions set under section 45 of the Act by the Director General of Telecommunications on 22 July 2003, as amended from time to time;
 - c. "Ofcom" means the Office of Communications.
8. Words or expressions shall have the meaning assigned to them in this Notification, and otherwise any word or expression shall have the same meaning as it has in the Act.
9. For the purposes of interpreting this Notification: (i) headings and titles shall be disregarded; and (ii) the Interpretation Act 1978 shall apply as if this Notification were an Act of Parliament.
10. The Schedule to this Notification shall form part of this Notification.

Stuart McIntosh
Competition Group Director

12 December 2013

A person authorised by Ofcom under paragraph 18 of the Schedule to the Office of Communications Act 2002.

[Draft] Direction under paragraph 17.9(a) of General Condition 17 relating to numbering application forms

PURSUANT TO PARAGRAPH 17.9(a) of GENERAL CONDITION 17, OFCOM DIRECTS THAT:

1. For the time being, the numbering application form S8, set out in the Schedule to this Direction and modified by the text marked in bold and highlighted in yellow, shall be used by Communications Providers when applying for an Allocation or reservation of Telephone Numbers starting '08'.

Schedule



Form S8

SPECIAL SERVICES APPLICATION - NUMBERS STARTING '08'

Service Type:	Number range starting:	Number block size:
<i>Freephone Numbers</i>	0800 XXXX	1,000
	080 80XX to 080 874XX 080 86XX to 080 87XX	10,000
	[08085][08050]	
<i>Special Services basic rate: up to and including 5p for BT customers (non-internet)</i>	0843 and 0844 2XX to 0844 9XX	10,000
<i>Special Services basic rate: BT's Standard Local Call Retail Price for BT customers</i>	0845 XXX	10,000
<i>Special Services higher rate: up to and including 10p for BT customers (non-internet)</i>	0871 2XX to 0871 9XX, 0872 XXX and 0873 XXX	10,000
<i>Non-Geographic Number: charged at no more than the caller would pay for a call to a Geographic Number with calls to 0870 numbers counting towards inclusive call minutes to Geographic Numbers if the customer has remaining inclusive minutes to Geographic Numbers and included in any discount structures that apply to Geographic Numbers, except where call charges have been published in accordance with General Condition 14.2 or, in the case of Public Pay Telephones, where call charges are displayed in a manner that is reasonably accessible to a caller before making a call.</i>	0870 XXX	10,000

Continued overleaf

<i>Internet Services Free to Caller</i>	<i>0808 90XX</i>	<i>1,000</i>
<i>Internet Services Free to Caller – Flat Rate Internet Access Call Origination (FRIACO) product</i>	<i>0808 99XX</i>	<i>1,000</i>
<i>Internet Services incorporating un-metered access up to and including 5p for BT customers</i>	<i>0844 04XX</i>	<i>1,000</i>
<i>Non ‘BT Discount Scheme’ - Internet Services incorporating un-metered access up to and including 5p for BT customers</i>	<i>0844 00XX</i>	<i>1,000</i>
<i>Internet Services metered access up to and including 5ppm for BT customers</i>	<i>0844 09XX</i>	<i>1,000</i>
<i>Non ‘BT Discount Scheme’ - Internet Services metered access up to and including 5ppm for BT customers</i>	<i>0844 05XX</i>	<i>1,000</i>
<i>Internet Services incorporating un-metered access up to and including 10p for BT customers</i>	<i>0871 04XX</i>	<i>1,000</i>
<i>Non ‘BT Discount Scheme’ - Internet Services incorporating un-metered access up to and including 10p for BT customers</i>	<i>0871 01XX</i>	<i>1,000</i>
<i>Internet Services metered access up to and including 10ppm for BT customers</i>	<i>0871 09XX</i>	<i>1,000</i>
<i>Non ‘BT Discount Scheme’ - Internet Services metered access up to and including 10ppm for BT customers</i>	<i>0871 05XX</i>	<i>1,000</i>
<i>Internet for Schools (1 block required per Service Provider)</i>	<i>0820 XXXX</i>	<i>10,000</i>
<i>Inbound Routing Codes</i>	<i>08993 XX to 08999 XX</i>	<i>10,000</i>

Please note that the promotion and content of ‘Special Services at a Premium Rate’ is regulated by PhonepayPlus. This includes services provided on 087 (excluding 0870) numbers. Most services can be provided without PhonepayPlus’ prior permission; however, some services that have been found to pose a greater risk to consumers, do require permission. More information on the services that do require prior permission can be found on PhonepayPlus’ website at: www.phonepayplus.org.uk/service_providers/setting_up_services/prior_permission.asp

Definitions and Interpretation

1. Words or expressions shall have the meaning assigned to them in this application form. Otherwise, any word or expression shall have the same meaning as it has –

- (i) in the National Telephone Numbering Plan published by Ofcom pursuant to section 56 of the Communications Act 2003 (the ‘Act’) and amended from time to time;
- (ii) if it has no meaning ascribed as mentioned in (i) above, in paragraph 1 (Definitions) of Part 1 of the Schedule to the Notification published by the Director General of Telecommunications on 22 July 2003 under section 48(1) of the Act and modified by Ofcom from time to time; and
- (iii) if it has no meaning ascribed as mentioned in (i) and (ii) above, in the Act.

2. The Interpretation Act 1978 shall apply as if this Application Form were an Act of Parliament.

3. FRIACO (Flat Rate Internet Access Call Origination) means the provision of Flat Rate Internet Access Call Origination via a wholesale unmetered internet access product.

(Applicants should ensure that all sections have been completed where relevant – incomplete Application Forms may not be processed within the 3-week deadline).

<p><u>1. Your reference</u> <i>(required when submitting multiple applications)</i></p>	
<p><u>2. Applicant details and date of application:</u></p> <p>All applicants please provide: Your name Company name Company number Address Direct telephone Direct e-mail Mobile (if available) Website (if available)</p> <p><i>(Where you are acting on behalf of a Communications Provider (eg a consultant, solicitor, etc):</i></p> <ul style="list-style-type: none"> • <i>if you have not previously supplied one, you should enclose a letter from that Communications Provider confirming that you are authorised to represent it;</i> <i><u>and</u></i> • <i><u>you are not required to supply the “additional applicant details required if applying for 0871, 0872 or 0873 numbers” referred to below)</u></i> <p><i>and</i></p>	<p><u>Date of application:</u></p>

ADDITIONAL APPLICANT DETAILS REQUIRED IF APPLYING FOR 0871, 0872 or 0873 NUMBERS:

If the applicant is an individual or unincorporated entity, please provide the full name, address and date of birth of that individual or the person(s) responsible for the day-to-day running of the business.

If the applicant is a company, please provide:

- the full company name and Companies House registration number; and
- full name, address and date of birth of each company director as listed at Companies House.

Also provide a copy of the company's current Companies House Appointments Report.

The Appointments Report need only be supplied:

- with your first application requesting this information; and
- on any subsequent application where this information is requested if the Companies House Appointments Report has changed since your last application.

3. Communications Provider details:

If different from 2. above (e.g. where you are a consultant, solicitor, etc), provide the name and address of the Communications Provider on behalf of whom you are applying for Telephone Numbers.

ADDITIONAL COMMUNICATIONS PROVIDER DETAILS REQUIRED IF APPLYING FOR 0871, 0872 OR 0873 NUMBERS:

If the Communications Provider is an individual or unincorporated entity, please provide the full name, address and date of birth of that individual or the person(s) responsible for the day-to-day running of the business.

If the Communications Provider is a company, please provide:

- the full company name and Companies House registration number; and
- full name, address and date of birth of each company director as listed at Companies House.

Also provide a copy of the company's current Companies House Appointments Report.

The Appointments Report need only be supplied with your first application requesting this information;

<p><u>and</u> <u>on any subsequent application where this information is requested if the Companies House Appointments Report has changed since your last application.</u></p>	
<p><u>4. Declaration of ‘Public Electronic Communications Network’ or ‘Public Electronic Communications Service’</u></p> <p>The information requested in Annex A helps Ofcom to assess your eligibility to be Allocated Telephone Numbers.</p> <p>If you are a provider of a Public Electronic Communications Network:</p> <p>Confirm whether you have previously supplied the information requested in Annex A (or information equivalent to it) to Ofcom’s Numbering Team; or</p> <p>if not, you MUST complete in full all relevant questions in Annex A and submit it along with this form.</p> <p>If you have previously supplied the information in Annex A, then move onto the next question – you do not need to submit Annex A with this form.</p> <p>If you are a provider of Public Electronic Communications Services:</p> <p>You MUST complete all relevant questions in Annex A each time you apply for Telephone Numbers and submit it with this form.</p>	<p><i>(For providers of Public Electronic Communications Networks, please ensure you <u>have</u> previously supplied the information requested, before you confirm this – your application may be rejected if this is not the case).</i></p>

5. Telephone Numbers required:

When completing the table below, you should give a 1st and 2nd choice for each type of Telephone Number block applied for in case the block you've applied for is not available at the time the application is processed. You should select the number blocks within the appropriate block type (as shown at the top of this Form). A maximum of 15 blocks may be entered on this Application Form. A new Form S8 should be completed for further blocks.

		Number block Type e.g. Freephone, Special Services basic rate, Special Services higher rate, etc. (state which)	Code - first 4 digits after initial '0' e.g. 8004; 8456; 8712 (SABC)	Next 2 digits of number e.g. 34 (DE)	Next digit of number (F digit) only required for blocks that are issued in blocks of 1000 numbers – see top of Form (F)	Tariff for each number block (including VAT): for 0844 and 0871 (non-internet) blocks show tariff (to nearest 1p for BT customers)	Confirm if 'BT Discount Scheme' or 'Non BT Discount Scheme' will apply to block (where relevant) (see OfTel Direction)	Planned 'In-Service' Date (applications should not be submitted more than 6 months prior to in-service date)	Forecast of expected Adoption in 1 st 12 months (%)	Forecast of expected Adoption in 2 nd 12 months (% cumulative)
e.g. 1 st Block	1 st Choice	Freephone	8006	21	3	free to caller		mid Mar 2011	20	80
	2 nd Choice	Freephone	8005	36	2	free to caller		mid Mar 2011	20	80
e.g. 2 nd Block	1 st Choice	Internet Freephone	8089	02	2	free to caller		early May 2011	40	100
	2 nd Choice	Internet Freephone	8089	05	5	free to caller		early May 2011	40	100
e.g. 3 rd Block	1 st Choice	Basic rate up to and including 5p for BT customers (Non-Internet)	8442	34		4ppm	Non 'BT Discount Scheme'	end June 2011	15	90
	2 nd Choice	Basic rate up to and including 5p for BT customers (Non-Internet)	8443	33		4ppm	Non 'BT Discount Scheme'	end June 2011	15	90
1 st Block	1 st Choice									
	2 nd Choice									
2 nd Block	1 st Choice									
	2 nd Choice									
3 rd Block	1 st Choice									
	2 nd Choice									
4 th Block	1 st Choice									
	2 nd Choice									
5 th Block	1 st Choice									
	2 nd Choice									

5. continued

		Number block Type	Code - first 4 digits after initial '0'	Next 2 digits of number	Next digit of number (F digit)	Tariff for each number block (including VAT):	Confirm if BT Discount Scheme or Non 'BT Discount Scheme' will apply to block (where relevant)	Planned 'In-Service' Date	Forecast of expected Adoption in 1 st 12 months	Forecast of expected Adoption in 2 nd 12 months
		e.g. Freephone, Special Services basic rate, Special Services higher rate, etc. (state which)	e.g. 8004; 8456; 8712	e.g. 34	only required for blocks that are issued in blocks of 1000 numbers – see top of Form	for 0844 and 0871 (non-internet) blocks show tariff (to nearest 1p for BT customers)	(see Oftel Direction)	(applications should not be submitted more than 6 months prior to in-service date)	(%)	(% cumulative)
			(SABC)	(DE)	(F)					
6 th Block	1 st Choice									
	2 nd Choice									
7 th Block	1 st Choice									
	2 nd Choice									
8 th Block	1 st Choice									
	2 nd Choice									
9 th Block	1 st Choice									
	2 nd Choice									
10 th Block	1 st Choice									
	2 nd Choice									
11 th Block	1 st Choice									
	2 nd Choice									
12 th Block	1 st Choice									
	2 nd Choice									
13 th Block	1 st Choice									
	2 nd Choice									
14 th Block	1 st Choice									
	2 nd Choice									
15 th Block	1 st Choice									
	2 nd Choice									

6. Service and Market:

For each of the Telephone Number blocks applied for above, give a brief description of the type of Public Electronic Communications Service for which the Telephone Numbers applied for will be Adopted, and the market to be served by the service, e.g. calling-card for UK customers, e-fax, internet access, etc.

This requirement only applies to an application for an [08085][08050] block for allocation after [3 years and 3 months from date of direction].

7. Adoption of existing Telephone Number blocks:

For each type of Telephone Number block applied for above you should provide details, in the table below, of any other number blocks in the same category (and at the same tariff – where relevant) that you have been allocated to date. Consistent with its duty in the Communications Act 2003 to secure best use of numbers, Ofcom requires a justification for applying for further numbering capacity where there may be non-utilised numbers.

This requirement only applies to an application for an [08085][08050] block for allocation after [3 years and 3 months from date of direction].

Number block Type e.g. Freephone, Special Services basic rate, Special Services higher rate, etc. (state which)	Code – first 6 or 7 digits after initial ‘0’ – show as SABC DE F (see top of Form for number of digits to specify) (SABC) (DE) (F)			Tariff for BT customers (only needs to be entered for 0844 and 0871 (non-internet) blocks)	Confirm if BT Discount Scheme or Non ‘BT Discount Scheme’ applies to the block (where relevant) (see Oftel Direction)	Total Numbers Allocated to End Users: i.e., in use or ported out (Numbers or %)	Total Numbers not in use but contracted out (Numbers or %)
Freephone	8005	28	6			942	8
Internet Services metered access up to and including 5p for BT customers	8440	95	4			860	35
Special Services higher rate up to and including 10p for BT customers (non-internet)	8446	23		4ppm	Non ‘BT Discount Scheme’	6540	2050

(You should e-mail this application form to numbering.applications@ofcom.org.uk)

Form S8 - Annex A

A1. Confirmation of Status:

Ofcom generally only Allocates Telephone Numbers to providers of Public Electronic Communications Networks.

Ofcom may also Allocate numbers, where number resource implications do not preclude allocation, to providers of a Public Electronic Communications Service. Ofcom would also normally expect to see that the provider has arrangements in place for its service to be carried over a network, and, where appropriate, would usually expect the provider to have taken reasonable steps to seek a sub-allocation of Telephone Numbers of the type applied for prior to making the application.

Providers of Public Electronic Communications Networks

Ofcom needs certain information from you in order to determine whether or not you are a provider of a Public Electronic Communication Network. You will only need to provide this information with your first application.

Please provide details of:

- a) the Electronic Communications Network on which the Telephone Numbers applied for are intended to be Adopted;

(a diagram may be useful to assist Ofcom in assessing your eligibility for Telephone Numbers)

- b) the Electronic Communications Service which you are intending to provide over that network.

Providers of Public Electronic Communications Services

In order to determine whether or not you are a provider of a Public Electronic Communications Service, Ofcom needs certain information from you. Please provide details of:

- c) the Electronic Communications Service which you are intending to provide with the Telephone Numbers applied for. Please also provide details of the network on which the numbers you are applying for will be Adopted.

<p>A2. <u>Applications from providers of Public Electronic Communications Services</u></p> <p>If you are applying for Telephone Numbers as a provider of Public Electronic Communications Services, where appropriate Ofcom would usually expect your company to have already taken reasonable steps to obtain a sub-allocation of Telephone Numbers of the type you are applying for from a provider of a Public Electronic Communications Network.</p> <p>a) Have you taken steps to obtain a sub-allocation of Telephone Numbers of the type for which you are applying? If not, would you please provide a justification for that; and</p> <p>b) If you have taken steps, would you provide a brief description of the steps you have taken, and state why did you not obtain a sub-allocation?</p>	
<p>A3. <u>Interconnection arrangements</u></p> <p>Describe your Interconnection arrangements (or those of the provider of a Public Electronic Communications Network on whose network the Telephone Numbers applied for would be Adopted), if any, with other Communications Providers – a simple network diagram may be useful.</p>	

(You should e-mail this application form to numbering.applications@ofcom.org.uk)