

Ofcom Review of Call Termination Markets and End-to-End Connectivity Condition

CCUK response - October 2025

About CCUK

1. Comms Council UK is a membership-led organisation that both represents and supports telecommunications companies that provide services to business and residential customers in the UK. We keep Britain talking in its various guises by providing or reselling voice services over data networks (VoIP) as well as other “over the top” applications including instant messaging and video.
2. The membership is a mixture of network operators, service providers, resellers, suppliers and consultants involved in a sector that is diversifying rapidly. CCUK represents its members at a policy level, builds coalitions to collaborate on industry initiatives and provides a platform to help members prepare for change, learn about new trends and develop new business relationships.
3. CCUK welcomes the opportunity to respond to this Consultation. Our response is primarily covering sections 8 and 9 of the consultation: Termination on the 070 number range, and the End-to-End Connectivity Condition.

END TO END CONNECTIVITY

4. The End-to-End Connectivity (“E2EC”) obligation removal is of some concern to CCUK members.
5. While our membership does boast some Tier 1 and 2 operators, such as TalkTalk and Gamma respectively, the majority are smaller operators, with turnovers that would make them Tier 3 operators if using the telecommunications security regime as a yardstick.
6. These are new entrants, innovators, niche players serving specific vertical markets (which can often include central and local government applications). These are precisely the sorts of service providers we say that Parliament had in mind when constructing sections 3 and 4 of the Communications Act 2003 and the regulation’s obligations to foster innovation and promote competition.

7. The E2EC obligation is in place to ensure that markets remain open and competitive, preventing a small group of large operators from creating barriers to competition. This does not have to be in an active sense, but their delay or reluctance to interconnect for any of a myriad of reasons is sufficient to have the outcome of foreclosing a market to new entrants.
8. It is true that for the major range holders, a healthy transit market exists, alongside a competitive market for hosting. However, when Ofcom highlights these as sufficient, it risks signalling that the existing system is acceptable, effectively raising barriers for new entrants. The economic realities of the market today may soften the rough edges of the issues our members face; however, the fact is that smaller PECS/N struggle to enjoy the rights granted by the existing General Conditions and SMP conditions to interconnect. Removing one aspect of the regime that is there to protect them does not solve these issues. Instead, it risks compounding them.

BT IP EXCHANGE TYPE A

9. There are some 450 range holders in the UK, a significant number of which have their ranges “hosted” on BT IP Exchange Type A (“Type A”). BT has significant scope to alternate its approach ; seemingly having flexibility to alternate between Type A being a traditional host relationship and something else. In other words, there is uncertainty as to whether BT discharges the interconnection and number portability obligations on behalf of the range holder or does nothing.
10. In the experience of some members, approaching Type A customers, seeking an interconnect or portability agreement, often involves a circular argument with the range holder asserting that BT is the host.
11. It is true that, in theory, General Conditions A1 and B4 are, in one sense, a duplicate of the E2EC obligation as far as BT is concerned. However, BT was, in 1984, the default numbering provider. That effect persists today, with some members reporting that 80% of the fixed traffic on their network has a BT telephone number in the FROM/PAID, despite BT’s market share being reported by Ofcom to be less than half that. As a result, new entrants prioritise establishing portability with BT in the first instance, which can influence the dynamics of hosting and transit markets. In this context, the E2EC obligation plays an important role in ensuring a level playing field our members fear that the historical advantages BT enjoys may transform into a competitive distortion.
12. Any discussion regarding the removal of the E2EC obligation must address the uncertainties surrounding what, or what not, BT does in relation to its hosted Type A range holders and its privileged position in the transit market. At the very least, the

removal of the obligation is an opportunity for Ofcom to seek undertakings¹ from BT to mitigate the risks around Type A.

TIMESCALES FOR INTERCONNECT

13. It can take years to establish an interconnection. While the requirements of the telecoms security regime must be met, the substantial body of precedent around interconnection agreements from Ofcom's prior dispute resolutions and well-established billing principles over decades of the industry's life, mean that such delays are not inevitable.
14. The effect is that it forces our members, who may be growing, to continue to incur inefficient transit fees and incur the quality and resilience risks of transit providers. Or, to put it another way, to incur a competitive disadvantage despite their clearly articulated rights to the contrary.
15. Our members' experience is that even when Ofcom informally intervenes, progress remains sluggish. The net effect is that new entrants are disadvantaged unfairly, a scenario that is contrary to Ofcom's statutory objectives. Retained EU law² also makes it clear that interconnection is a key mechanism to the de facto monopoly of a terminating operator.
16. This is also significant for operators of non-geographic services, where the terminator is responsible for interconnection, not the originator. Our members' experience is that getting some major originators to direct route non-geographic calls is impossible, leaving them forced to incur transit fees (which are invariably passed on to consumers, or worse, in the case of freephone, potentially passed on to the taxpayer in some cases).
17. Unless Ofcom clearly expresses their expectation for how long an interconnection should take place from request (and we suggest that six months is the upper limit that could be argued as "reasonable" in most circumstances), the removal of the E2EC obligation reduces the already scant protection our members have in relation to their businesses.
18. If Ofcom would like some evidence, a statutory information request to the major networks about how many new interconnections they have deployed during the life of

¹ being the formal Enterprise Act 2002 undertakings, not the informal and unenforceable kind, such as those given when obligations around the payphone access charge were removed

² Interconnection is mentioned 179 times in the European Electronic Communications Code, and is notably the first on the list of rights a general authorisation should provide at Article 15.

the current market review will be insightful. Especially if it were to enquire as to how they route non-geographic traffic originating on their networks.

CONCLUSION

19. Given Ofcom's policy position of deregulation where feasible, it is understandable that the E2EC obligation might be considered for removal. On paper, there is logic to this, but it assumes a market where all participants operate under the same rules and with full respect for the regulatory framework. This is not (and can be demonstrated with the experience of our members) the actual environment in which the industry operators. Until that paradigm changes, the removal of the E2EC obligation risks compounding the situation.
20. If Ofcom remain minded to remove the E2EC. In that case, it should only do so after issuing guidance on what it considers to be reasonable in terms of discharging the relevant SMP and GC obligations to interconnect. In the alternative, the solution would be to enhance GC A1 and B4 to have the equivalent "bite" of the E2EC.

070 – Personal Numbering

21. The equivalent wholesale treatment of these numbers alongside Mobile Services makes sense, and it has delivered some positive outcomes to consumers in some cases.
22. However, until such time as there is a guarantee of retail parity, these numbers will remain problematic in the National Telephone Numbering Plan.
23. Consumers, in our experience, are not familiar with the exceptions to the adage that +447x is a Mobile Service, despite +4470 and +4476 being exceptions that can result in significant bill shock. There is no requirement for any retail originating operator to treat 070 numbers (which have the same wholesale treatment) the same as an 079 range.
24. Save for the obvious exceptions of the Isle of Man, Jersey and Guernsey, our members are concerned about these divergent retail outcomes. We would encourage Ofcom to do a simple desk-based exercise of attempting to ascertain the major originators' retail charges to 070 numbers, whereby our concerns will become very visible.
25. In any event, the situation is that there are constraints on the supply of traditional Mobile Service numbers. Personal numbers' wholesale treatment should, in theory,

mean they serve as a substitute to relieve that pressure, but the retail outcomes are insufficiently certain for it to be widely adopted.

26. That leaves us with two choices – firstly, Ofcom can re-categorise Personal Numbering as Mobile Services and remove the differentiator entirely. The wholesale charge control significantly diminishes the original use cases for Personal Numbering, and such “follow-me” services will now likely either run over-the-top or be funded by the service charge in non-geographic ranges. To that end, we do not consider there to be a likelihood of any consumer disruption.
27. Secondly, Ofcom could modify the NTNP to mirror the retail rules used to give 03 retail parity with 01 and 02, for Personal Numbering and Mobile Services.
28. The status quo of the limbo situation is not conducive to a good outcome for the efficient and effective use of numbering resources, nor for consumers. CCUK’s membership also does not consider ex-post competition law as a suitable deterrent to differential treatment. Evidence from the pricing pages of the major retail originators shows that pricing opacity and divergence persists, indicating that reliance on ex-post enforcement alone is inadequate.
29. With very little need for true Personal Numbering (given the economics of the charge control and substitutes in other ranges) and increased demand for Mobile Services, we consider a change of use in the NTNP for 070 to be the best solution.

Other Matters

30. CCUK notes that the shorthand approach of forecast CPI, in real terms, is the efficiency gain of a hypothetical efficient operator, leading to an outcome of, in absolute terms, a five-year charge control at the step-off rate of the current charge control.
31. There is a benefit to the certainty that provides on a wholesale level, and some of those benefits, such as long-term interconnection pricing agreements, will accrue, at least in part, to consumers. We also recognise the shorthand approach represents an efficiency in use of public resources at Ofcom.
32. That said, we would be concerned that this is a precedent. In 2006³, Ofcom were criticised by the Competition Appeal Tribunal for issues relating to a cost-benefit analysis. Some of our members note that an analogous “short-hand” approach was taken in the cost-benefit analysis for One Touch Switch, which that same subset of members equally doubt is delivering the benefits promised.

³ *Vodafone Limited v Office of Communications* [2008] CAT 22

33. SMP conditions are a serious matter, and equally serious are the consequences for breaching them. To that end, Parliament included rigorous tests for their invocation in the CA2003. These same tests have been applied with appropriate weight by the courts.

34. In this case, the outcome appears appropriate, but that does not imply that the process was fully compliant, and Ofcom should exercise caution in applying this approach in other contexts.

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