Cable&Wireless

ABOUT US

Cable&Wireless is one of the world's leading international communications companies. It operates through two standalone business units – Worldwide and International. The Worldwide business unit (formerly known as the Europe, Asia & US business) provides enterprise and carrier solutions to the largest users of telecoms services across the UK, US, continental Europe and Asia, and wholesale broadband services in the UK. With experience of delivering connectivity to 153 countries - and an intention to be the first customer-defined communications services business - the focus is on delivering customers a service experience that is second to none.

Cable&Wireless has also launched our Fixed Mobile Convergence (FMC) service which integrates with our next generation network core, allowing our customers to route calls from their mobile handset via their fixed line service when in-building, roaming to our national mobile partner when outside their office. This capability is based upon the usage of spectrum licensed by Ofcom, utilising mobile numbers : therefore Cable&Wireless is a Mobile Network Operator (MNO).

SUMMARY

Cable&Wireless welcomes the opportunity to comment on Ofcom's consideration of Mobile Number Portability (MNP) processes. We agree that the current donor-led process appears to have scope to cause consumer harm and that a recipient-led process could overcome this. We believe the principal question to be addressed is whether the cost of transition is justified by the consumer benefit in removing the scope for harm. We agree that further research is required to confirm this.

EXCLUSION OF BUSINESS/MULTI-LINE PORTS

Cable&Wireless disagrees with Ofcom's decision to exclude business ports from the analysis. Although we accept that the issues which could potentially arise during the process differ between consumer and business, the bulk process **is** the single number process, albeit with an extra step inserted to allow for scheduling if necessary. It is inconceivable that if the decision were to be taken to move the single line process to be recipient-led, the business process would not follow suit. Similarly, if the single line process was sped up, there would have to be very good reasons not to similarly expedite the bulk process. As such, Ofcom's analysis should holistically cover all mobile portability processes.

Further, from the figures provided in the Consultation at section 5.113, it appears that some 2.6M mobile ports occur per year. Apportioning this across the five major MNOs would suggest an average of over 2000 exports per MNO occurring daily. Against this backdrop, we would question whether it is really appropriate that the hurdle for necessitating scheduling of ports should be set at 25 lines or whether a higher breakpoint should be set.

RELATIONSHIP TO OFCOM MIGRATIONS INITIATIVE

Cable&Wireless questions why issues relating to migration of mobile services are being considered separately to Ofcom's wider Migrations initiative. Arguably this has to date focussed primarily on fixed services, but at a time when there is an increase in the degree of bundling of services in the marketplace, we query whether this should continue to be the case and whether it is appropriate to be considering mobile in isolation to wider communications services. For example, large MNOs are now offering fixed voice and broadband services, and fixed CPs are increasingly becoming involved in the mobile sector (be it via MVNO operations, e.g. Virgin providing bundles of voice / broadband / TV / mobile, or via use of new spectrum allocations such as Cable&Wireless' FMC capability).

We note that Ofcom acknowledge the relationship with the Migrations activity at para 5.6. However, other than incorporating any changes agreed as a part of this consultation into that initiative, the two appear to be treated in isolation versus considering the wider convergence/bundling issues. For example, if a customer is moving their fixed and mobile service to a common provider, is it logical that they need to contact their existing provider in one space (mobile) but not in the other (fixed)?

IS THE UK MOBILE MARKET UNIQUE?

In the UK, both Geographic Number Portability (GNP) and Non-Geographic Number Portability (NGNP) operate on a recipient-led basis. Similarly, international evidence suggests that Mobile Number Portability (MNP) is almost universally operated on a recipient-led basis. This must lead to the question of whether there is something unique about the UK mobile market which dictates that a donor-led process is optimal.

Cable&Wireless can see some attractions to the donor-led process, which may be particular to the UK mobile market circumstances. For example, there is a high-prevalence of pre-pay/non-contract handsets, which presents issues of agreement of appropriate validation credentials to be passed between recipient and donor MNOs. Additionally, in the post-pay market the existence of handset subsidies with consequent contractual lock-ins could lead to a view that initiation via the donor network is beneficial to ensure that the customer is fully informed of their obligations. However, we agree with Ofcom that there are solutions to these issues in a recipient-led regime. Further, the research demonstrates clear evidence of consumer harm with the current donor-led approach.

Cable&Wireless believes the question therefore is whether the transitional costs of moving to a recipient-led approach are justified. We agree that further research is required as to the benefits, and as will be set out subsequently in this response, believe that Ofcom needs to re-assess some of its cost-analysis.

IS SPEED OF PORTING REALLY THE ISSUE?

Cable&Wireless notes the European Commission thinking which could lead to shorter portability timescales generically. However, we do question whether both Ofcom and the Commission are addressing the wrong target with a drive to speed up porting processes.

Are consumers really desiring of an extremely rapid porting process, or is it of more importance for them to know exactly *when* the number port will take place? The current process means that

inbound calls migrate from the donor to recipient service at some point between 11am and 3pm. During this time, the customer cannot be sure of having a fully functioning inbound/outbound service on either subscription. For customers getting a new handset with their new subscription, this may not present too much of an issue as one or the other of the handsets *should* provide service at any moment in time. However, for customers that are simply taking their SIM from one handset to another – which we believe is increasingly the case due to low-cost SIM only deals – the customer will inevitably experience loss of service on the day of the port[1]. Cable&Wireless believes that although speed of porting is important, what would be more useful would be for customers to be informed precisely when number ports will occur, and that this would be in a tightly constrained window (e.g. twenty minutes[2]).

Surety and flexibility of porting timing is particularly important for business users of mobiles. We would highlight that in this context many business users fall within the less-than-25-line process. The prospect of having unpredictable mobile service for four hours during the business day is something which is an anathema to business customers. This is reflected in NGNP processes, where ports typically occur out of hours. Cable&Wireless would have liked to have seen consideration of an ability to specify MNP activation to occur overnight (e.g. in the early hours of the morning), so that enterprises migrating their service could inform employees to remove the old SIM one day, insert the new SIM the following day. Given the level of automation in MNP activation, we cannot believe that this is impossible.

Cable&Wireless believes that Ofcom's further research should explore – both with business and personal mobile users – whether value is placed on having a process whereby they can dictate when the number port occurs.

WHAT ABOUT THE COMPLEXITIES OF MOVING PROVIDER?
Although not as complicated as, for example, changing banking current accounts, the process of changing mobile provider can be a stressful one for consumers. Mobile phone handsets are increasingly a synopsis of one's life, and it is important that in changing provider things like one's contact details are not lost. While handset manufacturers have done much to facilitate this, via for example better user-interfaces and ability to Bluetooth contact details between handsets, it is something that end-users need to consider. For example, if contact details are stored on SIM cards rather than phone handsets (and typically end-users aren't clear of which media their contacts are stored upon), they can be lost when the donor MNO ceases service following a number port[3]. In the current process, the user has an extended period to get their affairs in order before the number port occurs. In the extreme of the near-instantaneous port, the old SIM could cease to function before the consumer leaves the shop.

None of this suggests that porting should be deliberately slowed down in order to allow the consumer to get things in order. It does, however, point to the need for staff training (or in the case

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[1] The service becomes split across two SIMs during the process, and inherently only one can be in the handset.
[2] It should be noted that the UKPorting approach achieved this. Some of the proposals in the consultation do not seem to do so.
[3] There are technical ways around this (e.g. SIM card readers), but it's unreasonable to expect end-users to master these.

of web-based sales, comprehensible information available to download) to ensure that nothing of value is left on the old SIM card.

WHAT ABOUT CONTRACTS?

Little consideration appears to have been given to the subject of customer contracts. Post-pay customer contracts commonly have 28 day termination conditions, once outside the minimum contract term. This means that under the existing regime where the request of a PAC acts as a cancellation of the existing contract[4], a customer that wishes to avoid paying for two mobile services simultaneously must request a PAC, file it for a 20+ days, then utilise it to port their number so the number port occurs just before the PAC expires. If they utilise the PAC immediately they receive it, the consequence will generally be that the old service continues to be paid for until the contract termination period has expired (despite not actually being usable once the port has implemented, as it then has no telephone number associated with it). This is a less than ideal situation.

The changes to process considered do nothing to resolve this, indeed arguably make things worse. In the donor-led scenario, the same issues apply, other than the time between receipt of PAC and invoking a port based upon it is extended (given the PAC will be received more quickly). In the recipient-led scenario, the customer has two options, assuming a similar approach to GNP/NGNP is taken, i.e. the request from the Recipient MNO triggers cancellation of service on the Donor;

- The customer can simply deal with the Recipient MNO, in which case they will certainly have to pay two parallel subscriptions for a month because the request from the Recipient will port the number within two hours/one day (as applicable), but the contract will run for a further 28 days, or

- The customer would need to get in touch with the Donor MNO well in advance and give notice to cancel service hence start the timer on their contract termination, then subsequently liaise with the Recipient to port the number[5]. This has the disadvantage that the perceived benefits of no longer having to communicate with the Donor MNO are lost, and also carries considerable risk because if the customer gets the timing of the port request wrong, the contract could be terminated before the port request is processed and hence they could lose their number.

Cable&Wireless believes that further consideration needs to be given to this aspect.

OPERATIONAL COSTS

Cable&Wireless believes that the material regarding operational costs of the various options needs revisiting by Ofcom.

In principle, there is no reason why the operational cost of a recipient-led process should differ materially from that of a donor-led process. Indeed, if recipient-led were materially more expensive

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[4] More accurately it's an *option* to cancel : if the PAC is not exercised the option lapses and contract continues.
[5] This assumes that the Donor will process a number port request with a pending cancellation order on it.

to operate than donor-led, there surely would be a global momentum to change recipient-led processes to become donor-led.

In the cost-benefit-analysis, Ofcom has taken the approach of using a percentage of capital cost to represent the operational cost overhead of the various options. Cable&Wireless respectfully suggests that although this approach would work in a Greenfield situation, in this case it is an erroneous approach : because the donor-led options require less systems development than the recipient-led ones (because inherently donor-led is already in place), this approach leads to a misconception that the operational cost of recipient-led is significantly higher than donor-led.

These are not small differences in cost : comparing Options C and D (i.e. same timescale to carry out the number port, recipient versus donor led), the analysis indicates that the per-MNO operational costs are six times higher for recipient-led than donor-led, and the central hub operational cost are seven times as high.[6]

We believe that the reason for this is that when compared with the "do nothing" approach, Options A and C *will* result in an increase in operational cost to implement recipient-led porting, but *also* a consequent saving of no longer having to operate a donor-led approach. In principle these should largely cancel out : there is no reason to suggest the operational cost of implementing recipient-led processes for a given lead-time time should be materially any different to the operational cost of implementing donor-led processes. We believe the offsetting operational cost saving has been omitted.

If the figures are reviewed, Cable&Wireless' preference would be to take a more thorough approach to evaluating operational costs. We believe it would be best to work from first principles of the headcount required and maintenance costs of the various options, rather than attempting short-cuts such as using percentage of capex.

DIRECT CALL ROUTEING AND PROCESS CHANGES ARE SEPARABLE

The earlier proposed changes to GC18 simultaneously changed the process (and speed of it) for MNP, and also the methodology of routeing to use direct rather than onward routeing. There are advantages to doing both at the same time, insofar that the solutions proposed by database vendors tended to incorporate both the database itself, and a transactional system for exchanging porting messages between CP and updating the database. However, the two issues are separable : the introduction of a more rapid porting process does not of itself necessitate usage of direct routeing.

Indeed, Cable&Wireless would argue that if anything shorter porting timescales are best achieved by temporarily over-riding any direct routeing obligation.

Much of the cost of the systems investigated by UKPorting came about because of shorter porting lead times : there was a need to propagate the routeing changes to all originating networks within a very short space of time (the specification allowed 20 minutes). This meant that the database had to be highly resilient, which in turn meant a triple-replicated system.

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[6] We note that this level of information would not be available to all readers, as the detail of the figures which allow this comparison is redacted in the public version of the consultation.

However, Cable&Wireless believes that even where direct routeing is in place, it may not be the most effective approach to get originating CPs to route the call to the Recipient CP at the time of the port itself. We believe that it is best that the porting process itself be between Donor/Rangeholder and Recipient, and that the database be reset next time it is downloaded into originating networks. This would mean that the database need only be synchronised into CP networks for example on a daily/overnight basis, which should reduce the cost of it[7].

A common database is not necessary to support more rapid porting, and even if one is deployed, it may not be best to rely on the database to swiftly propagate out routeing changes.

CAN DONOR-LED BE MADE BETTER?

Until further research has been carried out as to the benefits of a change of process approach, we cannot be clear that a change to recipient-led makes economic sense. However, even if the decision is taken to remain with a donor-led approach, Cable&Wireless believes that there are changes which can be made to improve the process.

For example, for business users, the donor-led approach could be maintained, but modified to allow the Recipient CP to act as an agent for the customer in co-ordinating the portability process. As such, it would be for the Recipient to obtain the PAC and cancel the existing contracts. This would mean that from an inter-CP perspective the process would remain as donor-led, but from a customer perspective the system would have the characteristics of being recipient-led. This is key to Cable&Wireless because, operating a fixed-mobile convergence solution, it is an unnecessary complexity for our customers that the processes is quite different for fixed and mobile numbers.

ANSWERS TO QUESTIONS

Q3.1: DO YOU AGREE THAT THE BULK PORTING PROCESS SHOULD NOT BE INCLUDED IN THIS REVIEW AND SHOULD BE LEFT TO INDUSTRY AGREEMENT?

Cable&Wireless does not agree with this approach, for the reasons set out in our introductory comments.

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[7] For example if the process was one day, on the day of placing the order the number in question would be removed from the database, meaning calls would default route to the Rangeholder for the activation day of the port. On the day of the port at the appropriate time the Rangeholder would change their routeing to point the number to the Recipient. Then, prior to the overnight download, the database would be updated so that the following day, all MNO-originated calls would be routed direct to the Recipient. Similar approaches are possible for two hour porting.

Q 4.1: DO YOU AGREE WITH OFCOM'S VIEW THAT THE EVIDENCE SUGGESTS CONSUMERS WOULD PREFER A FASTER PORTING PROCESS?

Cable&Wireless agrees with this conclusion, but would highlight that the key thing is not necessarily whether consumers would prefer a swifter process, but whether they would value an accelerated process sufficiently to justify any implementation costs : hence the need for the cost-benefit analysis. As highlighted in our introductory comments, we feel the more important question, not asked, is whether customers would prefer number porting to occur at a specific / user-specified time rather than an arbitrary wide time window, set by the CPs involved.

Q 4.2: DO YOU AGREE WITH OFCOM'S VIEW THAT THE CURRENT PROCESS DOES NOT WORK WELL FOR ALL MOBILE CONSUMERS?

Cable&Wireless supports Ofcom's conclusions.

Q4.3: ARE THERE ANY OTHER AREAS OF CONSUMER HARM THAT HAVE NOT BEEN IDENTIFIED? DO YOU HAVE ANY EVIDENCE TO DEMONSTRATE OTHER AREAS OF CONSUMER HARM?

Cable&Wireless re-iterates the concern, particularly for business customers, that it is not possible to port one's number other than during the normal business day.

Additionally, for consumers with post-pay contracts it is difficult to port a mobile number without having to pay for two mobile subscriptions in parallel during the weeks around the porting process. We also note differences in recipient MNO approach to portability, with some MNOs needing to know in advance whether a ported number will be used, and others issuing a temporary number to be used until portability is invoked. For the latter, we query whether the temporary numbers are effectively recycled by MNOs.

Q4.4: DO YOU AGREE THAT OFCOM SHOULD INTERVENE TO INTRODUCE CHANGES TO THE CURRENT MNP PROCESS TO ADDRESS THE HARM INDENTIFIED?

Cable&Wireless agrees, and as part of this initiative Ofcom should take the opportunity to review the porting process for business mobile users.

Q5.1: DO YOU AGREE WITH OFCOM'S VIEW THAT THE "DO NOTHING" OPTION IS UNLIKELY TO BE APPROPRIATE IN LIGHT OF (I) EVIDENCE OF CONSUMER HARM AND (II) NOTING THE PROPOSED ONE WORKING DAY PORTING REQUIREMENT UNDER THE NEW TELECOMS PACKAGE? IF NOT, PLEASE GIVE REASONS FOR YOUR VIEWS.

Cable&Wireless agrees with Ofcom's conclusions.

Q.5.2: DO YOU AGREE WITH THE RANGE OF POTENTIAL OPTIONS OFCOM HAS SET OUT?

Subject to the additional options set out in our response to Question 5.3, Cable&Wireless agrees the options set out by Ofcom.

However, we have reservations about whether Option D actually meets the perceived new European Commission requirements. Consider the example of a customer requesting a PAC at 3pm. Under the proposed regulation, this should be supplied by 5pm. This could be too late for the customer to contact the Recipient MNO, and for them to issue a porting request to the Donor MNO and have it activated on the following day : in all likelihood it would be activated the day after that. In principle, this would effect 25% of porting requests so is not a "noise" issue. Cable&Wireless believes that the only way to make Option D consistent with EC requirements is to mandate that Recipient MNOs be able to accept porting requests until 7pm, and that the porting hub and Donor MNOs process said requests until for example 8pm. It is unclear if these requirements and consequent costs have been factored into the analysis for the option.

Q5.3: DO YOU CONSIDER THAT THERE ARE ADDITIONAL OPTIONS THAT OFCOM SHOULD HAVE CONSIDERED? IF YES, PLEASE EXPLAIN WHAT OPTION(S) SHOULD HAVE BEEN CONSIDERED AND WHY.

Cable&Wireless is disappointed that no options are considered whereby the porting customer is able to specify a precise time – at any time of day – when their number is ported. Options A and C provide a degree of surety in that they constrain the port to a two hour window by virtue of when the request is submitted, but this is still within business hours.

Q5.4: DO YOU AGREE THAT A TWO HOUR TIMEFRAME IN WHICH TO ISSUE THE PACS FOR OPTIONS B AND D IS APPROPRIATE? IF NOT, PLEASE GIVE REASONS FOR YOUR VIEWS.

Cable&Wireless considers that this is an appropriate timeframe.

Q5.5: DO YOU AGREE THERE SHOULD BE A DIFFERENCE BETWEEN HOW THE RECIPIENT-LED PROCESSES IN OPTION A AND C SHOULD WORK FOR SINGLE ACCOUNT VERSUS MULTI-ACCOUNT PORTING REQUESTS? DO YOU CONSIDER THAT THE PROPOSED AUTHENTICATION PROCESS (DESCRIBED IN PARAGRAPH 5.30) FOR MULTI-LINE ACCOUNTS IS SUFFICIENT? PLEASE EXPLAIN ANY OTHER DIFFERENCES YOU WOULD EXPECT TO SEE WHILST ENSURING THAT ANY DIFFERENCES ARE STILL CONSISTENT WITH THE OVERALL OBJECTIVES THE OPTIONS ARE TRYING TO ACHIEVE.

Cable&Wireless agrees with the approach for multi-line customers, but given the evidence of customer harm where Donor MNOs are in communication with customers, we feel that there should be a Code-of-Practise established as to the precise wording that should be used in communication with multi-line customers.

Q5.6: FOR EACH OF THE OPTIONS SET OUT, DO YOU CONSIDER THAT OFCOM HAS CAPTURED ALL THE APPROPRIATE CATEGORIES OF COST LIKELY TO BE INCURRED? IF NOT, EXPLAIN WHAT CATEGORIES YOU DISAGREE WITH / BELIEVE ARE MISSING.

Cable&Wireless believes that the cost categories are largely correct. We question the difference between the "Additional Labour" category (which is a uniform cost across all of the options), versus the "MNO Operational Expenditure" which is said to include staff costs.

Q5.7: DO YOU AGREE WITH OFCOM'S ANALYSIS OF COSTS FOR EACH COST CATEGORY? IF NOT, PLEASE EXPLAIN WHY. PLEASE ALSO STATE WHETHER YOU ARE ABLE TO PROVIDE OFCOM WITH A MORE ACCURATE VIEW OF COSTS AND IF SO, PLEASE SUBMIT YOUR ASSESSMENT, TOGETHER WITH SUPPORTING EVIDENCE WITH YOUR RESPONSE TO THIS CONSULTATION.

Considering each of the categories in turn:

1. OPEX, INCLUDING ADDITIONAL LABOUR

As set out in our introductory comments, Cable&Wireless disagrees with the approach taken, i.e. assuming operational expenditure will be a fixed percentage of capital expenditure. This results in highly misleading figures, as it suggests anything other than Option D (which is very close to the status quo) results in significant higher operational overhead. We do not accept that a recipient-led process is inherently more operationally expensive than a donor-led one, at least not to the degree suggested by Ofcom's analysis (e.g. per-MNO operation of Option C being six times more costly than that of Option D). We believe this could be due to the saving of not having to operate the current process having been ignored.

Cable&Wireless also finds the "additional labour" category somewhat arbitrary, implying 3-4 incremental staff are required per MNO whichever option is chosen. We would question how this figure has been arrived at.

Cable&Wireless urges Ofcom to use the second phase of this consultation to properly analyse the operational cost associated with each of the options, and also to assess the current operational cost so that those operational costs which apply regardless of the portability process/timing adopted can be separated from those which are specific to a particular option.

2. PORTING HUB COSTS

Cable&Wireless notes that the costs obtained by UKPorting for operating a message hub were very much specific to that time and place. At the time that hub was being procured, the working groups had not completed their activity on what the detailed process would look like, hence driving up the quoted costs as the vendors faced uncertainty yet incredibly short delivery timescales. Further, it is open to question whether in a commercial-off-the-shelf environment, it is best to design the process around available message hubs, or define a process then seek to find a message hub that fits. It should also be noted that the message hub was being procured in combination with the common numbering database for routeing purposes, and for most of the vendors appeared to be an integrated system rather than something purchased independently. As such, although Cable&Wireless does not believe the cost figures quoted by Ofcom for the various options are necessarily unreasonable, we do think they should be treated with a healthy degree of scepticism.

Cable&Wireless considers it appropriate that prior to laying down any regulation, appropriate vendors are re-engaged to assess the actual costs of implementation.

3. MNO CAPITAL EXPENDITURE

Cable&Wireless notes the difficulty of considering this aspect in isolation to how calls are routed. Although two-hour porting is not dependent upon direct routeing, the mechanism to achieve porting in that timeline could vary dramatically according to whether direct routeing is in place, hence obviously the costs could as well.

We do believe this area requires further attention. For example, at first sight it does not seem reasonable that the capital cost to MNOs of a Recipient-led process activated within two hours (Option A) should be the same as a Recipient-led process that activates on the next working day (Option C).

Q5.8: IN THE CASE OF NEW ENTRANT MNOS, WHAT ADDITIONAL COSTS ARE LIKELY TO BE INCURRED INTERNALLY WITHIN EACH OF THE NETWORKS FOR EACH OF THE OPTIONS? PLEASE SUBMIT YOUR ESTIMATES IN YOUR RESPONSE TO OFCOM.

Cable&Wireless considers it impossible to provide any accurate estimates without a more detailed specification of how the systems would work, in particular in the context of business mobiles, which are our main focus. However, we do not believe that the new-entrant MNO costs should materially influence the choice of one option versus another (noting that the "do nothing" option is not acceptable from a regulatory standpoint).

Q5.9: DO YOU AGREE WITH OFCOM'S ANALYSIS OF BENEFITS FOR EACH OPTION? IF NOT, PLEASE EXPLAIN WHY.

Cable&Wireless broadly agrees with Ofcom's analysis, but offers a few observations.

Firstly, the survey questions which provided quantitative results of the benefit of shorter porting timescales were arguably misleading, as the respondents were prompted that the current process takes approximately two days. As highlighted in the consultation, by the time the PAC has been obtained, in many cases the current process can take up to six days. It isn't possible to know whether the respondents who indicated a willingness to pay for a shorter process did so on the basis of it being *relatively* quicker than currently, or on the basis of near instantaneous/one day being an *absolute* timescale that was attractive. However, on the basis that some respondents would have placed a value based upon the relative difference versus the current, it seems apparent that the benefit of shorter timescales may be understated as the relative improvement is considerably greater than the respondents were led to believe.

Cable&Wireless believes a sensible approach has been taken to the quantitative analysis of benefits of a recipient-led process. However, we would highlight that if Ofcom believes that there is scope for ongoing customer harm in the donor-led process, quantitative justification should be secondary to the need for removal of scope for said harm.

Cable&Wireless believes that the benefit of Option A may have been under-estimated relative to the other options. Because the questions related to an "immediate" process rather than the actual timescales being considered, it means that the benefits of quicker timescales for Options A and B were taken to be identical. However, whereas Option A provides an end-to-end process of [just over] two hours, Option B provides an end-to-end process of four hours (two hours to obtain the PAC followed by two hours porting). It seems apparent that the quantitative benefit of these is unlikely to be identical. Similarly, whereas Option C guarantees that the port will take place the day after the customer initiates the process, as outlined in our response to Question 5.2, Option D in its current form could actually take two days.

Cable&Wireless believes the situation with contracts should not be ignored. If customers need to contact their existing provider to cancel contracts in order to avoid running two mobile services in parallel during the porting process, then this provides the opportunity for the provider to present retention offers, thus negating some of the distributional effects outlined. However, arguably this aspect also negates some of the benefits of a recipient-led approach, because if the Donor MNO is intransigent in providing a PAC code today, they could be similarly so in cancelling the customer contract in the new scheme. This said, for a recipient-led process the worst outcome in this scenario is that the customer ends up with parallel mobile services with the Donor and Recipient for a short period of time, versus the worst outcome today is that the customer finds it impossible to port their number/migrate their service.

Q5.10: PLEASE STATE WHETHER YOU CONSIDER THAT OFCOM SHOULD TAKE ANY ADDITIONAL BENEFITS INTO ACCOUNT AND EXPLAIN HOW. TO THE EXTENT POSSIBLE, PLEASE PROVIDE ANY ESTIMATES OF THESE BENEFITS AND THE SUPPORTING EVIDENCE.

Cable&Wireless notes that if a new message hub is to be put in place, then there is the opportunity to review the inter-operator processes around service establishment for MNP. Inherently the Syniverse solution was put in place for an era of four/five MNOs, and although it has proven reasonably scaleable, a new deployment allows for the design-in of tens of MNOs from the outset. Additionally, it may be possible to restructure MNP arrangements such that every MNO has a single MNP contract with the hub provider, versus the current (incomplete) web of bilateral contracts. It is difficult to quantify this benefit, but in brief it will be that any mobile customer will be able to port their number to any MNO, which is not currently the case.

Q5.11: PLEASE EXPLAIN WHETHER YOU AGREE WITH OFCOM'S ASSESSMENT OF THE PROS AND CONS OF EACH OPTION AND IF NOT, WHY NOT.

Cable&Wireless agrees with the general approach adopted by Ofcom in assessing the net benefit of each option.

Due to our reservations on the calculation of operational costs, coupled with it being questionable whether Option D meets the criteria of providing one day porting in all cases, Cable&Wireless does not agree with the conclusions reached.

We also question whether the usage of Discount Factor of just 3.5% is appropriate. While acknowledging the material from the Treasury Green Book, we note that this is aimed at public

sector programmes. It cannot be correct that MNOs facing a cost of capital some three times this level be assessed as if they could finance the developments at such low cost. However, Cable&Wireless does not believe that usage of the average MNO WACC would be appropriate either, because this represents the overall cost of borrowing, balancing risky commercial developments versus initiatives that are much less so, such as this. Therefore, we favour the usage of a Discount Factor which is slightly lower than the MNO WACC : note that similar techniques have been used in evaluating Openreach developments.

Q5.12: PLEASE STATE WHICH OPTION(S) YOU FAVOUR AND WHY?

Until Ofcom carries out further research into the quantitative value of a recipient-led approach, Cable&Wireless is unable to reach any firm conclusions.

Superficially, we believe that a recipient-led approach is best, so long as the costs of transitioning from the current donor-led approach are justified by perceived consumer benefit and removal of scope for harm. We feel that this is probably the case, but welcome Ofcom's further research to confirm it (which should be in tandem with re-evaluating some of the costs).

We believe that a change to near-instant porting is unlikely to be justified.

Combining these two aspects we would tend to favour Option C, which clearly does not align with Ofcom's current analysis.

Cable&Wireless does, however, believe that Ofcom has omitted important options, in particular allowing the customer to specify the precise time of their number port, including outside normal business hours.

Q5.13: WHAT DO YOU CONSIDER A REASONABLE IMPLEMENTATION PERIOD FOR EACH OF THE OPTIONS AND WHY?

Cable&Wireless does not consider that the likely implementation timescale should become a factor in the choice of option. As such, it is premature to propose a timescale, because this will vary according to the option selected (at the extremes, Option D would probably be fairly rapid, Option A more time consuming). However we do consider that any of the options could be implemented in an approximate two year timeframe. This said, clearly the implementation timescale will be influenced by decisions in the routeing space, because it will make little sense to deploy a message hub as an independent activity to deploying a common database of ported mobile numbers (should that be the outcome of the parallel consultation).

Q6.1: DO YOU AGREE THAT IT IS APPROPRIATE FOR OFCOM TO APPOINT A QUALIFIED INDEPENDENT CONSULTANT(S) TO WORK WITH INDUSTRY TO DEVELOP COST ESTIMATES FOR DIFFERENT IMPLEMENTATION OPTIONS? IF NOT, PLEASE STATE WHY.

Cable&Wireless agrees with this approach.

Q6.2: DO YOU AGREE WITH THE REMIT SET OUT ABOVE FOR THE CONSULTANT/EXPERT? IF NOT, PLEASE STATE WHY.

Cable&Wireless agrees with the remit as set out. Should it be necessary to develop technical specifications, we believe the role of the consultant should be limited to engaging the MNO stakeholders to do the work. We remind Ofcom that it requested industry to establish NICC Standards Ltd to co-ordinate on interoperability issues, so this would probably be the best forum for any detailed technical activity.

Q6.3: IF YOU WOULD LIKE TO RECOMMEND SUITABLE EXPERTS / CONSULTANCIES TO OFCOM, PLEASE DO SO ON A CONFIDENTIAL BASIS.

Cable&Wireless has no feedback on this issue.

Q6.4: DO YOU AGREE THAT THREE MONTHS IS AN APPROPRIATE PERIOD OF TIME FOR THIS FEASIBILITY ASSESSMENT TO BE UNDERTAKEN? IF NOT, PLEASE EXPLAIN WHY AND WHAT YOU CONSIDER TO BE AN APPROPRIATE TIMESCALE.

Cable&Wireless does not believe that three months will be sufficient for this activity (we remind Ofcom that it has been considering the costs from October 2008 through August 2009) and suggest that at least six months is more appropriate.

We would suggest that any message hub deployment will probably be via a commercial-off-the-shelf approach rather than bespoke system. As such, the consultant will almost certainly need to engage with relevant vendors during the analysis, and this inevitably will take more time than suggested by Ofcom. With this approach, however, there shouldn't be a need for development of technical standards from first principles, hence Cable&Wireless is more optimistic on this timeline than we are for the equivalent in the routeing consultation.

Q6.5: DO YOU AGREE THAT THE CRITERIA FOR MAKING THIS PROCESS EFFECTIVE AS OUTLINED UNDER PARAGRAPHS 6.14 TO 6.16 IS APPROPRIATE? WHAT ELSE IS REQUIRED TO MAKE THIS PROCESS CONSTRUCTIVE?

Cable&Wireless agree these criteria.

Q6.6: DO YOU AGREE WITH OFCOM'S PROPOSED NEXT STEPS FOLLOWING RESPONSES TO THIS CONSULTATION? IF NOT, HOW DO YOU CONSIDER OFCOM SHOULD COMPLETE ITS COST-BENEFIT ANALYSIS AND PROCEED TO AN IMPLEMENTATION OF ONE OF THE FOUR OPTIONS?

Cable&Wireless agrees the principle of the steps put forward by Ofcom, but believe that it would be premature to detail the specification of the option selected at the time of the final consultation. Rather, the consultation should specify the requirements and implementation timescale for the solution, with the technical specification following only when industry has appointed a suitable message hub provider.

Q6.7: DO YOU HAVE ANY COMMENTS ON THE PROPOSED TIMINGS FOR REACHING A CONCLUSION FOR THIS REVIEW?

Cable&Wireless agrees that this should follow the conclusion of the consultant's work, but consider that the middle of 2010 at the earliest is a more realistic timescale. If the outcome is a near-instant process, we believe that changes to GC18 should be bundled with any changes that Ofcom may make in the area of MNP routeing, versus potentially changing the regulation twice in rapid succession.