OFFICE OF COMMUNICATIONS

Telephone Numbering

Safeguarding the future of numbers

Including a Notification of modifications to General Condition 17 and the National Telephone Numbering Plan

Statement

Publication date: 27 July 2006

Implementing some of the decisions set out in this statement requires further consultation as part of the process for making changes to the National Telephone Numbering Plan and to numbering application forms. Annexes 2-8 of this statement comprise the consultation process on these changes. The closing date for consultation responses has been extended by one week to 14 September 2006.

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Section 1

Summary

The purpose of this document

1.1 This document sets out Ofcom's strategic decisions about how telephone numbers will be managed over the next five to ten years. It follows a consultation process between February and May this year, in which we received over 220 responses[1]. In this document, we describe our general strategic framework and some specific steps that we are taking now.

1.2 Telephone numbers are a critical national resource, for consumers, businesses and the delivery of key public services. They must be managed effectively, so that they are available when needed, do not have to be changed, and mean something to those who call them. This is Ofcom's responsibility. This document describes how Ofcom intends to achieve these objectives in the future by managing telephone numbers, to give the maximum benefit to consumers.

1.3 It is important to stress that Ofcom does not intend to change the geographic telephone numbers traditionally used by most households and businesses. We do not think that this is needed, mainly because of changes we are making to how we manage the allocation and use of telephone numbers.

1.4 We have decided to simplify the non-geographic numbers currently beginning with '08' and '09' that are used by certain businesses and public services. This should make consumers more confident in using such numbers. We are also giving public services and private companies more choice of numbers, enabling them to reflect their customers' willingness and ability to call different numbers. We have tried to limit any disruption caused by these changes.

1.5 The long-term plan for telephone numbering which we set out in this document is based on a set of strategic principles that we will take account of for all numbering policy decisions. These principles are designed to ensure that our numbering decisions always consider the interests of consumers and businesses. Consumers do not generally care about the more technical aspects of numbering policy, but they do care about the continuity of their own number, and they do want to be able to dial other numbers with confidence.

1.6 Ofcom has examined current concerns about telephone numbers - about their availability, their transparency to consumers, and the potential for consumer abuses associated with some number ranges. We will take various actions, within our new strategic framework, to address those concerns and so benefit consumers:

- using a consumer protection test when allocating telephone numbers, which should permit us to cut off the supply of telephone numbers to those communications providers that persistently and/or seriously abuse consumers;
- avoiding number changes, by changing how we allocate geographic numbers (numbers starting with '01' or '02') so they can be used more efficiently by the growing number of communications providers that want these numbers;

[1] The consultation document is at http://www.ofcom.org.uk/consult/condocs/numberingreview/

- allocating a new type of number – starting with '03' - for those businesses, public services and voluntary services who want a common national number, but who do not wish to charge consumers a premium for contacting them. Consumers will pay the same amount for these calls as they would for calling a geographic number;

- simplifying the meaning of those 08 and 09 numbers which are used to provide various services to consumers, so that consumers can better understand the price that they are paying and the service that they are receiving. We will achieve this over a period of time, by ensuring that new 08 and 09 numbers are allocated in a way that does not change the meanings of these numbers to consumers. We propose to protect the strong existing brand of 'Freephone' services on '0800' (and '0808');

- protecting against abuse of existing 'personal numbering' services by applying a ceiling to call prices for all calls, whether from fixed lines, mobiles or payphones. Calls costing more than this will require a free announcement to the caller before the call begins. We will also remove the potential for consumer abuses that arises from confusion with mobile numbers, by ending the use of '070' for personal numbers within three years. At that point, '07' numbers will essentially be for mobile services, acknowledging the strong current consumer recognition of 07 as mobile numbers. By the end of 2007 we will review what genuine personal numbering services exist, and may at that point enable them to be provided on numbers starting with '06'. The 06 numbers will also be reserved for potential use for 'individual numbers', for direct allocation to consumers (as technology allows); and

- promoting efficiency through the use of market-based incentives, such as charging communications providers for the numbers that they receive. This will be done in circumstances where it adds value to solving problems and does so in an effective and streamlined way compared with regulatory rules and processes.

1.7 These decisions together implement the strategic principles we have developed. Some proposals will be phased in, to minimise the costs involved for providers and, ultimately, for consumers. But over time, these measures as a whole should produce a plan for UK telephone numbers which gives numbers clear and enduring meanings for consumers, which increases trust in certain number ranges, and which makes enough numbers available for current and future services.

1.8 As a result of these decisions the National Telephone Numbering Plan ('the Numbering Plan') will look like Figure 1.1 by the end of 2006. We have already had some feedback on the icons and descriptions we might use from consumer focus groups during the consultation period, and we will consider further in the next few months how and when to inform consumers of these changes and best use these images to raise consumer awareness.

Figure 1.1 The new National Telephone Numbering Plan

Numbers starting:	Purpose:
	Area codes
	UK-wide numbers
	For future use
	Reserved for personalised numbers
	Mobile numbers
	Freephone
	Business rate services
	Premium rate services

Numbering principles

1.9 In this document we present principles that we will consistently take account of when looking at numbering policy issues. These principles are intended to promote the interests of citizens and consumers, by ensuring that:

- the numbers consumers want are available when they are needed;
- the numbers consumers currently used are not changed if this is avoidable;
- the meaning which numbers provide to consumers is protected;
- number allocation processes support competition and innovation; and
- consumers are not avoidably exposed to abuse.

1.10 This approach recognises that consumer interests are, in general, best served by promoting effective competition. How telephone numbers are provided is important for how service providers are able to compete. However, our approach also recognises the direct consumer interests concerning number misuse, and the broader citizen interest associated with continuity and availability of certain numbers.

The background to this review

1.11 This review was driven both by current concerns about numbering and a need to consider potentially major changes in the future. Twelve years after the management of numbering transferred from BT to the regulator, we wanted to address the current concerns, and to do so as part of a strategic framework that will also make sense in the future as technology and consumer behaviour evolve.

1.12 Ofcom must ensure that enough numbers continue to be available to consumers, so that they can benefit from the services which numbers support. We must also ensure continued trust in the meaning provided by numbers, so that consumers can use them with confidence. Over recent years these objectives have been threatened:

- availability is threatened by number shortages in some geographic areas, notably due to many new market competitors. There are also expected shortages for some of the non-geographic numbers beginning with 08 and 09, for which the usual response of opening extra number ranges could increase consumer confusion; and
- consumer confidence is threatened by confusion about the prices and services associated with certain numbers. This has been a particular concern for services beginning with 08 and 09 numbers. Consumer confidence is also threatened by the misuse by some providers of certain types of numbers, which tends to bring all services offered on such numbers into disrepute.

1.13 At the same time, the role and use of numbers is expected to shift dramatically over the next few years. Of particular importance is the emergence of Voice over IP ('VoIP') as a mature technology. This fundamentally changes the way in which calls are routed by telephone networks, and therefore fundamentally changes the role of telephone numbers. A variety of new communications providers are using VoIP technology to enter the market for voice calls, whilst those communications providers already active in this market are investing in 'Internet Protocol' ('IP')-based 'Next Generation Networks ('NGNs'). In time, these developments are expected to reduce

the pressure on numbering capacity, support exciting new services and enable greater consumer choice, but they may also allow new forms of abuse and exploitation.

Policy decisions

1.14 This review draws on a significant evidence base developed by Ofcom, covering extensive market research into consumer attitudes to and use of numbers, detailed analysis of current and projected demand for numbers, and technical, economic and legal analysis. We have built upon this with the help of over 220 consultation responses and other input from stakeholders and advisory bodies. The following paragraphs summarise our key decisions, which are discussed in more detail throughout this document.

We will use consumer protection tests to deny allocations of numbers to providers who persistently and/or seriously abuse consumers

1.15 We will seek to increase trust in UK numbering as a whole by establishing one or more consumer protection tests that enable us to deny allocations of numbers to providers that persistently and/or seriously abuse consumers. This proposal was strongly supported by all types of stakeholder in the consultation responses, both in relation to a test when allocating numbers and a test for withdrawing numbers.

1.16 Many stakeholders shared Ofcom's view that more work is needed to ensure that the details of such tests are correct so that they can be as effective as possible and loopholes are avoided. Obviously any tests that Ofcom uses would need to be workable, and we therefore aim to consult in detail in this area later in 2006, following extensive work with stakeholders. We also need to avoid unintended consequences for competition and put in place systems to ensure that decisions under the tests are clear, consistent and appropriate.

1.17 An example of a possible test, which we referred to in consultation, is that Ofcom would refuse future allocations of numbers in cases where a provider has breached specific consumer protection standards more than once within the previous year.

We will take steps now to avoid future changes to consumers' geographic numbers

1.18 Geographic numbers are widely recognised and trusted by consumers, most of whom still highly value the ability to keep their geographic numbers. But geographic numbers are in high demand due to a growing number of communications providers. The numbers that have been allocated are also not well-utilised, because the total pool of numbers is spread across many geographic areas.

1.19 We are taking action now so we can avoid number changes whilst continuing to make numbers available to support competition. We will do this mainly by allocating geographic numbers to providers in smaller-sized blocks (1,000 rather than 10,000 numbers) in any geographic areas where the current numbers would otherwise run out within five years. This is a lot tighter than such 'conservation measures' have been in the past.

1.20 Tighter conservation measures will improve the utilisation of these numbers, and substantially reduce the risk of number changes. A moderate improvement in utilisation rates, from the current average of 15 per cent of available numbers to

about 30 per cent, would reduce the number of geographic areas currently at risk of number shortages from 34 to zero.

1.21 We can take this approach because it should only be required for the next five years or so, until the deployment of VoIP technology in general, and NGNs in particular, should allow the allocated numbers to be better-utilised. These technological changes should make it easier to allocate telephone numbers in whatever block size is most efficient from a numbering management perspective.

1.22 Ofcom has also considered contingency plans to make available additional numbers if numbers do become exhausted in a small number of specific areas. This might occur for unforeseen reasons such as substantial new housing development within a limited geographic area. Our view is that the most effective means of providing additional numbers in a targeted manner, to minimise consumer disruption, is to use 'overlay codes'. These are second area codes to cover a geographic area that has run out of numbers. No-one would actually have to change their current code or phone number as a result of an overlay code being implemented in their area.

1.23 Our projections of future geographic number demand suggest that (before unforeseen demand shifts) perhaps six areas might need overlay codes by the end of 2012, with a worse-case scenario of 11 areas by then. However, we will aim to avoid these scenarios, partly through targeted audits of those providers which already hold numbers in these areas. Other areas with unforeseeably high underlying demand growth, perhaps associated with major new housing developments, may also need overlay codes. As there are over 600 code areas in total, the limited expected number of affected areas does not warrant the widespread change to current numbers or dialling behaviour that other fallback options require.

1.24 Even if technological change is slow, overlay codes therefore are the best general approach in any areas where conservation measures are not sufficient. Consultation respondents were nearly unanimous in favour of Ofcom's general approach on this issue. Beyond that general approach, we will also take specific steps - such as aggressive reclaiming of unused numbers - to try to avoid overlay codes in those areas most likely to need them.

We are allocating new 03 numbers, as a cheaper option for consumers to call those public services and businesses who want a national presence

1.25 The original purpose of those non-geographic numbers starting with 08 and 09 was as a single point of contact for those businesses and public services which have a national presence and identity. These numbers also allow businesses and public sector bodies that make services available to the public to make charges using a micro-payment mechanism known as 'revenue share', whereby they take a share of the charges paid by the caller; this capability is widely used.

1.26 However, consumers have a poor awareness of the absolute level of call charges for these numbers and the nature of revenue-share. Also, a number of 'scams' have emerged which exploit revenue-share. The result has been a substantial erosion of consumer trust in these ranges.

1.27 Ofcom has already taken some steps to restore this trust as part of its Number Translation Services Review ('the NTS Review'). In April this year, decisions were taken that will increase the transparency of charges for current 08 numbers and the degree of consumer protection provided in relation to them.

1.28 As well as consumer confidence issues, most of the 08 ranges that are currently in use are projected to run out in the next few years, due to strong growth in underlying demand. There are enough other 08 numbers available for these services, but we want to take this opportunity to make those numbers available in a way that benefits consumers by improving tariff and service transparency.

1.29 We therefore are creating a new type of number – starting with 03 - for those organisations who require a national presence, but who do not wish to make an additional charge to consumers for contacting them. We particularly expect this to be a range that public services will feel appropriate to use in preference to charged-for 08 numbers. We expect the new range to become trusted by consumers as covering clearly-understood services and price ranges. We will take several steps to build this trust:

- consumers will have a clear understanding of the price that they are paying for a call, mainly as call tariffs and call discounts will be required to be the same as if the consumer was calling a geographic (01 or 02) number. The new range is also intentionally numerically next to the existing geographic number ranges;

- the use of revenue-sharing will be forbidden on this new range. Consumers calling these numbers should be confident that they will be paying only for the call, and not for any additional services provided by the organisation being called;

- we will initially allocate memorable 03 numbers that should appear to suit many of the services that are expected to use 03 numbers. Notably, 0300 numbers will be available for public services and not-for-profit services. This should contribute to making customers feel comfortable when calling 03 numbers, and thereby promote more rapid uptake of them; and

- Ofcom will work with those UK communications providers responsible for managing international network interconnection, to try and ensure that the new range can be widely called from abroad. The absence of revenue-share, which can deter foreign providers from enabling these calls, should assist this process.

We are simplifying the structure of the 08 and 09 number ranges

1.30 Services which require small micro-payments will stay on the 08 range, getting new number allocations as required by demand. But creating the new 03 range gives us the opportunity to simplify the public description of 08 numbers over time.

1.31 Our strategic approach to the 08 range is that services will be described at the ‘two digit’ level. This implies only three categories of 08 numbers:

- Numbers starting with 080 will be Freephone - including current 0800 and 0808 ones;

- Numbers starting with 084 will be charged at one rate (currently ‘Up to 5 pence per minute’); and

- Numbers starting with 087 will be charged at a higher rate (currently ‘Up to 10 pence per minute’).

1.32 There are some numbers within these 08 range which are used to provide services where the historic link of call charges to geographic rates - 0845 for ‘local rate’ and 0870 for ‘national rate’ – has broken down. Ofcom’s NTS Review recently

concluded[2] that the cost of forcing providers to migrate from these numbers would be disproportionately high, and instead decided that it should repair and extend the linkage between 0870 calls and national calls to geographic numbers so that it applies to all communications providers. We will also review within two years whether to do the same for 0845 numbers. This remains Ofcom's position. However, Ofcom's expectation is that growth in such services can in future be accommodated on the new 03 range, and so there should not be a need for new number ranges linked to geographic rates in 08. As the new 03 range becomes familiar to consumers, and trusted by them, it may be that those providers currently using 0845 and 0870 numbers to provide services (especially those wanting the call routing advantages rather than the revenue-sharing facility) will decide to migrate to 03.

1.33 This strategy does not mean that the length of the numbers will change, but allocating and defining numbers in this way will provide a much simpler message for communications providers to give and their customers to understand:

- there will be only three levels of price signified by the number;
- the higher the second digit, the higher the maximum price; and
- these meanings can persist in the long-term, as each of the 084 and 087 ranges have ten times more numbers than, for example, 0845 or 0870 alone.

1.34 We are leaving current 0800 Freephone service numbers (and 0808 free numbers) unchanged. This is the one type of 08 number that is reasonably well-recognised and trusted by consumers. The same number generally is used for Freephone services internationally, which may contribute to high consumer awareness. And there is no current danger of these numbers being exhausted.

1.35 We will also simplify the public description of 09 services, although more work is needed on the details. Consultation respondents overall varied on how to give a clear identity to the different 09 ranges. Some preferred associating the second digit with higher prices, as we are doing for 08 numbers. Some preferred to associate certain types of services (e.g., 'charity fund-raising') with distinct 09 ranges. There was, however, much agreement that sexual entertainment services ('SES') should have their own identity, using high 09 numbers. Ofcom has consulted separately on how to ensure continuing number availability for SES, and will shortly publish its conclusions. We plan to consult in detail later this year on the services and tariffs that can be provided across the rest of the 09 range.

1.36 Our decisions on the 03, 08 and 09 ranges should lead to the services being structured as in Figure 1.2 in the long-term. The specific tariff levels for the 08 and 09 ranges may change as Ofcom carries forward its plans to apply the tariff levels of the Numbering Plan to calls made from all lines (see paragraphs 1.45-1.47).

1.37 By setting out the strategic plan for 08 services and the new 03 range in this statement, service providers now have the necessary information to decide how to react to the forthcoming changes to 08 numbers as set out by the NTS Review in April 2006. Service providers can now be clear on what option they should take within 18 months of this statement, as required by the decisions of the NTS Review. When the changes set out in the NTS Review are implemented in January 2008 service providers could decide to:

[2] *NTS – a Way Forward* (http://www.ofcom.org.uk/consult/condocs/nts_forward/statement/)

- retain their 0870 numbers without a revenue-share facility. Calls will be charged at no more than the originating provider's rate for national calls to geographic numbers (unless a pre-call announcement of the charge is provided);
- move to an 03 number with no revenue-share facility. Calls will be charged at no more than the originating provider's rate for national calls to geographic numbers;
- move to 0844 (or other 084 numbers if 0844 is used up) with a revenue-share facility with charges at up to 5 pence per minute ('ppm') (from BT lines); or
- move to ICSTIS-regulated 0871 numbers (or other 087 numbers if 0871 is used up) with a revenue-share facility and charges at up to 10ppm (from BT lines).

Figure 1.2 The future structure of the 03, 08 and 09 ranges

Number range	Tariff/Service
03	Calls at the same rate as calls to geographic numbers, no revenue sharing permitted
080	Freephone
084	Calls up to 5ppm, revenue-sharing permitted
087	Calls up to 10ppm, revenue-sharing permitted
090-097	Distinct tariffs and/or services possible for each band of 090, 091, 092 etc (Ofcom to consult on detail)
098	Sexual Entertainment Services

1.38 Ofcom recognises that the new structures for 08 and 09 will leave existing services in place on certain three digit numbers that are inconsistent with this long-term approach. We have decided against forced migration of 08 services at this stage, as that would raise a number of complex issues about migration costs, which the NTS Review has already covered. But the measures we are taking are designed so as to create a strong and positive brand for the new numbers which are made available, in the expectation that this will encourage voluntary migration over a period of time to the new structure. If this proves to be successful, then it may be appropriate to return to the issue of forced migration of remaining legacy services so that the longer-term meaning of the Numbering Plan is not limited by a minority of inconsistent services. The trigger for such a re-evaluation would be a level of voluntary migration which materially reduced the residual costs associated with forced migration. Ofcom will consider whether forced migration of 09 services is necessary when it consults in detail on future 09 tariff and service descriptions later this year.

We are increasing consumer protection for 070 personal numbers and will confirm 07 as a mobile-only number range

1.39 Personal Numbering Services are provided on one specific part of the 07 range (070). Ofcom has several concerns about these services. There is very limited consumer awareness of 'Personal Numbers' as a concept, and legitimate personal numbering services have had relatively little market impact. At the same time there have been a number of cases where providers have exploited the poor awareness of this range, and the lack of call price ceilings, to run 'scams'. This is despite previous attempts to restore trust in personal numbers, by removing the ability of 070 providers to use revenue-sharing.

1.40 In the short-term, Ofcom is therefore introducing a price ceiling on calls to personal numbers. If such a call costs more than this ceiling, customers will have to get a free pre-call announcement of the charge involved. The price ceiling will apply regardless of whether the call is made from a BT line, from any other fixed line, a mobile or a payphone. Ofcom is conducting a short further consultation on two options for this ceiling: a standard 20p (per minute or per call) for all customers, or the maximum that the specific customer would pay for a voice call to an 07 mobile phone number. The price ceiling arrangements should be implemented in early 2007.

1.41 As a long-term measure, Ofcom has decided to end the 070 personal numbering range. This will end the scope for confusion with 07 mobile numbers, which creates such potential for abuses. It is not currently obvious that there is a significant level of demand for genuine personal numbering services, so by the end of 2007 Ofcom will review their use to decide whether to open the 06 range of numbers for these services. If 06 is opened then, current 070 services would be expected to transfer by the end of July 2009, and we would cease to allocate new 070 personal numbers after 2007. As part of this review Ofcom will attempt to contact all providers who have been allocated 070 personal numbers.

1.42 Consumers primarily associate the 07 range with mobile services, and this provides a degree of tariff transparency, making clear when consumers are paying a premium for a mobile service. Removing personal numbers from 070 will allow us to consolidate this recognition, by formally designating the 07 range as being for mobile services. Demand for mobile services remains strong, so the 07 sub-ranges of 071-075 will be designated for mobile services to enable continuing growth in competition and variety of services. We will allocate mobile numbers in smaller quantities where appropriate to help ensure enough numbers for new entrants and existing providers.

We are also reserving the 06 range for future individual numbering allocations

1.43 As set out above, Ofcom may migrate current 070 'follow-me' services - personal numbers – to the 06 number range. These migrating services and any new 06 personal numbering services would be expected to follow the same price ceiling as for 070 numbers.

1.44 In addition, we have decided to reserve the 06 range for the longer term to allow for the allocation of 'individual numbers'. These would differ from personal numbers in that they would be allocated directly to end users. Personal numbers, by contrast, are allocated to communications providers. A number of practical issues need resolving before we could do this.

We will raise consumer transparency by developing tariff descriptions that give information on call costs regardless of the type of line a call is made from

1.45 Part of the transparency problem for a number of services is that the tariff levels set in the Numbering Plan only apply to calls made from BT lines. Ofcom firmly believes that the whole purpose of the Numbering Plan is to provide transparency about the services and prices involved when making a call, so that consumers can make informed choices. The ability of consumers to make informed choices is severely compromised when tariff transparency only applies to calls made from a single provider.

1.46 Ofcom therefore intends to develop descriptions for the various services across the Numbering Plan that will apply to calls from all lines. This has already begun in this statement by establishing a link between calls to 03 numbers and geographic call rates that applies to calls from all lines, and through the common price ceiling on which we are consulting for calls to 070 personal numbering services. This approach will be extended to other number ranges, including the 08 and 09 services for which this has been a more common concern.

1.47 Applying tariff descriptions in this way does not depend upon a provider having Significant Market Power ('SMP') in delivering a particular service. Rather, it is about providing clarity to consumers through general obligations on all relevant providers. Ofcom acknowledges that there are complex issues involved in developing Numbering Plan descriptions that will cover calls from all lines, including mobile phones, given that call origination costs and charges vary between networks. We will analyse these further in the second half of 2006.

We will manage numbers more effectively by substituting market-based mechanisms instead of administrative rules and processes, where appropriate

1.48 Ofcom currently manages numbering using complex rules and processes that are designed, for example, to ensure that providers use numbers efficiently. At a strategic level, we have concluded that some use of market-type mechanisms might be more effective, and certainly less intrusive.

1.49 We recognise that measures such as charging communications providers (not consumers) for number allocation need to be assessed in terms of whether they add value to solving a problem and are an efficient way to do so. Many consultation respondents made this point. Charging for numbers could be useful in providing incentives for efficient use of the numbers that are allocated to providers, but this needs to be assessed further. We also need to ensure that appropriate legal conditions are met for any number charges, for example that particular types of provider are not discriminated against. It is also worth noting that any charges would be set at a level that would not significantly increase the costs faced by consumers.

1.50 Ofcom has begun a separate project to assess the complex issues involved in charging for numbers. Were charges to be introduced, this would not happen before 2007. Ofcom is aware that by signalling the possible introduction of such a charge, providers may apply early for numbers that they do not yet need in order to avoid future charges. Ofcom wishes to make clear that such behaviour will not be rewarded. For example, any charge which is introduced is likely to include an annual charge that would be applied to all allocated numbers.

Next steps

1.51 A number of Ofcom's decisions in this document require us to make changes to the Numbering Plan and accompanying number application forms. These decisions are to open the 03 range, designate more 07 numbers as being available for mobile services, apply an 070 price ceiling and introduce new definitions of conservation areas for geographic area codes.

1.52 These consultation measures are covered in Annexes 2 to 8 of this document. We will aim to conclude those consultation processes rapidly, if possible by the start of October 2006, at which point the new framework for conservation of geographic numbers should be in place, and communications providers will be able to apply for 03 numbers. We expect that 03 numbers might be available to be dialled in early 2007.

1.53 As stated above, several strands of work have complex issues and still need to be completed. These are the consumer protection test; charging for numbers; revising the service descriptions in the Numbering Plan, including the precise structure of the 09 number range; and applying common tariff provisions in the Numbering Plan to all originating providers. Ofcom needs to consult further to implement changes for these issues, and we expect to do so later in 2006.

Section 2

Introduction

The purpose and structure of this document

2.1 Telephone numbers are a critical national resource, for consumers, businesses and the delivery of key public services. The rapid growth in communications services has in the past sometimes required disruptive changes to how numbers are managed, and Ofcom wanted to develop an approach to avoid this in the future. So in February this year, we consulted on a strategic framework for future decisions on telephone numbering policy, and made specific proposals steps to address current concerns about the availability of and trust in different types of telephone number.

2.2 This document has two functions. The first is to confirm the strategic framework for Ofcom's telephone numbering policy decisions in the long-term. This will confirm how we will handle current and future challenges to our approach. The second function of this document is to take specific steps now to address some immediate concerns, in a way that fits with the strategic framework. This involves:

- Avoiding changes to geographic numbers;
- Making available a new range of non-geographic numbers tariffed identically to geographic numbers;
- Increasing transparency about charges for other non-geographic numbers;
- Providing more protection for consumers calling personal (070) numbers; and
- Designating more 07 numbers for mobile services.

2.3 On some issues this document sets out our strategic approach but does not make detailed changes now to the Numbering Plan or Ofcom's processes. Examples are the use of a consumer protection test for number allocation, and the introduction of charging for numbers. Detailed implementation of our strategic approach in these areas will require resolution of some complex issues, which will be done in several work streams that follow this statement. Ofcom will propose detailed changes in those areas later this year.

2.4 This document does not re-open decisions recently taken by Ofcom in the NTS Review, which concluded in April 2006. The issues consulted on in the NTS Review were not also within the scope of this Numbering Review, and Ofcom's proposals in this review were made with full awareness of the decisions being taken in the NTS Review. There is therefore no need to revisit the decisions of the NTS Review. This document does however set out how Ofcom proposes to accommodate growth in NTS services, and does so in sufficient detail for those providers affected by the NTS Review, and who therefore wish to migrate to a new number range, to decide which number range to migrate to. As a consequence, the 18 month timeframe on which to implement the decisions of the NTS Review begins on the date of this statement.

2.5 This statement is structured as follows:

i) Section 3 describes our broad numbering strategy for the future. Here we cover legal issues, consumer attitudes, and the impact of technological change. We set

out our new strategic principles and our approach on a consumer protection test for telephone numbering. We also summarise current concerns with the UK Numbering Plan;

ii) Sections 4-6 cover Ofcom's decisions in more detail for some specific policy measures that we will take to address current concerns; and

iii) Section 7 summaries the measures we are taking across the Numbering Plan and for individual number ranges, and sets out the next steps in implementing our decisions.

2.6 The annexes mostly concern the detailed legal aspects of our policy proposals:

i) Annex 1 summarises the Impact Assessments for specific policy decisions;

ii) Annexes 2-8 comprise the statutory consultation on changes to the Numbering Plan and numbering administration processes, including details of how to respond to the consultation; and

iii) Annex 9 is a glossary of technical terms.

The consultation process

2.7 The consultation period was extended by three weeks to allow respondents extra time to take account of Ofcom's decisions in the NTS Review. This helped the number of consultation responses to exceed 220.

2.8 The majority of responses were from the general public, whose strong focus was on the use of chargeable 08 numbers. Private companies, communications providers, public bodies and others also contributed responses, and tended to be more diverse in the issues that they raised.

2.9 The consultation responses are published in full on our website, unless respondents have expressed a preference to keep their comments confidential. You can view the responses at http://www.ofcom.org.uk/consult/condocs/numberingreview/responses/.

2.10 The main points made in the responses are summarised in Sections 3-8. Those sections also describe any further information that we have gathered since the consultation document was published. In each section, the responses and further information then form part of our assessment and conclusions.

Section 3

Strategic framework for numbering policy

Introduction

3.1 This section sets out the strategic principles that Ofcom will apply to its numbering policy in the long-term. The strategic principles for numbering derive from Ofcom's legal obligations in relation to numbering decisions. Consumers' views and technological changes have also been considered in considering how to apply these principles to specific policy decisions.

Legal context

3.2 The legal framework consists of EU Directives that are implemented into UK law through the Communications Act 2003 ('the Act'). In general terms, section 3(1) of the Act sets out Ofcom's principal duty, in all its activities, to further the interests of citizens and consumers by promoting competition. Section 63 of the Act sets out Ofcom's general duty to ensure that the best use is made of numbers, with sections 56-62 covering Ofcom's more specific numbering-related duties.

3.3 There must be a balance between promoting the interests of citizens and consumers, and our specific numbering duties. The more technical duty to ensure that the 'best use' is made of numbers must be applied in a way that reflects our broader responsibility to benefit citizens and consumers.

Numbering policy and the consumer interest

3.4 A central plank of Ofcom's consumer policy is that consumer interests can in general be best served by promoting effective competition. Numbering policy is relevant to this as the following conditions are necessary for competition to be effective:

- there must be sufficient availability of numbers, so that scarcity of numbering resource does not create barriers to entry for new providers[3];
- those numbers which are available must as far as practicable be allocated in a technology neutral manner, that does not unnecessarily favour one form of network or technology over another[4];
- those numbers which are available must be allocated in a manner that does not discriminate between individual providers[5]; and
- numbers must be managed in such a manner that consumers can understand what service they are purchasing when they call a number, at what price, so that they can make informed choices[6].

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[3] Section 63(1) of the Act states that it shall be the duty of Ofcom, in carrying out its telephone numbering functions, to secure what appears to be the best use is made of the numbers and to encourage efficiency and innovation for that purpose.

[4] see section 4(6) of the Act
[5] see section 60(2)(b) of the Act

3.5 Alongside these duties in relation to the promotion of competition, Ofcom must also consider the potential harm to consumers caused by abuse of those measures which Ofcom has set in place to promote competition. This harm may take the form of financial loss, in the case of 'scams', but it may also take the form of annoyance or inconvenience, in the case of unsolicited communications. Section 3(4) of the Act sets out a number of further principles to which Ofcom must have regard in the context of furthering the interests of consumers, including the particular needs of vulnerable consumers and the desirability of preventing crime and disorder[7].

3.6 Ofcom recognises that numbering is not the only, and may not be the principal, means of protecting consumers from harm in relation to telecommunications services. Additionally, there are a number of other agencies have responsibilities for protecting consumers from harm, including ICSTIS, the Office of the Information Commissioner and, in relation to criminal activities, the Crown Prosecution Service. Ofcom recognises the need to work closely with such agencies in cases of overlapping responsibility.

Numbering policy and the citizen interest

3.7 Ofcom's citizen-related policy is concerned with changing the outcome delivered by the communications market in order to meet a broader societal objective or interest. An example is the provision of universal service in order to protect against social exclusion. Using current technology, numbers are an essential requirement to access telecommunications services.

3.8 Telephone numbers are administered by Ofcom using a complex rules-based system. One aim of this approach is to ensure that a valuable national resource is easily available for all citizens upon request, and without discrimination, i.e., to ensure that numbers support the citizen interest. One effect of this quite intrusive regulatory intervention is to limit the extent to which a numbering 'market' might develop. This is discussed further at paragraphs 4.18-4.25. However, it is Ofcom's view that a 'free' market in numbers is not appropriate because of the citizen interests at stake.

3.9 There are other aspects of numbering policy which extend beyond the simple operation of the market. In particular, our consumer research shows that people attach a great deal of importance to the continuity of 'their' telephone number. They are very hostile to numbering changes, to an extent that goes well beyond the direct financial cost incurred by such changes. Our consumer research suggests that many consumers view their telephone number as a clear 'right' which they value highly. Telephone numbers represent an important element of the personal identity of citizens, and underpin the manner in which they participate in society.

The consumer view

3.10 In applying the legal framework set out above, it is important that Ofcom has a clear understanding of the views of consumers. Ofcom has therefore commissioned significant market research to understand consumers' views on numbers, and this has been published separately[8]. Key conclusions are summarised below.

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[6] this relates to General Condition 10, which applies to all communications service providers and was set under section 45 of the Act

[7] see sections 3(4)(h) to 3(4)(j) of the Act

[8] http://www.ofcom.org.uk/consult/condocs/numberingreview/research

3.11 On transparency, the strongest message from the consumer research is the general lack of awareness of number ranges and their costs, particularly outside geographic and mobile number ranges. Whilst consumers recognise broad relative cost differentials - for example, geographic numbers being the cheapest and 09 numbers the most expensive - there are also significant failings in their understanding:

- On average, residential consumers over-estimate costs to call all number types, and say that they are less likely to call numbers that they perceive to be more expensive and/or are unfamiliar to them; and

- Little distinction is made between costs of calling many different 08 numbers.

3.12 Awareness is potentially limited by the fact that many callers no longer think about the number they are calling. Our research suggests that most residential customers use a mobile phone handset as their main way to store telephone numbers, and fixed line handsets are also used for this purpose in many businesses.

3.13 However, consumers say they would utilise information that may help to improve their understanding of the Numbering Plan: about 90 per cent of residential consumers say they would use some type of information source about the cost of calling different types of numbers, were it available. The most popular potential source was the inside cover of the phone book, which almost two-thirds said they would realistically use.

3.14 We also have information on the geographic significance of fixed line numbers to consumers, which matters because it suggests how far Ofcom should consider moving away from this plank of the current numbering system. In our research there was a roughly even split of both residential and business consumers in terms of whether (hypothetically) they would be concerned about the losing the ability to identify the location from a number. However, consumers feel much more strongly about keeping their own geographic number, viewing numbering changes as inconvenient and potentially costly. Businesses also cite potentially high costs from number changes, with updating stationery and loss of business being the highest cost elements.

3.15 Another thing that residential and business consumers are clearly concerned to keep at this stage is the ability to distinguish between fixed phone and mobile telephone numbers, mainly to identify call costs.

3.16 In terms of views on potential changes in use of numbering, the idea of a single personal telephone number for fixed and mobile phones appealed to over a third of businesses and about a third of residential consumers. Two-thirds of businesses also expressed interest in having a permanent number for employees.

3.17 Overall, the clear message from the consumer research is the need for the Numbering Plan to be more transparent. It is also apparent that consumers overall are ambivalent about change, strongly resenting changes to geographic numbers but fairly evenly split in their attitude to geographic significance.

Technological changes

3.18 Ofcom must ensure that our approach delivers the benefits of numbers to consumers now and in the future. Over the next decade, a variety of potentially disruptive changes in technology are expected to drive change in how telephone numbers are used. These include:

- the transition from Public Switched Telephone Network ('PSTN') to NGNs and the emergence of VoIP providers. These mean that telephone numbers will no longer be the underlying mechanism by which fixed networks route calls, which implies that policy can focus on numbers as they are seen and used by consumers rather than as part of network infrastructure;

- the possible convergence of fixed and mobile communications. Over time this may erode the distinction between fixed and mobile networks and between fixed and mobile telephone numbers;

- the availability of new service identifiers. This means that telephone numbers may not be used by consumers as a means of accessing some new communications services; and

- the availability of new mechanisms for managing service identifiers. This may change the way in which different identifiers relate to each other, and their visibility to consumers.

3.19 NGNs are IP-based networks with the capability to offer a greater range of services than traditional fixed networks, including voice, video and data, all across a single core network. A number of fixed network operators are migrating their existing PSTN networks to NGNs, to streamline their businesses and reduce operational expenses, as well as to enable the provision of new services. In parallel with the migration from legacy PSTN to NGN networks, a new class of provider is emerging which delivers voice services over broadband using VoIP technologies, essentially exploiting the increasing uptake of broadband services.

3.20 A key characteristic of both VoIP and NGN networks is that whilst consumers may still be able to use telephone numbers to make calls, these telephone numbers are no longer the mechanism by which calls are physically routed. This means that there will no longer be an intrinsic linkage between a telephone number and a specific physical location on the network.

3.21 This will inevitably erode the traditional relationship between telephone numbers and geography. Historically individual blocks of geographic numbers have tended to map onto individual local exchanges. This has had the effect of underwriting the meaning of area codes, and also has meant that the first two digits of a subscriber number commonly provide additional geographic information.

3.22 This erosion of geographic meaning is likely to be further accelerated by fixed-mobile convergence. Hybrid telephone services are already being introduced which share some of the attributes of existing fixed and mobile services (e.g., BT Fusion, Vodafone Wireless Office).

3.23 The use of IP addresses rather than telephone numbers for routing purposes also has some more technical implications for numbering policy, for example:

- the reason that telephone numbers have historically been allocated in large blocks (typically 10,000 numbers per block) is that traditional PSTN networks have difficulty routing numbers with any greater granularity than this. This is due to the limited capacity of legacy PSTN switches, specifically the limited availability on such switches of a resource known as 'decode'. The use of IP addresses to route calls eliminates this constraint, and will permit telephone numbers to be allocated in any block size; and

- the current implementation of number portability in the UK ('onward routing') relies on the exchange that hosted a number before it was ported continuing to receive calls after the number is ported, and then re-routing calls as appropriate. This has created a number of problems in the past, for example when exchanges have been withdrawn from service due to a communications provider ceasing to operate. The use of IP addresses to route calls will require a new implementation of number portability, and this should be more resilient than the current implementation.

3.24 As IP addresses are difficult to remember and do not provide any meaning in themselves, they will not normally be visible to consumers. As noted above, it is likely that telephone numbers will continue to be used by consumers wishing to make telephone calls. However, NGN and VoIP providers may use a variety of other identifiers to provide other services to consumers, and may even provide voice services using new forms of identifier. Other forms of identifier that are already familiar to consumers include e-mail addresses and World Wide Web addresses, and new identifiers are emerging (Session Initiation Protocol (SIP) identifiers, H.323 identifiers, .tel URLs).

3.25 New ways will be required to manage the range of identifiers used by NGN and VoIP providers. The IP Multimedia Subsystem (IMS), the Domain Name System (DNS), ENUM and the Universal Communications Identifier (UCI) all include ways to achieve this. The most important of these are probably IMS (a core NGN technology used to manage a variety of data about end users) and ENUM (a directory service used to manage various identifiers associated with a particular user).

3.26 Interestingly, although the role of telephone numbers is expected to change, services such as ENUM illustrate why telephone numbers are likely to have a continuing role. ENUM allows a variety of contact information for an end user (telephone numbers, e-mail addresses, etc.) to be contacted via a single directory entry. The primary means of accessing this directory entry is a telephone number, a decision which exploits the familiarity and ubiquity of such numbers. These attributes of telephone numbers continue to have value despite technological change.

Strategic principles

3.27 In our consultation document we suggested that Ofcom's policy approach to numbering might be guided by the following strategic principles. These principles draw upon Ofcom's statutory duties in relation to numbering (as discussed in paragraphs 3.2-3.9), in a manner that emphasises the needs of consumers, whilst also being robust against technological change:

i) Ofcom will maintain the availability of telephone numbers to consumers, so that they can access the services that they value;

ii) Ofcom will do so in a manner that maintains the continuity and meaning which is provided by numbers and which is valued by consumers;

iii) Ofcom will allocate numbers in a manner that delivers the benefits of competition to consumers, and in particular that does not inappropriately discriminate between different providers, or the networks and technologies used by those providers; and

iv) Ofcom will allocate and manage numbers in a manner that does not avoidably expose consumers to abuse.

Responses to consultation

3.28 The following paragraphs summarise the consultation responses to the questions on strategic principles, current consumer concerns, technological developments and challenges to the Numbering Plan.

3.29 Individuals' responses on all of these points tended to be confined to concerns with 08 services, calls being outside inclusive bundles, revenue-sharing services and generally a feeling that there is too much consumer confusion. Some believed that our general approach should ensure that calls to all numbers other than 01/02 are treated in the same way. Communications providers were mixed in their views, with some broadly agreeing with Ofcom's assessment of consumer confusion and others not believing that there is such distrust of 08 and 09 numbers. Another general point made by some communications providers was that the Numbering Plan should not be relied upon to achieve much in terms of transparency, and some saw that attempting to do so could constrain innovation. Some organisations raised concerns about the transparency of calling from mobile phones relative to fixed phones. Such detailed issues are covered in specific parts of this document, mainly in Section 5.

3.30 There were limited comments from individuals specifically commenting on the strategic principles proposed by Ofcom. Those communications providers and other organisations that commented tended to support them, although some anticipated conflict between the different principles in practice. Others proposed additional principles: a commitment to consider existing business models that have built up around existing policy (so that legitimate services should not suffer detriment due to policy changes); a requirement for a reliable location identifier of the calling party (for consumer protection and emergency services); and a requirement for decisions to be evidence-based and accompanied by a cost-benefit analysis. Some others also saw the principles as too weighted towards consumers rather than industry interests.

3.31 Ofcom acknowledges that there could potentially be some conflict between principles, but in the decisions that we lay out in this document we have sought to create a framework within which such conflicts, notably between availability and meaning of numbers, are far less likely to arise. The principles are inevitably based on consumer interests, but Ofcom believes that this is appropriate, and does not in general conflict with the interests of providers. Ofcom considers that the additional proposed principles are either captured within its own proposed principles, or concern routine Ofcom processes that do not need to be replicated in the principles. As a result, Ofcom can confirm that it will adopt the principles listed at paragraph 3.27 and take them into account in its future numbering policy decisions.

3.32 On the issue of technological changes, some respondents believed that technology had already moved on enough that we could, for example, scrap 0870 calls in favour of Internet-based calls, or even move away from telephone numbers completely. But such views were not typical, and are not supported either by Ofcom's consumer research on views towards numbering or the increasing use of various types of telephone numbers. Other comments were made on fixed-mobile convergence, some suggesting that we might constrain innovation by maintaining the meaning of current call types; it was suggested that fixed-mobile convergent services should be given a separate number range. Ofcom's general response to these points is that we are not trying to skew the pace of technological change through our numbering policy, but that we have scope through our numbering allocation approach to adjust to the evolution of the market, and can keep convergence issues under review. The idea of a fixed-mobile number range is a specific example of Ofcom's approach. Ofcom believes that, at this stage, the evolution of fixed-mobile services can be

accommodated within its number allocation policy for current number ranges. Ofcom will be considering the service definitions applying to all number ranges during the second half of 2006, and that work will inevitably consider further whether current services are appropriately located within current number ranges. Another point, made by some communications providers, is how soon the constraints on geographic numbering might be removed. This issue is considered in more detail in Section 4.

A consumer protection test

3.33 Ofcom also considered a variety of means by which these strategic principles could be realised in practice. Those proposals which are specific to particular number ranges and/or particular areas of concern are discussed in more detail in Sections 4-6. However, Ofcom also proposed an overarching 'consumer protection test', which would be adopted as a general measure across the Numbering Plan.

3.34 Such a test would represent a significant shift in Ofcom's approach to numbering administration. Ofcom has historically applied a rather technical set of tests to requests for numbers, which have tended to focus on technical compliance with the Numbering Plan, and the technical efficiency with which numbers will be used. This approach has historically tended to focus on Ofcom's specific statutory duties in relation to numbering, as set out in sections 56-63 of the Act.

3.35 The introduction of a consumer protection test would still take account of Ofcom's specific statutory duties in relation to numbering, but would also place greater emphasis on Ofcom's over-arching duty to promote the consumer interest, as set out in sections 3 and 4 of the Act. As well as acting to further the interests of consumers, Ofcom's duties in sections 3 and 4 require Ofcom to act in a way that promotes competition by securing the availability of a wide range of communications services and by implication, making available numbers on which such services can be provided. Ofcom has to balance these two sets of interests carefully and when there appears to be a conflict in fulfilling these duties, Ofcom has to state why one interest is being promoted over another. Ofcom believes that where numbers are subject to persistent and serious abuses that result in adverse impact on consumers, the need to protect consumers will outweigh the requirement to ensure numbers are available without any hindrance. The test that Ofcom intends to develop would therefore seek to deny allocations of numbers to providers that have persistently and/or seriously abused consumers.

3.36 In implementing such a test, Ofcom would need to ensure that decisions to withhold or withdraw numbers are proportionate, non-discriminatory, objectively justifiable and transparent. Accordingly, Ofcom invited views on whether, as long as these criteria were met, a consumer protection test was a desirable initiative to counter consumer abuses. In particular, Ofcom welcomed views on how such tests could be applied practically so that they did not impose a disproportionate burden in relation to the benefits achieved. Specifically, Ofcom highlighted the following;

- the test must identify accurately those organisations and individuals that seek to conceal previous abuses when applying for numbers;

- the test must be straightforward to apply on a case-by-case basis as part of the normal process of administering number allocations, whilst any review or appeal process must be both rapid and effective; and

- enforcement must work equally effectively against those that are allocated numbers directly and those that may use sub-allocated numbers. This relates to the issue of which party should be held accountable for misuse.

3.37 We went into more detail in the consultation document by proposing certain conditions that might be applied as part of a consumer protection test to be used when allocating numbers:

- ***Condition 1***: All applicants for numbers should provide full contact details to Ofcom, within set time limits, of the communications providers to whom any numbers within their control are sub-allocated, transferred or ported, and advise those communications providers receiving numbers of their obligations in using those numbers;

- ***Condition 2***: Numbers should not be provided to anyone who has a particular track record of persistent and/or serious consumer abuse; and

- ***Condition 3***: Numbers should not be provided to anyone who has a particular track record of using numbers in a way that is not consistent with the requirements of the Numbering Plan.

3.38 We also considered withdrawing numbers based on a consumer protection test. We noted that number withdrawal was a more complex issue, both in practical terms and because it could potentially disrupt many consumers currently receiving services. However, we concluded that we could, in principle, amend the Numbering Condition or set a new general condition that requires communications providers to ensure that their customers do not use their allocated numbers in particular ways that would abuse consumers. Ofcom therefore could attach conditions on number use to those companies to which we allocate numbers and, where those conditions are breached, the withdrawal of numbers could then be governed by clear rules.

3.39 Ofcom acknowledged that the development of a consumer protection test for the withdrawal of numbers would cause us to take into account similar issues as those that would apply to a consumer protection test for number allocation. One such consideration, for example, was how best to promote responsible behaviour both by those to whom numbers are directly allocated, and those receiving sub-allocations of numbers. Also, in process terms, we would wish to take decisions on a case-by-case basis, according to a number of factors, whilst using some triggers to investigate particular cases in which numbers might be withdrawn.

Responses to consultation

3.40 In summary, there was strong support, from communications providers and other respondents, for the principle of establishing one or more consumer protection tests that would permit Ofcom to deny allocations of numbers to providers that persistently and/or seriously abuse consumers, in order to minimise consumer harm. Withdrawing numbers for consumer abuses was also given broad support, although the issue of continuity of service to consumers was considered to be important in that area.

3.41 A strong theme in the responses was that the detail of the tests required further consideration, and should be the subject of wider consultation across the Industry. For example, a number of respondents commented that such tests would have to be effective and to add value, beyond current protections such as ICSTIS, at a reasonable cost.

Strategic decision and next steps on consumer protection tests

3.42 The idea of consumer protection tests has clear implications for citizens' and consumers' interests as it attempts to directly target those who commit various abuses of consumers across various services.

3.43 It is clear from the consultation responses received that the concept of a consumer protection test in numbering is supported by a clear majority of stakeholders, of different types. This supports Ofcom's own views, as advanced in the consultation document. Ofcom has decided, therefore, that we will establish consumer protection tests in relation to the allocation of numbers, and also in relation to the withdrawal of numbers.

3.44 Ofcom has also decided that it would be worthwhile to consider an alternative or complement to the withdrawal of numbers, in the form of a requirement to cease services on certain numbers for breaches of consumer protection tests. Such a requirement might be implemented as a condition attached to the award and possession of numbers. It could be a more rapid, effective and proportionate way to take action than withdrawal of whole number blocks.

3.45 Ofcom agrees with the view that the details of such tests need to be the considered further, and that this should involve active engagement with representatives from industry and consumer bodies. We want to ensure that the tests will be effective and non-burdensome, and we need to make sure that their detailed operation will comply with legal requirements.

3.46 Accordingly, over the coming months, Ofcom will discuss these issues with stakeholders, with the aim of consulting later this year on more detailed proposals. Some of the questions to consider in these discussions, as identified in consultation responses, are:

- What are the appropriate benchmarks for breaching the tests?;
- Which are the priority services and abuses to be captured?;
- What are the appropriate standards for due diligence by communications providers of third parties who use the numbers?;
- How can we avoid duplicating other work, for example in relation to ICSTIS?;
- How can a rapid response be taken once harm/abuse has been identified?; and
- How can customer harm be limited or avoided where numbers are withdrawn?

Current UK numbering concerns

3.47 The strategic framework set out above can be applied to a number of current concerns which potentially undermine the value of numbering as a critical national resource. These concerns are summarised in Figure 3.1

Figure 3.1 Concerns with the current UK Numbering Plan

Range	Purpose	Concerns
01 and 02	Geographic numbers	• Many ranges close to exhaustion • Potential for disruptive number changes • Erosion of geographic meaning
03 and 04	Unused	
05	Various	• Purpose unclear, utilisation low
06	Unused	
07	Personal and mobile numbers	• Personal numbers poorly understood, subject to scams • Mobile tariff transparency poor
08	Non-geographic numbers (call charges <10ppm)	• Consumer distrust of current plan • Industry concern re cost of migrating to anything new • Key ranges close to exhaustion, exacerbating the above
09	Non-geographic numbers (Premium rate)	• Strong consumer distrust • Some existing numbers ranges already exhausted • Overlapping nature of new ranges destroys transparency

3.48 Consultation comments on Ofcom's assessment of current concerns with the Numbering Plan are summarised in paragraphs 3.29 – 3.32 above, due to the overlapping nature of many comments with those on Ofcom's strategic principles.

3.49 The next few sections explain how we have applied the strategic principles to tackle these current concerns and ensure coherence in the future Numbering Plan and administrative arrangements. These sections are structured as follows:

- Section 4 sets out our proposals in relation to geographic numbers. The main purpose of these proposals is to protect against exhaustion, in order to minimise the risk of number changes. We confirm proposals to extend the use of conservation measures, and believe these should be sufficient to protect against the risk of exhaustion in most geographic areas. We confirm our intention to use overlay codes as a fallback, where such conservations measures are insufficient to meet demand. Finally, we discuss the possibility of charging communications providers for the numbers that they use, in order to provide an incentive to use these numbers efficiently;

- Section 5 sets out our proposals in relation to non-geographic numbers. The main purpose of these proposals is to provide increased transparency as to the services and tariffs provided on these numbers, and do so in a manner that can cope with expected growth in the use of these numbers. We confirm our proposal to open a new number range (03) for those businesses and public sector bodies which have a national presence, but which do not wish to make an additional charge to consumers for incoming calls. We also confirm proposals to simplify the structure of the existing 08 and 09 ranges. Finally, we confirm the principle that the service descriptions which apply to these numbers should apply to calls which originate on all networks, in order that all consumers receive the benefits of increased transparency; and

- Section 6 sets out our proposals in relation to personal and mobile numbers. The main purpose of these proposals is to address the consumer abuse currently associated with 070 personal numbers, and establish the 07 range as being a mobile range. We confirm our proposal to close down the 070 range within three

years, and in the meantime to apply a price ceiling to calls made to these numbers. We confirm our proposal to set aside the 06 range for future personal and individual numbering services, but will postpone making allocations from this range until the level of demand for such services is established, and a variety of practical issues resolved.

Section 4

Meeting demand for geographic numbers

Introduction

4.1 Geographic numbers are the most trusted and widely recognised form of number by consumers. They are also the type of number in most demand by communications providers. This has been borne out by consumer research and the continuing high level of allocations to communications providers.

4.2 There are two main elements to geographic numbers – a simple and low tariff structure and location identity. The provision of location identity means that the available 01 and 02 geographic numbering resource is divided into over 600 geographic areas. This restricts the amount of number blocks available for allocation to communications providers in each geographic area.

4.3 The consultation document explained that the increasing pressure on geographic numbers could result in a potential scarcity of numbers over the coming years which would need to be addressed. It was explained that this was not due to an increase in the underlying demand for numbers from consumers. Rather, geographic number scarcity was due to an increasing number of communication providers requiring number blocks, which results in fragmentation of the Numbering Plan. This fragmentation is exacerbated by restrictions in the way numbers are used by legacy networks, which requires them to be allocated in large blocks of 10,000 numbers.

Consultation proposals

4.4 In the consultation, Ofcom set out the strategic approach and policy aims which informed its development of proposals for the management of geographic numbers. The approach involved:

- favouring, where possible, measures that provide continuity and cause the least disruption and cost to consumers;
- proposing measures that can be expected to provide continued availability of geographic numbers for the foreseeable future. The manner in which the measures are implemented should be neutral in their treatment of communications providers and not create a barrier to entry into the market;
- retaining tariff transparency, so that a caller pays what he/she expects to pay for a call to a geographic number. This principle should be retained, for instance, when geographic numbers are used “out-of-area” or are used for calls to mobile handsets; and
- not hastening the erosion of location significance but recognising (and not stifling) the effect of network and service evolution on that significance.

4.5 The consultation document explained that the lack of number blocks available in some areas meant that action was required to ensure the ongoing availability of geographic numbers. Two levels of approach were set out. The primary focus is to manage demand for blocks of geographic numbers by introducing tighter forecasting and monitoring processes, increase conservation measures and encourage better utilisation of allocated numbers. The second, or supplementary approach, was to

increase the supply of numbers. As stated in the consultation, our preferred mechanism for increasing the supply of numbers is to introduce an additional code in areas experiencing a number shortage (i.e., overlay codes). This has the advantage over some other supply-side measures that it requires no change to existing numbers. Alternative options were to close the UK's numbering scheme so that local dialling is no longer possible or implementing a code change and moving to wide area codes. Ofcom set out a strong preference for measures that manage demand, because of the disruption to consumers associated with most supply-side measures.

4.6 A further issue dealt with in the consultation document was the effect caused by the erosion of location significance due to geographic numbers being used "out of area" and the emergence of nomadic services.

Proposals to manage demand for geographic numbers

4.7 Ofcom's preferred approach to meet demand for geographic numbers is to extend measures that produce a better utilisation of existing numbers. This can be achieved through conservation measures, which reduce the block-size used for allocations to communications providers from 10,000 ('10k') numbers to 1,000 ('1k') numbers. Smaller block sizes provide a better match to the requirements of smaller providers. Conservation measures are already agreed and in place for geographic numbers in certain areas which have previously experienced a shortage of numbers. In the consultation, Ofcom proposed to retain the concept of conservation measures and extend their use to conserve the existing geographic number resource in more areas with limited numbers, thus offsetting the need for supply side measures.

4.8 Conservation measures involve estimating when a geographic area is likely to run out of number blocks for allocation to communications providers. Current measures rely on predicting when an area has less than ten blocks available for allocation. Areas where this situation is predicted in the next two and ten years are then designated as Type A and Type B Conservation Areas respectively and blocks are either allocated (in the case of Type A) or use restricted (in the case of Type B) to 1k blocks. In the consultation, Ofcom suggested that the forward-look period for deciding whether a geographic area needed to become a conservation area should be extended from two years to five years. This was due to Ofcom's prediction that the roll-out of Next Generation Networks (NGNs) would remove the technological limitations that have required the allocation of geographic numbers in large blocks and resulted in poor utilisation. It was expected that NGNs would have some impact on routing capabilities within the next five years. We also suggested that numbers in all other geographic areas are used by communications providers on a restricted 1k number block basis to aid potential future moves to conservation status. In essence, therefore, we proposed that more areas would become Type A Conservation Areas, all other areas would become Type B Conservation Areas and these would be redefined as "Conservation Areas" and "Standard Areas" respectively.

4.9 Regular and accurate forecasting is fundamental to ensuring number management processes deliver the objective of ongoing availability of numbers. Ofcom proposed the development of a model that allowed for more precise advance planning for each geographic area. The model would provide the information required by Ofcom to decide which areas require conservation measures and which areas, if any, would require additional measures to provide sufficient numbers to meet communications providers' requirements.

4.10 Ofcom's primary aim in implementing conservation measures is to improve the utilisation rate of allocated number blocks. We proposed a series of additional

measures to achieve this objective in the consultation. These included the withdrawal of unused 1k number blocks from areas that have become conservation areas; investigating possibilities to improve utilisation of legacy allocations (primarily allocations to BT); and new approaches to number allocation such as number pooling and charging for numbers.

Fallback options for increasing supply of geographic numbers

4.11 Ofcom's preferred approach to managing geographic numbers is to improve communications providers' utilisation of existing numbers through more widespread conservation measures and other means of encouraging good husbandry. However, while improved demand management reduces the speed at which numbers are allocated to communications providers, it can not increase the overall supply of numbers. Although Ofcom proposes to use improved demand side measures to avoid the need for any changes to consumers' numbers or dialling behaviour, it is possible that some areas will need an increased supply of numbers to meet demand. Therefore, we proposed adopting a fallback solution to supplement conservation measures in those areas.

4.12 Ofcom's preferred option for increasing the supply of geographic numbers where conservation measures are insufficient was the introduction of overlay codes. An overlay code expands the amount of available numbers in a code area by 'overlaying' a new code on top of the existing code. The important point about overlay codes is that existing numbers do not need to change.

4.13 We also sought views on two other options for increasing the supply of geographic numbers – closing the numbering scheme, and wide area codes. Closing the numbering scheme involves removing the ability for consumers to dial local numbers without the area code, which increases the availability of numbers in each number block by about 25 per cent. Wide area codes instigates a code change, requiring consumers to change their existing numbers according to a set migration plan to numbers from a much larger code area with a plentiful supply of numbers. Due to the adverse impact on consumers of a code change, Ofcom made clear in the consultation document that code changes, either as wide area codes or in any other form, were not a recommended option.

4.14 In the consultation document, Ofcom analysed the options for increasing the supply of numbers and considered under which circumstances each would offer the most appropriate approach. We considered that overlays provided a localised solution to a localised problem, and would be suitable if relatively few area codes were likely to exhaust before NGNs removed the restriction on block size for allocation. Closing the numbering scheme across the UK would be feasible if the need for more numbers was likely to be more than a localised need, and that demand could be satisfied by an injection of 25 per cent more numbers. Changing numbers to wide area codes would be a highly disruptive course of action and would only be required as a general step if the UK experienced unprecedented demographic changes in the next three to five years, forcing a dramatic increase in demand for more telephone numbers across the UK.

4.15 Ofcom looked at the likely future demand for numbers and the availability of existing numbers to meet that demand. It concluded that a moderate improvement in utilisation rates, from the current average of 15 per cent of available numbers to about 30 per cent, would reduce the number of geographic areas currently at risk of number shortages from 34 areas to zero. Ofcom predicted that its proposed extension of conservation measures should be able to deliver this level of

improvement in utilisation. There would, therefore, be at worst a localised requirement for additional numbers

4.16 Ofcom concluded that overlay codes offered the most effective means of providing additional capacity in a targeted manner without impacting consumers in unaffected areas. Overlay codes, therefore, cause the least cost and disruption to consumers. Whereas wide area codes would entail a major change to the structure of UK geographic numbers, overlay codes require no change to existing numbers, even within the area covered by the overlay code. There would be some changes to dialling behaviour, as local dialling may no longer be possible in these local overlay areas, but the number of calls affected would be a very small `fraction of those which would need to be dialled in full if the option of closing the numbering scheme across the UK was implemented.

4.17 The outcome of Ofcom's impact assessment on options for geographic number management was that an extension of conservation measures, with overlay codes as a fallback measure, constituted the most appropriate cause of action given the pattern of predicted shortages in geographic numbering. Therefore Ofcom's proposals in the consultation document were to:

- increase the use of conservation measures:
    - by taking a longer term approach and assessing the risk of number shortage over a five year timeframe; and
    - by implementing additional measures to improve number utilisation, such as unused block withdrawal, consistent code and number length and number pooling.
- use overlay codes as a fallback option in areas where conservation measures are insufficient to meet demand.

Charging for numbers

4.18 Ofcom has been considering the issue of charging communications providers for telephone numbers, in order to help improve the use and management of telephone numbers. One immediate potential application of charging for numbers is charging for geographic numbers, on the basis that Ofcom wishes to avoid changes to local area codes and dialling behaviour that geographic number supply measures would involve. While the general approach to charging outlined below can be applied to other number ranges, the discussion is presented here alongside other options for addressing geographic number availability concerns.

4.19 In the consultation document we discussed the present situation in which numbers are allocated for free, suggested why charging for numbers might be worth pursuing and proposed some principles that Ofcom could consider as relevant when developing a charging structure for telephone numbers. These issues are now summarised.

4.20 Ofcom currently allocates blocks of telephone numbers free of charge, on demand, and on a 'first come first served' basis. Various rules are used – for example, blocks are only allocated to providers that have used a significant proportion of their existing allocation. Also, the size of number blocks allocated varies according to availability. This approach aims to ensure that a higher proportion of numbers is utilised. Ofcom also seeks to ensure the efficient use of numbers through informal discussions with

providers about the utilisation of allocated numbers; regular formal numbering audits; reclaiming number blocks that are not in use; and potentially restructuring number ranges that are poorly utilised.

4.21 This 'command and control' approach suffers from several failings:

- it is highly intrusive, in that it requires Ofcom to investigate the operational business practices of communications providers to determine if numbers are being efficiently used;

- it is economically inefficient since it would not signal the true cost of providing additional numbers. This might, for example, lead operators to provide multiple numbers to a single end user even where the user placed a low value on them, which might increase apparent utilisation even though it would be economically inefficient; and

- current utilisation rates (about 15 per cent for geographic numbers) suggest that it may not be a particularly effective way to ensure technical efficiency.

4.22 Inefficient use of resources is a characteristic of many administrative systems that make no use of market-based incentives. Ofcom does not believe that a system for managing numbers based entirely on market mechanisms is appropriate, since it is unlikely to be an effective mechanism to protect consumers/citizens from abusive practices. However the introduction of specific market mechanisms in regard to the *process* of allocation could increase the efficiency with which numbers are utilised whilst partially decreasing the administrative burden on Ofcom and the regulatory burden on industry, without undermining consumer protection. Charging for numbers, which Ofcom now has power to do under the Act, might result in regulation which is both more effective and less intrusive.

4.23 In a market-based system, charging might be used to promote the efficient use of a scarce resource ('allocative efficiency' in economic terms). A possible first step in introducing market mechanisms would be to signal to communications providers the costs of making numbers available by introducing a 'cost-based' charge. Ofcom believes that charging would be effective at increasing the efficient use of numbers if it encourages communications providers to assess more carefully their need to request and hold numbers, taking into account their own costs as well as those they impose indirectly on others.

4.24 In developing a cost-based charge Ofcom would seek to maintain certain principles to ensure that the charge is fair, proportionate, promotes efficient utilisation and does not unduly discriminate between communications providers. These principles include:

i) *Cost-reflective* - the charge should reflect the marginal or incremental costs that are relevant to the decision being taken;

ii) *Cost causation* - the charge should be recovered from those whose actions cause the costs to be incurred at the margin;

iii) *Cost minimisation* - the charge should aim to minimise the total cost of numbering allocation, capacity enhancement and numbering usage;

iv) *Effective competition* - the charge should not undermine the pressure for effective competition and should be set on a non-discriminatory basis; and

v) *Transparent, stable, practical and comprehensible* - the structure of the charge and the basis on which it is set should be clear and understood by all communications providers.

4.25 There are many considerations when applying these principles to set any charges. Ofcom would need to decide which costs were relevant. We would also have to decide when to charge – at the point that numbers are allocated and/or as an annual payment. Another issue is whether charges should vary, either between number ranges (types of services) or between geographic areas. We would also need to consider the impact on different types of providers, to avoid discrimination.

Consultation responses on geographic numbers and Ofcom's comments

Conservation measures

Responses from consumers

4.26 Most individuals that commented on the proposals for geographic number management supported stability in numbers rather than number changes. There was general support for conservation measures as the most sensible approach.

Responses from communication providers

4.27 Communication providers were encouraged by Ofcom's proposals for geographic number management and all supported the proposal for a limited extension of conservation measures. It was agreed that number changes should be avoided and that demand for geographic numbers from communications providers would continue to increase. There was also a general agreement that low utilisation of numbers in 10k blocks was the main cause of geographic number shortages.

4.28 The consultation document predicted the need for between 55 and 77 new conservation areas in addition to the existing 51 Type A conservation areas. Communications providers believed that this level of increase in conservation areas could be managed. More conservation areas could possibly be accommodated if required, but this would be subject to technical constraints and other requirements for 1k number block routing. Communications providers also agreed that restricting the use of numbers in non-conservation areas to units of 1k was a sensible measure.

4.29 Most communications providers supported the extension of the forward look period for designating conservation areas from two to five years. However, Ofcom was urged to maintain discussions with communications providers on the best approach to conservation measures. Flextel thought it would be very difficult to predict five years ahead and was concerned that it might lead to an excessively conservative approach which might restrict innovation. UKCTA thought that a five year forward look was too far in the future and suggested that four years, which is double the current time span, would be more appropriate, encouraging regular reviews of demand and availability of geographic numbers.

4.30 Thus felt that there was an assumption that moving to1k allocation of numbers in conservation areas was essentially cost-free for communication providers. It argued that even with the availability of sufficient network resource to route numbers at the 1k level, and bearing in mind that this was also needed by communications providers for other purposes, there were significant costs involved in managing call routing tables. It was mentioned by Magrathea that while IP networks did not have a decode limit, it was suspected that some legacy networks would have a finite limit and that

the impact on availability of decode resource depended on the specifics of the network concerned. One provider felt that the technical feasibility of implementing conservation measures should be considered by an industry working group that could appreciate the feasibility restraints for different communication providers.

4.31 Communication providers generally felt that additional measures to improve utilisation could be implemented, but only where it was evident that allocation at the 1k number block level was insufficient to ensure the ongoing availability of geographic numbers in an area. It was largely felt that the issues involved in additional measures to improve utilisation lay in their implementation and practical problems were envisaged. For example, number pooling could cause problems over ownership of the most attractive numbers. Number withdrawal would result in significant costs for communications providers and would require a reasonably long timescale. There would be an added complication if charging for numbers was introduced. The overall feeling was that such additional measures should only be considered following further consultation with stakeholders.

4.32 BT stated that the extent to which number pooling and 1k number block withdrawal could be implemented would be restricted due to legacy network constraints. It also felt that forced number changes were not required, thinking particularly of possible changes to extend the length of some of its customers' four and five digit subscriber numbers.

Responses from organisations

4.33 Most organisations that responded to the consultation document recognised the need for the geographic number conservation measures proposed. The Scottish Executive urged Ofcom to conduct a two year interim review to assess the situation.

4.34 Practical concerns regarding implementation of number pooling were expressed by some organisations. In particular, issues involving ownership of memorable numbers and legal recourse were highlighted. There was also comment on the benefits of a cross-industry working group to discuss options for improved utilisation methods.

Ofcom's comments

4.35 Ofcom welcomes the support from respondents to its proposals for extending conservation measures as a means of prolonging the life of the available geographic numbering resource. We also note the acceptance of the assumptions behind conservation measures – that communications providers' utilisation of geographic numbers is currently low and this has lead to a scarcity in some areas. We note communications providers' belief that the anticipated requirement of an additional 55 to 77 conservation areas could be accommodated, while also acknowledging the principle that conservation areas should be kept to the minimum required.

4.36 Extension of the forward looking view for conservation measures from two years to five areas received general support. Ofcom considered UKCTA's suggestion that a forward look of four years may be more appropriate, but was of the view that that this timescale may not be sufficient to offset the need for supply side measures. In response to requests for a more regular review, Ofcom wishes to point out that the forward look referred to the trigger point of deciding when an area needed conservation measures by identifying when it was likely to run out of available blocks for allocation. It is not an indication of the frequency of reviews of number availability. Such reviews will be conducted in a regular and ongoing basis as part of a geographic number management programme. Specific proposals to designate new

conservation areas will continue to be subject to consultation, and this will provide communications providers with an opportunity to review Ofcom's analysis.

4.37 Ofcom appreciates that conservation measures will have some impact on communications providers in terms of costs and demands on resource - decode and otherwise. However, we believe that this impact is less than the costs of increasing number supply and will certainly have less impact on consumers. Most respondents to the consultation document appear to share this view. As suggested in responses, issues involving the technical feasibility of implementing conservation measures will be discussed in industry working groups.

4.38 Ofcom agrees that the practicality of additional measures to improve utilisation, such as number pooling and 1k block withdrawal, lies in the implementation details. It welcomes industry input on these issues and plans to further explore how additional measures could be used as part of the geographic number management programme. Ofcom understands communication providers' wish that such measures not be implemented unless it is clear that they are necessary, and proposes to focus its detailed analysis on those geographic areas most at risk of exhaustion.

Supply side measures - overlay codes

Responses from consumers

4.39 Most individuals agreed that overlay codes were the most appropriate fallback option and welcomed an avoidance of telephone number changes. However, it was felt that their use should be kept to the minimum possible. A few commented favourably on the North American Numbering Plan, which uses overlay codes as a means of increasing the supply of numbers. One respondent, however, felt that overlay codes represented a last-minute measure implemented when no alternative approach was possible. A few respondents argued that local involvement should be sought in areas requiring overlay codes, with a referendum to determine the best form of overlay for that area.

4.40 A few individuals expressed reservations over the implementation of overlay codes. One was strongly against their introduction, arguing that multiple codes for an area would lead to confusion. It was felt that overlay codes ran counter to Ofcom's objective of simplifying the numbering scheme and that it should concentrate on improving utilisation of existing numbers. Another respondent was concerned that the confusion resulting from two codes for the same area would lead to numbers being wrongly dialled locally if the same subscriber number was issued in both codes. This would be particularly annoying for customers allocated a number where the subscriber number in the other code attracted a large volume of calls.

4.41 Another individual strongly opposed overlay codes, arguing that they were anti-competitive, particularly for local businesses with numbers from the new code as they provided very little opportunity for local dialling. It was also felt that the concept of overlay codes would be confusing, particularly for visitors to an overlay area who had not previously experienced two codes for the same place.

Responses from communications providers

4.42 All communications providers supported the general concept of overlay codes where conservation measures proved insufficient, welcoming an option that avoided the need for number changes.

4.43 BT felt that local consultation was required if and when an area was determined as requiring an overlay code. It also suggested that Ofcom develops an overlay code plan to help local areas decide which 01 or 02 code should be used.

4.44 BT also noted that the implementation of overlay codes was not without impact and therefore the use of overlay codes should be kept to a minimum. It commented that introducing a new number group could be problematic, especially on System X switches. It also remarked that overlay codes could be perceived as creating a barrier to market entry for communications providers. If this proved likely, it was suggested that numbers from the old code should not be allocated for a period while the new code was established.

4.45 On the point of possibly disadvantaging new entrants, IV Response commented on the prospect of assigning numbers in overlay codes to VoIP provider customers, as they are not generally as concerned with the number's geographic significance. UKCTA requested minimal use of overlays, possibly between ten and 50 codes, due to the competitive disadvantage of being allocated the new code. Viatel commented that it had experienced some consumer resistance to the new 020 3 numbers.

4.46 Thus supported an approach based on overlaying a new code on areas that had run out of available number blocks, but did not agree that the overlaid area need match the exact limits of the old area code. It argued that rigid observance of exchange and charge code boundaries was one of the reasons for the current number shortages. As most call tariffs are no longer linked to location, it was time to take a more flexible approach. Alternative implementations of overlay codes included moving area boundaries or using numbers from adjacent area codes with a plentiful supply of numbers, and overlay codes covering wider areas than currently exist.

Responses from organisations

4.47 The majority of organisations supported the use of overlay codes as the most appropriate fallback option. Overlay codes were felt to have a number of advantages over other options, particularly the lack of disruption to consumers. It was mentioned that a clear and timely warning of their implementation would be required by all stakeholders. It was also mentioned that the adoption of overlay codes should not be taken lightly as there was potential for consumer confusion and a burden on communications providers. The Network for Online Commerce (NOC) and the Transact Group Limited felt that 50 overlay codes should be considered the maximum.

4.48 The Communications Managers Association (CMA), however, was strongly opposed to overlay codes, arguing that they would be confusing, lacked flexibility and transparency, and were inherently anti-competitive for local businesses. Consumers liked to remember and dial the local number only. If overlay codes were to be implemented, the CMA stated that local consultation would be needed to agree the best means of implementation.

4.49 The Welsh Assembly urged Ofcom to look closely at all three options for increasing the number supply when considering the most appropriate approach for Wales. Its national identity should be taken into account and the decision informed by market research into the most suitable solution for Welsh consumers and businesses.

Supply side measures - wide area codes

Responses from consumers

4.50 Most individuals were against changes to existing numbers, particularly, as some mentioned, the UK had undergone a number of changes to geographic numbers in recent years. One respondent felt that wide area codes were confusing and, to illustrate, pointed out that in Southampton, where the code 023 80 was introduced in 2000, it was still common for local residents to refer to and advertise the old 01703 code and assume people would know that they meant 023 80.

4.51 A few respondents liked the simplicity offered by wide area codes, finding them logical, particularly if codes indicated regions and the higher numerically the 02X code the more northerly the location. If introduced, there was support for using regional boundaries as the basis. Some respondents felt that wide area codes should remain an option for the future, while one suggested an alternative implementation scheme which would use wide area codes as overlays rather than a new code for each existing area. However, most individuals who liked the concept of wide area codes also recognised that its benefits may not be sufficient to outweigh the costs and inconvenience of number changes.

Responses from communication providers

4.52 All communication providers opposed the concept of number change and wished to avoid this option where possible. It was acknowledged that the UK population had experienced enough number changes in recent years and the disruption and cost should not be underestimated. The impact on communication providers would also be significant. BT stated that the last number change in 2000 cost it alone over £50 million. Consumer research which showed a more accommodating consumer view of number changes should be treated with caution. It was believed that consumers would not want to endure a code change in order to create a regional identity through telephone number codes. Also, such an approach to numbering would need to be handled with sensitivity due to the political and social implications of drawing boundaries. A further point made was that any regional identity created by wide area codes would be diminished by the growing use of geographic numbers out-of-area.

4.53 Thus expressed concern at the amount of geographic number blocks protected to provide a plan for wide area codes and requested an insight into the planning.

4.54 UKCTA, while supporting overlay codes as the most appropriate fallback option, still felt that Ofcom should remain open to all options, including wide area codes, and monitor geographic number demand against the impact of new technologies. It commented that 03 would be the logical number range for wide area codes, yet Ofcom was proposing an alternative use for 03 in the consultation.

Responses from organisations

4.55 Most organisations considered the wide area code option to be a measure of last resort and rejected it due to the cost and disruption of implementation. While some found it an interesting option, it was acknowledged that any benefits would be outweighed by the disadvantages of a number change. It was also mentioned that regional identity in telephone numbers had been eroded by mobile number use. One respondent suggested that the number block protections put in place to preserve the wide area plan should be removed to help conserve the current number supply.

4.56 In contrast to other responses, the CMA argued that wide area codes would provide a limitless supply of numbers and that it was reckless of Ofcom to abandon this approach, particularly as it proposed replacing it with micro-forecasting and micro-management of the current resource. It pointed out that over 50 per cent of the UK consumers already had 02 wide area code numbers and that it provided a tried and trusted method of managing the geographic numbering resource. Wide area codes need not represent a mass change, but be implemented only in areas that run out of existing numbers. It also felt, through its experience of the code and number change in the year 2000, that it was possible to over-emphasise the risk of negative consumer reaction to code changes. Ofcom was urged to reconsider its proposal to implement overlay codes as the preferred fallback option and gather detailed information on scenarios for number exhaustion and relief which would highlight preferences around the UK.

Supply side measures - closing the number scheme

Responses from consumers

4.57 Most individuals that commented on this option thought that removing the ability to dial a local number without the area code would be confusing, particularly for elderly consumers, and wanted to retain the benefits of an open dialling plan across the UK. The option was also seen to affect all consumers rather than limiting the impact to those in code areas experiencing a number shortage.

4.58 One individual favoured removing local dialling as a solution to number shortage, and pointed to the success of this measure in some other European countries, such as Italy.

Responses from communications providers

4.59 Communication providers generally considered closing the number scheme to be technically straightforward. However, due to the value consumers place on local dialling and the potential for confusion, this option was not supported as an appropriate measure across the UK. Also, it was noted that closing the number scheme created far less additional numbers in an area than the other options.

Responses from organisations

4.60 Organisations expressed concerns regarding the changes to consumer dialling behaviour, the additional digits which would need to be dialled and a loss of geographic identity that would result if implemented. The Premium Rate Association, while not favouring the option, felt that with clear communication, there would be minimal disruption to consumers already comfortable with dialling the full geographic number from a mobile handset.

Alternative fallback options

4.61 One individual suggested that code areas experiencing a number shortage could use numbers from an adjacent code area that had a plentiful supply. Another recommended an alternative number change option, where a new code beginning with 02ABC was given to each 01ABC code area. However, this would require changing code areas that were already using 02 numbers to fit in with the scheme. A further suggestion to increase the number supply was to increase the number of digits in the telephone number.

4.62 One respondent suggested that 01 and 02 numbers should not be used for payphones, which would free-up 110,000 numbers. By using a non-geographic number instead for payphones, revenue generated from the call could be set against the cost of allowing incoming calls to payphones.

Ofcom's comments

4.63 Ofcom acknowledges the general support from respondents to the proposal for overlay codes to increase the number supply in areas where conservation measures are insufficient to meet demand while noting that such measures should only be used where absolutely necessary.

4.64 Respondents made the point that clear and timely information on the implementation of overlay codes was required. Local consultation is also considered to have a role to play in determining the best approach to how overlay codes are implemented. This point was particularly raised by the Welsh Assembly with respect to the geographic numbering supply in Wales. Ofcom accepts both of these points. We intend to provide as much notice as possible of the need for an overlay code in an area and aim for this notice period to be two years except in exceptional circumstances. We will also ensure that representatives of the area are involved in the communication and implementation aspects. It is also important to note that any specific proposals to introduce a new overlay code would be subject to a full public consultation.

4.65 A few respondents argued against the concept of overlay codes. Three main concerns were raised – (a) the perceived anti-competitive nature of overlays, due to the fact that new entrant communications providers and new local businesses will not have access to an established code; (b) inability or reduced ability to local dial; and (c) possible confusion between different local numbers with the same subscriber number. Ofcom acknowledge these concerns, and stress again that our primary focus is on avoiding the need for any supply side measure, including overlay codes. However, it would be irresponsible not to plan for some form of fallback measure, and in the view of Ofcom and the vast majority of respondents who commented on this issue, overlay codes are the least costly and the least disruptive option for the majority of stakeholders. In the event that it is necessary to introduce overlay codes, Ofcom would consider and consult on means to mitigate the concerns raised.

4.66 Ofcom understands that some respondents would feel more comfortable if the option of wide area codes was not ruled out entirely. Ofcom agrees that, insofar as there is no cost associated with keeping this option open, it is reasonable to do so. Indeed, wide area codes may at some point in the future be seen as an appropriate option for certain specific geographic areas, especially areas with strong regional or national identity. However, as explained in the consultation document, the ability to move the whole of the UK to wide area codes requires the protection of a huge amount of number blocks from the current supply – number blocks which could be used now to meet numbering demand. Ofcom does not believe that it is in the best interest of consumers to maintain these protections on a speculative basis and does not propose to do so.

4.67 A few alternative options for increasing the supply of geographic numbers were suggested in responses. Using numbers from an area with a plentiful supply of numbers to meet demand in an adjacent code area with a limited supply was considered by Ofcom but rejected as a viable option for the consultation. The reason for its rejection was that there may not always be an adjacent area with a sufficient amount of spare number blocks and there is also the danger that this may generate an insufficient supply of numbers in additional areas. This option was also considered

confusing for consumers, as it would extend the scope of area code for some numbers and may have an impact on location and charging transparency.

4.68 Another suggestion also considered and rejected by Ofcom was to increase the amount of digits in a telephone number thus increasing the amount of numbers in a block. This was rejected due to the impact on consumers of increasing the number of digits to dial and the likelihood of confusion generated by mixed digit number lengths. There may also be issues for international calls as some countries' networks traditionally expect a maximum number of digits which would be exceeded if the UK expanded the length of its telephone numbers.

4.69 Alternative number change options were suggested, however, Ofcom's objective in geographic number management is to avoid number changes in general, rather than specifically to avoid wide area codes. We do not see alternative suggestions for how number changes could be implemented as being less costly or disruptive for stakeholders than the wide area code option already assessed and not favoured.

4.70 The suggestion to remove geographic numbers from telephone boxes is interesting, however, it would have timing and cost implications for communication providers. Moreover, the withdrawn numbers are unlikely to create many unused 1k or 10k blocks that could then be allocated to communications providers to meet demand.

Charging for numbers

Responses

4.71 Views on charging communications providers for numbers did not significantly vary according to the background of respondents. On the general idea of charging for numbers, respondents broadly agreed that the present 'command and control' system might not provide strong incentives to use numbers as efficiently as might be desirable from a social point of view. But many respondents believed that complex issues are involved, which require significant analysis, the outcome of which should be the object of a wide-ranging consultation.

4.72 Beyond the general idea of charging for numbers, many respondents expressed severe concerns about the relevance and the timing of such a measure. Some were not sure of Ofcom's precise objectives and many were not convinced that number charges would stimulate more efficient use of number resources. Almost all wanted charging for numbers to be introduced as a last resort if other measures are not sufficient to avoid number exhaustion.

4.73 Most respondents to the consultation document saw the charging principles identified by Ofcom as suitable and reasonable, although some reserved their opinions before seeing how the principles are applied. However, a few respondents already believed that it is unlikely that charging can be fair or unbiased.

4.74 On the potential impact of charging for numbers, respondents identified various concerns about the potential consequences of charging. These included:

- higher charges for end users;
- barriers to market entry;
- discrimination against providers with a large number stock, against small providers, or against certain technologies (e.g. fixed vs mobile);

- an increase in regulation;
- generating perverse outcomes, such as providers forcing end users to relinquish their numbers so that they can return number blocks to Ofcom or less motivation to introduce conservation measures; and
- the interactions between charging and number portability, and between charging and migration to new number ranges.

Ofcom's comments

4.75 Ofcom notes the broad support for the principles set out previously, and we will use these principles as we take forward our analysis of charging for numbers. We also acknowledge that there is a balance to be struck between some of these principles, which will require some judgement when taking any practical steps.

4.76 Ofcom agrees that there are many complex issues involved in charging for numbers, and therefore we have launched a parallel project to consider the potential role and impact of charging for numbers. This is specifically considering cost-based charges, and if our view is that there could be an early role for charging then we would expect to consult on the details in late 2006.

4.77 On the issue of Ofcom's objectives, our principal aim in considering charges for numbers is to promote the efficient use of numbers, so that they are available when needed and do not need to be changed to the detriment of telephone users. Ofcom's current focus of charging is on its potential benefit in stimulating efficient use of geographic numbers, with a view to avoiding measures that are visible to consumers, such as overlay codes. Whilst conservation measures should be sufficient to address number availability pressures in most geographic areas in the next ten years, charging for numbers could be an effective supplementary measure to those measures. This is why Ofcom considers that charging for numbers should be viewed as complementary to other numbering measures, not as a substitute or as a last resort remedy to number exhaustion. It is also worth noting that Ofcom would not introduce charging as an attempt to raise revenue from communications providers.

4.78 Ofcom understands respondents' concerns about how effectively charging would promote efficient use of numbers. The incentive effect of a charge would depend on many things, including the size and structure of the charge, the ability of communications providers to respond to the costs imposed on them, and other elements of the allocation and numbering management processes. One indication of the effectiveness of charging might be that providers requiring smaller amount of numbers might investigate alternative ways to acquire numbers than requesting them directly from Ofcom. Another might be that providers having more numbers than they actually need or use might look into ways to making them available to other providers on an attractive basis. Ofcom will consider each of these issues in its further work.

4.79 Ofcom notes the various concerns expressed about the potential impact of charging for numbers, and the related information provided in the responses. Many of these points are implicitly acknowledged in our charging principles, which we will apply to our detailed work on charging. We will ensure that Ofcom considers those points as we assess the potential role of charging in more detail.

4.80 Charging for numbers clearly has potential implications for consumers. In broad terms, charging is intended to benefit them by making it less likely that the meanings of the numbers that they value have to change. This would work by encouraging

communications providers to make better use of numbers, as charges for numbers would be linked to the costs of using them. Other issues relevant to consumers are the impact of charging on the level of competition, and the possibility that charges to communications providers might be passed on to end users. Depending on the form of charging (for example whether charges would vary geographically according to different number availability), charging may also affect some consumers more than others.

4.81 At this stage, before Ofcom's more detailed work on charging is completed, the exact impact that cost-based charges would have on consumers and other stakeholders is unclear. In any consultation document we issue on cost-based charges for numbers, we will take account of the strategic principles set out in the consultation document in deciding whether and in what form to introduce charges.

4.82 At a strategic level, Ofcom believes that charging for numbers could play a role in moving towards less intrusive regulation. However, the key factor in introducing cost-based charging is the value it might have in raising the efficiency of number use, by reducing the demand for number blocks. This need for charging to be of practical value was a key point made by stakeholders in consultation responses. Ofcom will consider the following issues when deciding whether to introduce cost-based charges:

- How far they add value to solving an identified problem with number availability. This requires charging to be assessed in relation to :
  - the specific service-related or geography-problem identified;
  - the time-frame over which that problem is expected to occur;
  - the expected impact of any other steps on number exhaustion; and
  - the potential downsides of introducing charges.
- How far they are an efficient way of resolving the problem, i.e., how the costs of introducing and operating a system of charging compare to other steps; and
- How important it is to prioritise measures such as charging, that do not involve changes to numbers or prefixes, over measures that clearly reduce the current meaning of the numbers.

4.83 Applying these considerations to geographic numbers, which are one immediate candidate for a form of cost-based charges, the time-frame is the period until new technology (notably the introduction of NGNs) allows more efficient number allocation. The geographic scope of that problem is limited, and so Ofcom should consider how far other measures will target the geographic areas in question. However, it is important to preserve the meaning of geographic numbers, and future demand is still quite uncertain. It is possible also that even a relatively modest charge would disincentivise extreme forms of behaviour (e.g., allocating multiple numbers per line, regardless of the value to consumers of such allocations). These factors strengthen the argument for charging, as a relatively 'invisible' measure to consumers, and mean that Ofcom should be less willing to risk delaying charging until it is no longer effective or efficient.

4.84 Note that Ofcom is not at this stage taking further work to develop 'value-based charging'. Such charges encourage a situation in which numbers go to those who

value them most. This maximises the benefit to the UK and ultimately to consumers, as those who value a resource most should tend to make the best use of it. Such charges would be most likely to apply to 'golden' numbers, which have a special value, generally because they are easy to remember. Ofcom's current priority is to consider the role of cost-based charges, as discussed above.

Location identity

Responses from consumers

4.85 There was almost total support for respecting the geographic identity of numbers where possible. Most individuals who commented liked to know the area from which a call was being made or received. The ability to dial locally was also valued. One felt that out-of-area lines should use 03 numbers to protect the geographic identity of the 01 and 02 number ranges. Another respondent wanted 01 and 02 numbers to be used only for fixed land lines and not for VoIP services.

4.86 Some individuals felt that the loss of geographic identity was inevitable with VoIP and what mattered was identifying the cost of the call. One commented that Ofcom had already given up on geographic location identity when it allocated geographic numbers for VoIP services. Another argued that consumers cared about call cost not location and that number scarcity would be eradicated if 01 and 02 numbers were not linked to a specific location.

Responses from communication providers

4.87 Most communication providers agreed that location identity should be respected while recognising the impact of VoIP on diminishing its relevance. It was felt that geographic identity contributed to consumers' trust in geographic numbers. It was valued not only for the information provided on location, but also for determining when calls could be dialled locally and how much calls would cost. It was felt, in particular, that location significance should be preserved while tariff structures referred to local and national call rates, although it was acknowledged that competing fixed retail price plans were likely to replace such tariff structures. Geographic identity was also useful in preserving the integrity of the Calling Line Identity (CLI) for routing purposes.

4.88 There was widespread agreement that the erosion of geographic identity was inevitable and it was generally accepted that a ban on out-of-area use of geographic numbers would be unworkable. It was felt that consumers would grow, in time, to understand the changes to location significance, assisted by the high penetration of mobile handsets and their lack of location significance. The pace at which location identity is weakened would be led by market and technological advances and Ofcom should not pre-empt or force any change to the relevance of location in geographic telephone numbers or the Numbering Plan. What was important, however, was maintaining the link between geographic numbers and tariff significance.

4.89 BT commented that Ofcom's market research demonstrated a need to listen closely to consumer views on maintaining location significance in geographic numbers. The research demonstrated that the reliability of the code to indicate the location was still valued, although it was accepted that this view could weaken over time. BT argued that Ofcom should take steps to strengthen the link between number and location, an approach adopted by many European regulators. As a minimum, new customers should be required to have an address in the relevant code area. This approach would maintain consumers' trust in geographic codes and would be consistent with

Ofcom's objectives in furthering consumers' interests. Unless this step was taken, the impact of Ofcom's recent decisions on geographic numbering would result in tariff transparency being the only requirement for geographic numbers. If this is to be the future of geographic numbers, the symbol for 01 and 02 numbers which featured in the consultation document would not represent such a broad usage profile.

4.90 BT suggested that part of the 02 or 05 range could be used for location independent geographic numbers providing, in essence, a residential consumer alternative to the proposal to use 03 for business customers. The suggested range would be charged at geographic rates, included in calling packages and could be used to make and receive calls from any location without giving misleading information on location.

4.91 Thus questioned whether Ofcom's consumer research had enquired deeply enough into the reasons why consumers stated that they wanted location information. It considered that the primary reason was call cost as consumers had the notion that the further the destination the more expensive the call was likely to be. It also noted that location in the form of exchange names on the telephone bill acted as a memory jogger to confirm the authenticity of the call charge. On balance, Thus concluded that consumers cared little about the location of people they called.

Responses from organisations

4.92 It was accepted that new technologies and convergence meant that it was increasingly difficult to preserve the integrity of location information gained from geographic numbers. However, it was argued that it still had value to consumers and, accordingly, out-of-area use should continue to be provided only at the request of the consumer. Service providers should be encouraged to supply regular information to consumers to help them understand the impact of technology on location significance. Also, the Intelligent Number Working Group argued that the geographic identity of the calling party was indispensable in providing the ability to reliably trace calls.

Ofcom's comments

4.93 Ofcom acknowledges the almost total support for respecting geographic location significance in the Numbering Plan and not hastening its erosion, however, it also notes the acceptance that such significance will inevitably diminish due the impact of VoIP and other technologies and "out-of-area" use. This is in line with Ofcom's technology neutral approach to administering telephone numbers. Ofcom's principle that tariff significance should be preserved in the Numbering Plan was supported by respondents.

4.94 Ofcom has paid close attention to consumers' views on location and tariff significance and to identifying the reasons behind those views. This is why measures are already in place to preserve this significance by ensuring out-of-area use is by customer request only and tariff transparency is preserved in the Numbering Plan. However, as discussed in the consultation document, the deployment of VoIP and NGNs will eliminate the intrinsic link that used to exist between geographic number and a specific geographic location. This is inevitable as the deployment of new technologies could not be halted. Nor would we wish to do so, as technological advances will bring benefits for consumers in terms of choice, competition and value for money.

4.95 Ofcom looked at the question of whether geographic numbers were appropriate for new voice services in the consultation document *Numbering arrangements for new*

voice services, 24 February 2004[9]. In the subsequent statement, Ofcom concluded that allowing the allocation of geographic numbers for all publicly available new voice services would promote competition and consumers' interests, as well as being neutral in the treatment of networks and services. We do not propose to re-open this decision. Ofcom notes that BT's suggestion of limiting the allocation of geographic numbers to consumers who can prove that they reside in the relevant code area would not be consistent with this decision. It would also be a very costly obligation to enforce. We also note BT's suggestion of a non-location specific "geographic" range, however it is not clear whether this would provide any additional benefits over and above those provided by the new '03' range. We will consider this proposal further as part of the geographic number management programme.

Impact of Next Generation Networks on routing of geographic numbers

Responses from communication providers

4.96 Some communication providers agreed with Ofcom's view that NGNs would eradicate the current restrictions on block size for routing and the current challenges facing geographic numbers would cease. Uncertainty was expressed, however, on timescales. Ofcom was urged to monitor geographic number trends against the deployment of NGN technologies.

4.97 BT felt that Ofcom had optimistic expectations for the impact that NGNs would have on networks' ability to route numbers in smaller blocks. NGNs, it was argued, would have the potential to support a wider range of functionality but initially they would be focussed on replicating the existing PSTN capabilities. Enhanced routing capabilities could be deployed in NGNs, but would require later development and would be reliant on vendors.

Responses from organisations

4.98 The Network Interoperability Consultative Committee (NICC) has examined the long term solution for routing calls on NGNs. It concluded that Carrier or Infrastructure ENUM would provide the most appropriate architecture for finer digit analysis for call routing. The linkage between number administration and routing could be broken by using NGNs, but it would depend on the ability of the originating communication provider to query the Domain Name System (DNS) database to determine how to deliver the call. NICC expected the timescale for NGNs to be able to route calls at a lower block level to be based around BT's timescale for rollout of its NGN (known as 21st Century Network or 21CN). The impact of 21CN was likely to be fully felt by 2012.

Ofcom's comments

4.99 Ofcom had suggested that the deployment of NGNs will eliminate traditional limitations on block size within the next five years, but NICC has suggested that this will not occur until 2012, approximately six years from the date of this statement. Ofcom has already begun to take account of this timeframe in its demand forecasting, and will continue to engage with industry on the timescales and likely scope of the impact on block sizes for routing.

[9] http://www.ofcom.org.uk/consult/condocs/vob/

Likely future demand for geographic numbers

4.100 Communications providers felt that demand for geographic numbers was unlikely to diminish. Demand was driven by a number of factors including emergence and development of new communications providers; technology, in particular, VoIP and NGNs; market growth and consumer demand. Also, regulatory changes had an impact, such as the increase in communications providers due to the move to general authorisation rather than a licensing regime. Ofcom's forecasting processes need to be updated on a regular basis to follow the trends. A couple of communications providers speculated that in the long term demand may diminish due to personalised numbers, fixed-mobile convergence products and increased use of VoIP technology (e.g. use of "buddy lists") but that this was unlikely until the universal adoption of NGNs.

4.101 The Premium Rate Association felt that the biggest factors affecting demand were likely to be VoIP and mobile services. It urged Ofcom to develop a demand model in close contact with industry.

Use of geographic numbers for SMS reverse-billed services

4.102 H3G and the Mobile Broadband Group both commented on an issue that had not been raised in the consultation. It was suggested that some geographic numbers be made available as low-cost access numbers to provide value added non-adult services. Such services could include purchase of cinema tickets, where the consumer is reverse-billed for receiving an SMS providing the tickets or other such product. This arrangement would provide tariff transparency, as the separate bill entries would relate to the call and the content. The respondents considered it important that the service used geographic numbers to make clear to consumers that the access charge was at normal geographic call rates.

Ofcom's comments

4.103 Ofcom attaches high priority to maintaining trust in geographic numbers, and SMS reverse billing raises a number of complex issues, such as the question of whether this billing mechanism provides an adequate degree of tariff transparency, and whether any consumer protection measures are required. These issues were not included within the scope of the current consultation. Ofcom will consider the specific issues raised by H3G and the Mobile Broadband Group in its review of the Numbering Plan service descriptions, which will be carried out this autumn.

Further information on demand - Intercai report and demand forecasting model

4.104 During the consultation period, Ofcom commissioned consultants Intercai Mondiale Limited to produce a report on demand for geographic telephone numbers and a modelling tool which would help Ofcom understand and predict the demand trend for geographic numbers over the coming years. The report and model have been delivered to Ofcom – the report has been published as a companion document to this statement[10].

4.105 The report examined historical and current demand trends and their predicted impact on the availability of geographic numbers. The analysis found a correlation between the number of providers in an area and the amount of numbers allocated and in use,

[10] see http://www.ofcom.org.uk/consult/condocs/numberingreview/statement/demandmodel/

which supported Ofcom's previous conclusions that demand for geographic numbers came mainly from the entry of new communication providers into a geographic area. The number of providers was found to be growing substantially and the pace of growth accelerating – particularly in areas where a relatively high amount of numbers was already in use (i.e., popular and populous areas). However, the demand model concluded that growth in the number of providers would not continue forever, decelerating at some point and eventually levelling off.

4.106 The demand model uses data on the availability of numbers for allocation and current utilisation rates for each area code and combines this with a number of assumptions, including forecasted maximum number of providers, market share, utilisation, demographics and regulatory policy on conservation areas. In order to address sensitivities, the model runs a number of iterations, randomly changing the assumptions within given parameters, producing key results in the form of probabilities. For instance, for each area the model can generate a probability rating on the likelihood that the area will run out of numbers in any given year. It can also forecast when numbers in an area should be conserved and the effect that a change in conservation status would have on the availability of numbers.

Results of Intercai demand model

4.107 For the purposes of demonstrating the output of the demand forecasting model in this statement, Ofcom has conducted two runs of the model, adjusting the assumptions to produce first a base case, with random assumptions within a predicted range and second, a predicted "worse case" scenario, where the assumptions are set towards the higher level of the ranges. Both runs assume that when an area requires conservation measures, numbers in that area will then be allocated in 1k rather than 10k blocks.

4.108 Under the base case scenario, it was predicted that despite conservation measures, six areas would have a greater than 50 per cent chance of running out numbers by 2012. To illustrate the importance of conservation measures, if they were not introduced into areas when required, the number of areas with a greater than 50 per cent chance of running out of numbers by 2012 would increase to 49. The base case run predicted that 66 areas (in addition to the existing 51) would have a greater than 50 per cent chance of needing a change in conservation status to prolong number availability.

Figure 4.1: snapshot of base case scenario of the number demand model showing areas with over a 50 per cent chance of numbers running out by 2012.

area code	area	2006	2007	2008	2009	2010	2011	2012
1642	Middlesbrough		9%	**49%**	**70%**	**85%**	**93%**	**96%**
1772	Preston		7%	**43%**	**61%**	**79%**	**91%**	**96%**
1202	Bournemouth		1%	14%	**33%**	**57%**	**73%**	**85%**
1273	Brighton			5%	23%	**48%**	**60%**	**76%**
1223	Cambridge			2%	10%	24%	**49%**	**59%**
1274	Bradford				13%	22%	**30%**	**51%**

4.109 Under the high demand scenario, it was predicted that despite conservation measures, 11 areas would have a greater than 50 per cent chance of running out of numbers by 2012. Again, if conservation measures were not introduced into areas when required, the number of areas with a greater than 50 per cent chance of

running out of numbers by 2012 would increase, under this scenario to 86 areas. Under the high demand scenario, it was predicted that 87 areas (in addition to the existing 51 areas) would have a greater than 50 per cent chance of needing a change in conservation status to prolong number availability.

Figure 4.2: snapshot of higher demand case scenario of the number demand model showing areas with over a 50 per cent chance of numbers running out by 2012.

area code	area	2006	2007	2008	2009	2010	2011	2012
1642	Middlesbrough		**93%**	**100%**	**100%**	**100%**	**100%**	**100%**
1772	Preston		**89%**	**97%**	**100%**	**100%**	**100%**	**100%**
1202	Bournemouth		**60%**	**92%**	**96%**	**99%**	**100%**	**100%**
1273	Brighton		**32%**	**76%**	**92%**	**98%**	**100%**	**100%**
1223	Cambridge		5%	**56%**	**84%**	**92%**	**96%**	**100%**
1274	Bradford		2%	**44%**	**79%**	**93%**	**96%**	**98%**
1582	Luton		1%	**34%**	**61%**	**82%**	**94%**	**98%**
1332	Derby			9%	**36%**	**68%**	**85%**	**93%**
1782	Stoke-on-Trent			7%	**25%**	**53%**	**78%**	**93%**
1482	Hull			1%	22%	**46%**	**73%**	**90%**
1908	Milton Keynes			1%	9%	**27%**	**58%**	**74%**

4.110 **Figures 4.1 and 4.2 clearly demonstrate that the appropriate solution to the requirement for additional numbers in the limited number of areas is overlay codes, under which nobody needs to change their telephone numbers.**

4.111 The results of the geographic number demand model suggest that the prospect of number supply exhaustion is likely to be localised and to affect between one and two and a half per cent of existing area codes. The results also demonstrate the importance of number conservation in offsetting the need for supply side measures.

4.112 The model will be used in the future by Ofcom as an additional tool to predict how and when demand will affect the long term availability of geographic numbers. Ofcom's aim in doing so will be to identify those areas most at risk of exhaustion, so that it can carry out targeted audits of those areas, with the aim of reclaiming 1k number ranges which are not in use. This should minimise the risk ensure that the scenarios generated by the model actually come to pass.

Consultation document: *Conserving geographic numbers*

4.113 Ofcom published a consultation document *Conserving geographic numbers* on 25 May 2006[11]. In that document, Ofcom proposed giving conservation area status to a further 27 geographic area codes, in addition to the 51 existing conservation areas. The Numbering Review consultation document estimated that between 55 and 77 additional conservation areas might be required (in addition to the existing 51 Type A Conservation Areas) in order to ensure ongoing availability of geographic numbers for the next five years. The 27 conservation areas proposed in the *Conserving geographic numbers* consultation document were part of, and not in addition to, the 55 -77 areas referred to the Numbering Review consultation. The consultation document was required in May as the designation of additional conservation areas was required to ensure the ongoing supply of numbers within established policy and the existing definition of conservation areas that provided a forward look period of

[11] http://www.ofcom.org.uk/consult/condocs/geo_numbers/

two years. The proposals to create an additional 27 conservation areas were consistent with the policy aims and proposals set out in the Numbering Review consultation.

4.114 The consultation closed on 26 June 2006. Ofcom received four submissions, all supportive of the proposal to give conservation status to the proposed 27 area codes. We therefore plan to proceed with the proposal. The responses also raised some detailed issues regarding the implementation of additional means of improving utilisation of geographic numbers and the ability to forecast number scarcity. These issues will be handled as part of the geographic number management programme. Ofcom will publish the statement on conserving geographic numbers shortly. A modified Numbering Plan will also be published to reflect the conservation status to be given to the 27 area codes.

Analysis and conclusions

Consumer interests and policy objectives

4.115 The key element of the review's proposals in relation to geographic numbering was to take steps now to minimise the chance of consumers having to change their geographic numbers in the future. Ofcom considered the best way to do this was to improve communications providers' utilisation of the existing resource by increasing conservation measures and to agree a fallback option to increase supply if required that caused the least disruption to consumers.

4.116 The intended outcome of Ofcom's proposals for geographic numbering was that sufficient number blocks would be available to meet demand for the next five or so years until NGNs removed some of the current restrictions on allocating numbers in smaller number blocks and that no consumers would need to change their geographic numbers in the meantime. The fallback option supported by Ofcom was the introduction of overlay codes in areas where conservation measures were insufficient to meet demand. This option avoided the need for any existing numbers to change and confined the impact to consumers in the affected area only.

Assessment of policy options

4.117 As explained in the consultation document, demand for geographic numbers continues to escalate and it is Ofcom's duty to ensure the ongoing supply of numbers and effective management of the resource. It is clear that regulatory action is required to ensure these two objectives in relation to geographic numbers. Without the intervention of additional conservation measures and a fallback option, it is certain that number blocks will no longer be available for allocation to communications providers in some areas. This would have a considerable impact on consumer choice and competition in the communications market.

4.118 Ofcom has considered all the responses to the consultation and the additional information received since its publication.

4.119 As stated, Ofcom has a strong preference for managing geographic number demand through conservation and other measures designed to prolong the existing geographic number resource. In the few areas where this approach is insufficient to meet demand for numbers, Ofcom proposes using overlay codes as the fallback measure to increase the supply of numbers.

Conservation measures

4.120 The main characteristic of conservation measures is that they address the underlying problem of geographic number management - poor utilisation of the existing and sufficient resource. It is an approach that has been tried and found to be successful in offsetting the need for more disruptive supply side measures in the existing conservation areas. Also, as demonstrated by the demand model, conservation measures can significantly decrease the amount of supply measures required in the future. The prime benefit of conservation measures is their invisibility to consumers, who would be unaffected by any changes apart from the indirect benefit of available geographic numbers on which to receive communications services.

4.121 Communications providers would be affected by an increase in conservation areas, as reducing the number block size for allocation and routing would have an impact in terms of administrative and operational costs. There are also infrastructure limitations on legacy networks' ability to route at the 1k level. However, the impact is far less than would be experienced by communication providers if conservation measures were not extended and supply side measures were required. Both communications providers in their responses to the consultation and the published report by consultants Intercai Mondiale[12] on this issue anticipated that the level of conservation areas predicted by Ofcom could be managed by communication providers. Also the introduction of restricted 1k block use in "standard areas" would not create a burden on communications providers.

4.122 The proposal to concentrate on conservation measures and other means of improving number utilisation so as to avoid the need to increase the supply of numbers was strongly supported by responses to the consultation.

Overlay codes

4.123 Three fallback options for increasing the supply of numbers in areas where, despite concentrated conservation measures, demand still exceeds availability were presented in the consultation. Ofcom's strong preference was for the use of overlay codes. Overlay codes cause minimal disruption to existing consumers as they generate additional numbers without requiring a number change. The overriding message, therefore, is that no-one would need to change their telephone number – which is an objective strongly supported by consumers.

4.124 Overlay codes would require certain changes to dialling behaviour as, depending on how overlay codes are implemented, some or all consumers within that area would be unable to dial numbers locally. However, Ofcom's consumer research found that while 62 per cent of residential consumers claimed to local dial, the facility appeared to be taken for granted rather than highly valued. Indeed, 60 per cent of consumers did not think that the ability to local dial was important. In contrast, continuity of numbers was highly valued with 85 per cent of businesses and 79 per cent of residential consumers considering that a number change would cause annoyance and inconvenience.

4.125 There may also be some consumer opposition to the unfamiliar area code and perceived loss of geographic significance, particularly from businesses who might believe that it creates a commercial disadvantage. Ofcom has carefully considered this point and believes that while the size of impact is uncertain, it is expected to be limited in terms of the timescale of the impact and the costs in comparison to

[12] see http://www.ofcom.org.uk/consult/condocs/numberingreview/digitanalysis/

alternative supply side options. The overall effect on consumer welfare is expected to be minimal.

4.126 Reponses to the consultation from communications providers confirmed that the impact of implementing overlay codes would be relatively minimal, creating little impact apart from modifications to infrastructure tables to ensure calls are routed and billed accordingly and the running of consumer information campaigns.

4.127 There could be some impact on new communications providers entering the market, since such providers would be more dependent on overlay codes than existing providers. However, this will depend on the extent to which overlay codes are viewed as less attractive by business and residential end users. Nevertheless, the impact on the ability to win new customers would be mitigated by number portability, allowing consumers to port their existing number to the new communication provider.

4.128 Ofcom considers that there is a finite limit to the number of overlays which should be implemented before the solution, which is best suited to localised implementation, becomes exploited on a wholesale level and is not used to its best advantage. As a benchmark, Ofcom considers this limit to be somewhere in the region of ten to 50 codes, which is one and a half and seven and a half per cent of the total geographic area codes. Current predictions suggest that between one and two and a half per cent of existing codes might require overlays by the year 2012 – clearly within the range of a “localised” requirement.

4.129 Responses to the consultation generally supported the use of overlay codes as the best fallback option to increase geographic number supply in areas that require more numbers.

Other options for increasing the supply of geographic numbers

4.130 The other options considered in the consultation document were code changes in the form of implementing wide area codes across the UK and closing the number scheme so that all digits of a UK geographic telephone number need to be dialled.

4.131 In theory, the number scheme could be closed at the national level or only at the local level, i.e., for specific area codes with overlays to combat the risk of calls being mis-dialled locally. Ofcom’s consideration of the option of overlay codes in the consultation document was as a measure for increasing the supply of numbers and therefore was considered on a UK wide basis. Closing the scheme would increase the supply of geographic numbers without the need for any consumers to change numbers. It also has no impact on the geographic significance provided by the number.

4.132 Removing the ability to local dial would have an impact on consumer dialling behaviour and would increase the number of digits necessary to dial to make a call within the same area code by between three and six digits (depending on the code area). It would also take some time for consumers to lose the instinct to dial locally. However, the growing use of calling equipment with preset memories (particularly mobiles) and the increase in calls from mobiles (which require the full number to be dialled where the preset memory is not used) would avoid some of the impact of closing the scheme. The main difference between overlay codes and closing the scheme in terms of consumer impact is that with overlay codes, existing consumers do not experience any change in dialling behaviour or would only experience it in affected areas, whereas closing the scheme impacts all consumers, regardless of whether their area has a limited supply of numbers.

4.133 Communications providers confirmed in their responses to the consultation that they would not experience a significant impact from closing the scheme, as networks already route all calls on a nationally dialled basis (i.e., by adding back the area code when calls are dialled locally). The greatest impact would come from the need to educate consumers and handle misdialled calls.

4.134 Ofcom considers that closing the number scheme is a good option where an increase in the supply of geographic numbers is likely to be more than a localised requirement but where demand is likely to be met by an increase of 25 per cent more numbers. As demonstrated, the forecast demand model does not predict such a scenario.

4.135 Responses to the consultation in general did not oppose the concept of closing the number scheme but preferred the overlay code option as it limited the impact on consumers.

4.136 The final option for increasing the supply of geographic numbers was to instigate a code change, requiring consumers to change their telephone number according to a set migration plan. Implementing the wide area code scheme would entail a substantial change to the structure of the UK's geographic numbers and consumers would need to change their telephone number, become accustomed to the number structure, the location significance that it offers and opportunities for local dialling. Wherever a wide area code was rolled out, consumers in that area and those making calls to that area would experience a significant impact.

4.137 The wide area code option would also represent the biggest impact on communications providers. Networks would need to manage a period of parallel running between the old and new codes. They would also need to handle a potentially large number of misdials as consumers become accustomed to the new codes. Network infrastructure and administration changes would need to be made to ensure calls were routed and billed accordingly. On top of this, there would need to be a concerted information campaign to ensure consumers understood the code change.

4.138 Due to the substantial disruption and cost of number change, Ofcom considers that a change to wide area codes is only a valid option if there is a sustained need to increase the supply of numbers in a significantly widespread manner across the UK and when an increase of more than 25 per cent of numbers is generally required. Only then would a comprehensive plan of number change be worth the cost and inconvenience to consumers. As such a level of demand is not predicted, Ofcom does not favour a widespread move to wide area codes.

4.139 An exception to the above consideration is when an area has a strong sense of regional identity, for this identity could be conveyed by the wide area code. For this reason, Ofcom has not ruled out the possibility in the future of wide area code implementation in certain specific geographic areas.

4.140 Responses to the consultation were almost unanimously opposed to number changes.

Conclusions and next steps

Conservation measures

4.141 Ofcom confirms the extension of conservation measures to address the poor utilisation levels of the existing geographic number resource. We have set up a

geographic number management programme to oversee the detailed management of the work required to ensure geographic numbers are successfully managed. The demand forecasting model described in paragraphs 4.104-4.112 will be used to generate improved predictions of areas that require attention. Ofcom remains confident that the number of conservation areas will be within the 55 and 77 range forecasted in the consultation document. This includes the 27 conservation areas to be created following the *Conserving geographic numbers* consultation.

4.142 Ofcom proposes to create two new categories for geographic area status to replace the current Type A and Type Conservation Areas. The new categories proposed are:

- standard areas - areas that are not forecast to be at risk of exhaustion within the next five years. Conservation measures are not required. 10k blocks allocated, but use restricted to specific 1k blocks in new allocations (and existing allocations where unused 1k blocks are available) to allow for number withdrawal if the area subsequently becomes a Conservation Area; and

- conservation areas - areas that are forecast to be at risk of exhaustion within the next five years. Numbers allocated in 1k blocks.

4.143 Ofcom proposes to implement these changes to conservation area definitions in the Numbering Plan. The notification of proposed modifications is at Annex 3, together with the legal tests which need to be satisfied as part of the statutory consultation process in Annex 2. Responses to this consultation document should be submitted to Ofcom by **Thursday 7 September 2006**.

4.144 In areas where the demand model predicts that conservation measures are likely to be insufficient to reduce the risk of exhaustion to an acceptable level, Ofcom will take additional measures to manage demand. These are likely to include detailed audit of the allocations made in such areas, with the aim of reclaiming any unused 1k blocks. Ofcom proposes to discuss such measures directly with industry.

Supply-side measures

4.145 Ofcom confirms that it will use overlay codes as a means of increasing the supply of numbers in areas where conservation and other measures are insufficient to meet demand. Ofcom will now consider the best means of implementing overlay codes, including determination of how codes should be selected and applied, the impact on local dialling plus planning and implementation programmes. As with conservation measures, this work will take place within Ofcom's geographic number management programme and will involve communications providers, other relevant stakeholders and further public consultation.

4.146 Ofcom confirms that it has no plans for the widespread use of wide area codes as a means of increasing the supply of geographic numbers. Accordingly, it has removed the protection applied to many number blocks to prepare for wide area code implementation. This has released 13,500 10k number blocks into the pool of numbers available for allocation to communication providers. Ofcom will consider on a case-by-case basis any proposal to adopt a wide area code for a specific geographic area, such as an area with a strong regional or national identity.

4.147 Ofcom does not have any current plans to close the number scheme across the whole of the UK and remove the ability to dial locally. However, this measure remains available as a means of increasing number supply and to limit risks of misdialling in areas with overlay codes.

Charging for numbers

4.148 Within the specific project on charging for numbers, set up during the consultation period, Ofcom is gathering more information on the potential role, if any, of charging for numbers. To understand this complex area, we are investigating further studies on number utilisation and the projected demand for numbers, and we have commissioned a report on the potential role and form of charges. If we see an early role for cost-based charges, we would expect to be in a position to make policy proposals in a consultation document later this year. Depending on the progress and outcome of that consultation, charges could be introduced in 2007.

4.149 Ofcom is aware that by signalling the possible introduction of such charges, providers may apply early for numbers that they do not yet need in order to avoid future charges. Ofcom wishes to make clear that such behaviour will not be rewarded. For example, any charge which is introduced is likely to include an annual charge that would be applied to all allocated numbers. In addition, a rapid rise in number applications is likely to increase the likelihood of needing cost-based charges to supplement other steps to ensure number availability.

Location identity

4.150 Ofcom will respect geographic identity in the Numbering Plan while it is of value to consumers but will not change its policy on allowing out-of-area use when requested by consumers. Tariff significance will continue to be protected through the definition of geographic numbers in the Numbering Plan.

Section 5

Transparency for non-geographic numbering

Introduction

5.1 This section deals with certain types of non-geographic numbers (excluding mobile numbers). These are widely used by consumers, both as a means of calling organisations which have a national rather than a local presence, and as a means of paying for a range of value-added services (i.e., as a micro-payment mechanism). These non-geographic numbers are currently provided on the 08 (Freephone and NTS) and 09 (Premium Rate Service, or 'PRS') ranges.

5.2 Freephone services are well understood and trusted by consumers. The same is not however true of NTS and PRS services. Consumers have a poor awareness of the absolute level of call charges for NTS and PRS services, and the nature of the micro-payment which is included in them. Additionally, a number of 'scams' have emerged which exploit this micro-payment mechanism. The result has been a substantial erosion of consumer trust.

5.3 Ofcom has concluded separately on measures to restore trust in NTS services, in the NTS Review statement, published in April 2006[13]. We have also consulted on proposals to strengthen the consumer protection arrangements associated with PRS services[14].

5.4 In our consultation document we proposed a variety of measures to improve transparency for NTS and PRS numbers, and do so in a manner that would accommodate continuing growth in demand for these numbers. These measures are discussed in more detail below, but can be summarised as follows:

- A proposal to open up a new number range (03) to be used by organisations which require a national presence, but which do not wish to charge consumers a premium for calling them;
- A proposal to manage growth on the existing 08 range in a manner that will, over a period of time, simplify the meaning provided to consumers by these numbers. The basic proposition is that meaning should primarily be provided by the first two digits of the dialled number (080 / 084 / 087) with the added simplification that the higher the number, the higher the price;
- A proposal to restructure the existing 09 range in a manner that will simplify the meaning provided to consumers by these numbers, and that will also allow consumers to apply selective call barring measures to different forms of premium content. For example, it may be appropriate to segregate adult content from other premium rate content; and

[13] *NTS – a Way Forward* (http://www.ofcom.org.uk/consult/condocs/nts_forward/statement/)
[14] *Conditions regulating Premium Rate Services* (http://www.ofcom.org.uk/consult/condocs/prsconditions2/prsconditions.pdf) and *Approval of the ICSTIS Code of Practice* (http://www.ofcom.org.uk/consult/condocs/icstiscode/icstiscode.pdf)

- A proposal to ensure that this increase in transparency is beneficial to all consumers, by ensuring that the service descriptions contained within the numbering plan apply to calls from all lines, not just from BT lines. At the same time, this increase in transparency must be achieved in a manner that does not amount to back-door regulation of the prices charged by providers.

Non-geographic numbers – a new 03 range for UK-wide calls?

Consultation proposals

5.5 In our consultation document we proposed three broad options for NTS numbers, with the aim of strengthening transparency for consumers about those numbers and their charges. We proposed that addressing misperceptions on prices of these services would also produce an overall benefit to the economy.

5.6 All of our proposed options left current 0800 / 0808 Freephone numbers unchanged, to recognise consumers' existing level of recognition and trust in Freephone numbers and the fact that there is no current danger of these numbers being exhausted.

5.7 However, we wanted to address concerns about 084 and 087 numbers, which our consumer research suggested have various consumer awareness problems. For example, only 15 per cent of residential consumers recognised 0844 numbers, and 33 per cent recognised 0871. Also, call costs were unclear to many consumers: the proportion of residential consumers making a broadly correct estimate of the correct tariff for chargeable 08 numbers ranged from 15 per cent for 0871 to 21 per cent for 0845. Awareness that some 084 and 087 numbers might be revenue-sharing ones was also not common, although it is worth noting that many consumers who are aware of revenue-sharing have expressed strong views about it.

5.8 Our consultation document described how we would have to make available new type of numbers for NTS services in the next few years as a result of growing use of the available numbers. The options for how to provide those new numbers present an opportunity to create new numbers in a way that would provide more clarity to consumers about the numbers being dialled, whilst avoiding forced migration of legacy services. The consultation document considered three broad approaches for how we might create those new numbers:

- continuing with the current practice of adding more three digit 08 ranges. For example, adding '0872' and '0873' to supplement '0870' and '0871' respectively;

- creating new two digit ranges for 08 to add to the current ranges. For example, using all '088' numbers to supplement 0870 numbers when they run out. Relative to the first option, two digit ranges (and so the meanings assigned to the numbers) would last a lot longer as they contain ten times as many numbers as three digit ranges; and

- opening a new 03 range for future allocations of non-revenue-sharing numbers, thereby separating them from 08 revenue-sharing numbers. This would give an opportunity to allocate 08 NTS numbers in future in a way that is simpler for consumers to understand. Ofcom proposed a number of possible future structures for 08 NTS numbers, including one whereby future allocations would be solely in the '084' and '087' number ranges (and higher maximum prices would be attached to the latter range). This was Ofcom's preferred option.

Relationship to the NTS Review

5.9 Before describing the consultation responses, it is worth describing the interaction of this Numbering Review with the NTS Review, which concluded with a policy statement on 19 April on the use of current 08 number ranges[15]. The decisions set out in the NTS Review form part of a package of measures designed to improve pricing transparency and consumer protection on calls made to 08 numbers and address a specific set of issues that have developed over the last decade on the existing 08 number ranges.

5.10 It is important to describe the NTS Review decisions because a number of the issues considered in the NTS Review were raised again in many responses to the Numbering Review consultation document. The NTS Review made a number of decisions that were designed to restore consumer trust in NTS numbers, including:

- restoring the link between the retail pricing of 0870 and national geographic calls for calls made from BT lines – this link has been eroded, in particular, by the development of optional calling plans;
- extending this link, so that it applies to all providers, and not only BT, except where a specific price announcement (for which the caller is not charged) is made at the start of the call;
- removing the regulatory underpinning for revenue sharing on the 0870 range, by removing the requirement for BT to originate these calls at cost;
- subjecting 0871 numbers to PRS regulations under ICSTIS jurisdiction. Amongst other things, service providers using 0871 numbers will be required to include information about the price of calls in advertisements and on promotional material;
- requiring communications providers to give more prominence to NTS prices on websites, price lists and promotional material[16];
- suggesting that public bodies carefully to consider their use (especially exclusive use) of 084/087 numbers;
- clarifying the existing requirement that adult services should be provided only on 09 numbers, where they would be covered by PRS regulations; and
- confirming that Ofcom will also consult within two years on whether similar measures to those applied to 0870 numbers should be applied to the 0845 number range, including the restoration of the link to local geographic call charges and removal of regulatory support for revenue-sharing.

5.11 It is very likely that the changes set out in the NTS Review will lead to the end of revenue sharing on the 0870 range, and potentially in due course also on 0845.

5.12 Ofcom decided that the changes to 0870 should come into effect 18 months after the publication of this Ofcom statement for the Numbering Review, given that the

[15] *NTS – a Way Forward* (http://www.ofcom.org.uk/consult/condocs/nts_forward/statement/)
[16] This was covered in a separate document, *Providing citizens and consumers with improved information about Number Translation Services and Premium Rate Services* (http://www.ofcom.org.uk/consult/condocs/nts_info/statement/)

decisions in this statement are relevant to planning for migration from 0870 numbers. The NTS Review statement referred to this trigger point for the 18 month period and noted that Ofcom was considering opening new 03 and 08 number ranges. Ofcom hereby confirms its intention to introduce the changes to 0870 numbers 18 months after the publication of this Ofcom statement for the Numbering Review, that is, in January 2008.

5.13 Ofcom's options in the long-term for 08 and new 03 numbers were presented in full knowledge of the progress towards the NTS Review's decisions. The Numbering Review options were developed to allow a long-term plan for how to achieve greater transparency on charges for consumers as it continues to make more non-geographic numbers available, and the recent decisions of the NTS Review fit within that plan.

5.14 Ofcom acknowledges the strong views expressed by many respondents in the Numbering Review consultation process, but where the same issues have been very recently considered within the NTS Review, there is no purpose in considering the same points again in detail, and this is not an opportunity to re-open the decisions taken within the NTS Review on those issues. Ofcom has of course reviewed all relevant points from respondents in reaching its conclusions for the Numbering Review, and we present the broad reasoning for our positions where points relating to the NTS Review decisions are raised.

Responses to consultation on NTS numbers

5.15 Many individuals' responses were strongly negative about chargeable 08 numbers and their growing use, and made various suggestions, including: making call charges the same as calls to geographic numbers; ending revenue-sharing (either completely or for those for whom it was not integral to their main business); bringing all revenue-sharing numbers under ICSTIS regulation; requiring an alternative geographic number to be quoted alongside; and even requiring all 08 chargeable numbers to move to 09 numbers. Many of the respondents commented that consumers don't understand the charges involved or recognise that revenue-sharing is taking place, and there were also negative comments about being held in call queues on these numbers, and about NTS calls not qualifying for discounts in the same way as geographic calls. A number of individuals favoured pre-call announcements of tariffs for 08 (and other) types of call, for example if calls exceeded a specific level such as 'BT National Rate'.

5.16 A reasonable number of individual respondents said that having found out the costs involved in calling 08 chargeable numbers, they do not do so, with many comments on how this reflects negatively on organisations using these numbers. A number of particular services were particularly criticised for use of such numbers. These included numbers for: customer service and complaints; doctors and health services; public bodies, including local councils; disaster enquiries; police; banks and other financial bodies; and phone and utility companies.

5.17 Individuals' responses were generally strongly in support of the idea of an 03 range, as long as calls to 03 numbers cost the same as equivalent ones to geographic (01/02) numbers and as long as 03 numbers involve no revenue sharing. Many responses also suggested that 03 calls should be included within bundled minutes, and for calls from mobile as well as from fixed lines. Relatively few individuals gave views on a possible 03 structure. Those who did comment favoured a simple structure, such as a single rate for calls to such numbers, although some individuals suggested (as did one Welsh Assembly member) that some regional or national

identity could be indicated by the digit after 03. A number of individuals also suggested that migration to 03 from 08 should be imposed rather than incentivised, or suggested that 03 would not be needed if concerns with 08 numbers were addressed either by removing revenue-sharing or allowing 08 numbers to be used only for Freephone services. Some opposed opening 03 on the basis that those numbers were better used for geographic area codes. Most of those who commented on Ofcom's favoured structure for 08 numbers of 'the higher the number, the higher the price' did support the approach, and many individuals proposed general simplification of (and education about) these numbers.

5.18 In general, communications providers varied in terms of whether they thought consumers are confused about and distrust 08 numbers, but they (and mobile providers especially) did not think that we could do much through the Numbering Plan to improve transparency. Some suggested that Ofcom was wrongly attempting to achieve intricate price transparency through the Numbering Plan. More specifically, there was some support for the 03 range as proposed, and few actually opposed it. However, most providers questioned whether there was sufficient demand to justify using a whole new range (some suggested using 02/05 numbers instead), or questioned the motivation of service providers to use 03 numbers rather than 08 ones. Some also suggested that there would be problems with making 03 numbers available to be called from abroad. One provider built on their consultation response by suggesting to Ofcom that revenue-sharing services could be moved to 03 instead, due mainly to the relative number of numbers currently in use on non-revenue sharing relative to revenue-sharing number ranges.

5.19 Some doubted that 03 would be sufficiently different from either '056' or 0870 and '0845' numbers. If 03 was introduced, simple tariffs were favoured. For example, a number suggested a single national rate tariff would be appropriate, partly due to convergence of local and national rate tariffs. BT suggested that the scope of a countrywide range (although not 03) could be broadened to allow businesses and consumers to obtain those numbers for inbound and outgoing calls.

5.20 Communications providers made relatively limited comments on simplifying the structure of 08 numbers as proposed by Ofcom, but two large providers (whose responses are confidential) explicitly supported revision of the Plan to increase clarity and simplicity. A number of providers did, however, suggest that the decisions in the NTS Review were inconsistent with our proposals to revise 08 numbers in conjunction with opening the 03 range. Some CPs (and others) thought that the NTS Review's decision on 0870, plus promotion of consumer understanding of tariffs, was a sufficient long-term option, rather than opening 03 numbers.

5.21 A number of public bodies responded, generally in clear support of the 03 range, as was the Central Office of Information. Various bodies said that their customers should be able to call 03 numbers as part of inclusive call packages. One council said that it would move more readily to 03 numbers if those calls were part of customers' inclusive and low cost packages, and if it had a memorable range of 03 numbers for its services. A number have said that the same charging basis should apply to calls from mobiles as calls from landlines. Some had concerns over the cost of publications and publicity for new numbers.

5.22 Other organisations made various comments on the proposals for 03 and 08 ranges. One opposed the 03 range on the basis that decisions in the NTS Review about revenue-sharing for 0870 and 0845 numbers were sufficient and those numbers were no different to 03 ones. Some responses suggested more complex structures for 08 numbers. One suggested that the new 08 structure should be based on the first digit

after the ‘8’ denoting the maximum pence per minute charge for callers, from 1p for ‘081’ numbers to 9p for ‘089’ numbers. Another suggested a division between 084 and lower-numbered ranges at local rate and 085-089 at national rate.

5.23 A number of comments from other bodies covered migration issues. The Telephone Helplines Association suggested that provision be made for migration by just changing the ‘8’ digit to a ‘3’ digit. Some public bodies also preferred that option. One user of an 0845 number expressed concern about the migration costs, including management of a parallel running period and publicising the changes, without a guarantee of compatible numbers being available. The CMA doubted that there was enough demand to move to 03 and suggested that some compulsion would be needed. One response proposed that migration would be incentivised by direct allocation by Ofcom of specific 03 numbers chosen by business users.

Further information on 03 and 08 numbers

5.24 Since the consultation document was published Ofcom has sought more evidence to inform its decisions. One very interesting piece of evidence came from testing consumers’ preferences for 03/08 numbering through focus groups. Those groups compared different possible numbering plans based on the 03/08 options presented in the consultation document.[17]

5.25 The result of these focus groups was a clear preference for Ofcom’s preferred option, of using 03 numbers and a simplified 08 structure, rather than more types of different 08 numbers. Whilst there was limited comment on how 03 might be structured, there was clear support for the distinct identity of 03 numbers and the more transparent basis on which they would be charged. This is corroboration for Ofcom’s view, drawn partly from previous research, that such a structure would be simpler from consumers’ perspective.

5.26 Ofcom has also reviewed the progress of number allocations to check whether the pattern of number demand has changed noticeably. These allocations are shown in Figure 5.1. The 2006 allocations so far would suggest that 08 numbers may run out during 2007 for the ‘0844’, 0870 and 0871 ranges. Of course, these patterns could change if new numbers are made available for such services, and the NTS Review decisions for 0870 services might well lead to 0870 numbers being used up more slowly whilst other 08 numbers are used up more quickly.

5.27 It is clear from this update that, perhaps within a year, Ofcom will need to make more numbers available for service providers currently using one or more of the current 08 ranges. Ofcom analyses below the options for doing this in a way that will also respect its strategic objective to provide consumer transparency. It is worth noting in regard to number availability that it is unrealistic to rely for NTS numbers on the approach adopted for geographic numbers - that of demand-side management - because growth in NTS allocations is being driven by growth in underlying demand, not by poor utilisation of the allocated numbers.

[17] see http://www.ofcom.org.uk/consult/condocs/numberingreview/statement/futuresight/

Figure 5.1 Allocations of chargeable 08 numbers (to 5 June 2006)

Number range	2006 allocations to 17 July (million numbers)	All allocations at 17 July 2006 (million numbers)
0844	1.08	5.73
0845	0.71	6.39
0870	0.56	7.58
0871	0.85	6.98

5.28 Ofcom has also met a number of stakeholders to discuss the issues raised in the consultation document. This has included talks with the government Central Office of Information about the potential uptake of 03 numbers by public sector bodies and the structure of the 03 range. Various public sector bodies have also commented on issues with changing to 03 numbers, including the types of 03 numbers that might represent an easier migration path from 08 to 03 numbers. These comments suggest that some bodies would prefer to move to an 03 number that is as close as possible to their current 08 number – and if possible, identical to their current number except for changing the '8' digit to a '3' digit. Some bodies would instead prefer more memorable 03 numbers.

Analysis of NTS options

Consumer interests and policy objectives

5.29 The key concern with these numbers from a consumer perspective is that there are clear weaknesses in the transparency of the services and charges, as detailed in the consultation document. A lesser but still often-expressed concern is about revenue-sharing arrangements on these numbers. Transparency may get worse, depending on how Ofcom meets the rising demand for these numbers. Ofcom's aim is therefore to make sufficient numbers available for these services in a way that provides consumers with clear and enduring meanings for the different number ranges used to deliver these services.

5.30 The significant number of NTS services currently in use means that it may be unrealistic to move all services to any new numbering structure on a rapid timeframe. The migration costs involved may well be passed on indirectly to consumers, and so there is a balance to be struck when considering how fast existing services should fit in with any new long-term numbering structure. But within three to five years, Ofcom would anticipate that the vast majority of service providers would have adjusted to a new numbering structure, in response to their particular customers' expectations.

Assessment of policy options

5.31 In considering the merits of options for revising the Numbering Plan for 08 services, there is a broad issue of how far the Numbering Plan is the best way to provide transparency to consumers. The argument, put in responses by some communications providers, would be that Ofcom is attempting to give too much information through the Numbering Plan. Ofcom would answer that in two ways.

5.32 Firstly, we accept that the Numbering Plan is not the only way to provide clear information to consumers. However, simplifying the Numbering Plan does complement other ways of providing transparency, as it is easier to convey a simple message and to build broader consumer awareness about relative pricing on the basis of a simpler Numbering Plan. Secondly, Ofcom's decisions on the Numbering Plan, as explained below, attempt to provide descriptions that are simpler for consumers to remember: rather than attempting to be over-precise in defining the Numbering Plan, we are providing for more memorable, general messages that can endure in the longer term. This does not preclude targeted measures such as price ceilings and pre-call announcements to address concerns with specific number ranges.

5.33 The first set of policy options to consider is how, in broad terms, Ofcom should make more numbers available for these services. In comparing the three broad options for this, current 0800 and 0808 numbers are not discussed in depth, as all three options envisage leaving the numbers for those services unchanged. Ofcom has also not reprised the analysis of options discussed in the NTS Review, such as making all 087 numbers revenue-sharing, or the idea of requiring pre-call tariff announcements for all calls, as the relevant issues have already been assessed during the NTS Review consultation process and those options rejected.

5.34 **Option 1** was to continue the current practice of adding more three digit 08 ranges, e.g., adding '0872' and '0873' to supplement 0870 and 0871 respectively as they run out of numbers. This option does provide the additional numbering capacity that is required to accommodate long-term growth, and does so without requiring existing providers and end users to incur additional migration costs, over and above those already anticipated as a result of the NTS Review.

5.35 Some respondents favoured this model as they believed that it provided for sufficient extra capacity, and believed that the measures taken in the NTS Review would be sufficient to raise consumer transparency. However, Ofcom does not consider this option to be a sustainable solution for achieving transparency, given that it will require a more complex Numbering Plan in time, as different services would be accommodated on overlapping three digit ranges (similar to current 09 services). In fact, the pace of NTS number demand may well mean that the number of three digit 08 number ranges will double within a few years. This can only make it even harder for consumers to understand what these numbers mean.

5.36 An additional argument against option 1 is that it does not give service providers a type of number to deliver services that is a distinct alternative to 08 revenue-sharing numbers. It is desirable to provide that choice so that providers can react to their customers' views on which are the appropriate numbers to use when delivering particular types of service. This complexity explains why consumers in Ofcom's focus groups were strongly against this option.

5.37 **Option 2** involves the creation of new two digit 08 number ranges to be used for the same purpose of the existing three digit ranges once the latter run out. The Numbering Plan under this option would look like that in Figure 5.2.

Figure 5.2 Option 2 for 08 numbers

Number range	Service
080x	Freephone
0844 and 085x	Calls up to 5ppm
0845 and 086x	Calls linked to local rates
0870 and 088x	Calls linked to national rates
0871 and 089x	Calls up to 10ppm

5.38 Relative to the first option, this option has the advantage that the new two digit ranges (and so the meanings assigned to the numbers) would last a lot longer, as two digit ranges contain ten times as many numbers as three digit ranges. It therefore limits the expansion in the number of 08 number categories.

5.39 However, this option would still produce nine categories of 08 numbers. Also, the meanings of each category would be mixed up, with no clear ordering of the number categories according to price, because local and national rate numbers, plus numbers with specific price ceilings, would all be on the same 08 range. Each price category in the Numbering Plan would also have two number groups allocated to it, with mixed prefix lengths, so creating a bigger challenge for communicating the Numbering Plan in general terms. These complexities help to explain why Ofcom's focus groups rejected this proposal. There was also no strong support from consultation respondents, including communications providers.

5.40 **Option 3**, which was Ofcom's preferred consultation option, is to open a new range of numbers for future allocations of non-revenue-sharing numbers, which would separate future allocations from the 08 revenue-sharing numbers. Ofcom proposed in consultation that the 03 range of numbers could be used for this purpose. Removing non-revenue-sharing allocations from the 08 range would give the opportunity to structure the future allocation of 08 NTS numbers in a way that is simpler for consumers to understand. Ofcom also consulted on structures for 03 and 08, which are covered in paragraphs 5.50 to 5.70.

5.41 This 03 range is targeted at those organisations which require a non-geographic number because they require a national presence, rather than because they wish to generate revenue from incoming calls. Revenue-sharing would be forbidden on this range, and call charges would be the same as if the customer were calling a geographic number.

5.42 This option was strongly supported by individuals in their consultation responses, with the proviso that it must fulfil the criteria outlined by Ofcom (notably being charged as geographic calls and a prohibition on revenue-sharing). Ofcom's focus groups also saw this option, when combined with the simple 08 structure it allows, as clearly the best one. Some individuals did oppose 03, on the basis that ending revenue-sharing on 08 services was a better alternative. Communications providers were split in their views, the main concern expressed being whether the level of demand would justify opening up a new one digit range of numbers. Practical issues

with opening the range, including making arrangements to make calls to 03 numbers from abroad, were also raised by some communications providers.

5.43 However, Ofcom believes that there will be a strong level of demand from service providers who want a different option for numbers which customers can call. Ofcom anticipates that the costs of providing functionality on 03 numbers will not be significant, and that communication providers will enable access to these numbers in response to demand from service providers and end users. Several public services have already expressed an interest in switching to 03 numbers, and one CP stated in its consultation response that service providers are already asking it for 03 numbers. Other general uses for the 03 numbers have not been suggested by consultation respondents, except for use for 'wide area codes' for geographic numbers, which Ofcom is not pursuing (see Section 4). Ofcom also believes that there are clear benefits to opening the 03 range rather than using part of another range, such as 05, as 03 is numerically close to the geographic number ranges (with which it would share common tariffs) and quite distinct from the 'higher' 08 numbers, and as the identity of 03 services would not be hidden among other types of services.

5.44 On the question of practical issues, including international access, the services to be made available on 03 numbers are not the same as the main comparator services quoted by respondents on the 05 range. The lack of revenue-sharing should reduce foreign communication providers' concerns about potential fraud, and the greater volume of traffic expected relative to other new number ranges should both help to secure this access.

Conclusion on broad options: opening the 03 number range

5.45 Ofcom sees clear weaknesses in the first two options as long-term solutions to raise transparency, and our consumer research base provides strong support for this view. By contrast, opening the 03 range is a clearer way to make available more NTS numbers and to simplify the 08 range. It also has far more support, among a range of different respondents, than the other options. Ofcom therefore confirms that it will open the 03 range of numbers.

5.46 Further, to promote the establishment of 03 and so benefit consumers, Ofcom will take various steps to make the new range trusted by consumers as covering clearly-identified services with a well-understood price range:

- We will work with those UK communications providers responsible for managing international interconnection, to try to ensure that 03 numbers can be called from abroad;

- We will promote early uptake of 03 numbers and easy migration from 08 numbers by making 03 numbers available in such a way that service providers will have a range of attractive alternatives from which to choose. This will promote more rapid migration from 08 numbers and earlier progress towards the long-term vision for 03 and 08 numbers.

5.47 Of course, as trust builds in the new range, there will be an incentive for those providers currently providing such services on 08 to migrate to it. In that regard, the early migration from 08 to 03 numbers by some public service end users, which Ofcom understands is intended by those end users, should help to establish the 03 brand and attract other end users to using 03 numbers due to the 'network effect' of their being generally more recognised.

5.48 Ofcom recognises that establishing the new 03 range as the natural home for non-revenue sharing may appear inconsistent with the decision in the NTS Review to end revenue sharing on 0870 (and possibly also on 0845). However, given Ofcom's focus in the Numbering Review on voluntary rather than forced migration from 08 to 03 numbers, the clear divide between 03 and 08 numbers will happen as a gradual process, not an immediate one, so it would be inappropriate not to address current concerns with NTS numbers at this point. As discussed below, the future structure for 08 numbers can accommodate the formal meanings of 0870 and 0845 numbers, as set out by the NTS Review. Also, over time the current apparent anomaly should become less significant if the new 03 range proves popular, in line with the consumer feedback we have received, and attracts high migration of services from 08 numbers.

5.49 One stakeholder suggested that if 03 were used, it would be better to move revenue-sharing 08 services to the 03 range rather than using 03 for non-revenue sharing services. The basis for this was the higher current utilisation of non-revenue-sharing numbers on the 08 range. Ofcom rejects this alternative approach. For one thing, this would remove the ability to create a new range, without the current associations with 08 and the revenue-sharing services currently using the 08 range. The selection of 03 was, indeed, deliberately made to be numerically close to the 01 and 02 numbers with which they will share the same tariffs, as part of a general 'the lower the digit, the lower the price' approach across the Numbering Plan (accepting that there are inconsistencies at a detailed level). In addition, it is not clear why, without forced migration, revenue-sharing services would have anything like the kind of consumer-focused incentive to migrate to 03 numbers that should be the case for providers willing to migrate to a new, non-revenue sharing 03 range.

The structure of the 03 range

5.50 Ofcom consulted on several options for how the new 03 range might be structured, including:

- opening two new ranges analogous to the existing 08 ranges: an '034' sub-range (perhaps for calls linked to local rates) and an '037' sub-range (perhaps for calls linked to national call rates);
- one memorable sub-range for calls up to national rate, such as 030 or 033; and
- sub-ranges for specific services, such as 030 to call essential public services.

5.51 The consultation responses in general favoured a relatively simple structure, in terms of price and service distinctions. In particular, many responses suggested that a single rate for 03 calls would be appropriate. Ofcom agrees that simplicity is preferable. When considering the structure of 03, we need to consider the long-term identity of 03 numbers and also the benefits to consumers that might accrue from encouraging early uptake and easy migration to 03 numbers.

5.52 Based on the responses and further consideration of how to encourage early benefits to consumers from opening the 03 range, Ofcom has decided (subject to the standard consultation process for Numbering Plan changes) on the following specific structure for 03 numbers, which draws on elements of each of the options presented in the consultation document:

- All 03 numbers will be subject the same maximum tariff, set as what the consumer would pay as if they were making a call to a UK geographic (01/02) number. As part of this, calls to 03 numbers will be treated in the same way as

calls to 01 and 02 numbers in respect of any inclusive call minutes in a customer's tariff. That is, if the customer has inclusive call minutes outstanding for calls to geographic numbers, a call to an 03 number will also count towards inclusive call minutes in the same way as would a call to a geographic number. Discounts applied to calls to 01 and 02 numbers should also be applied to 03 numbers, to ensure the link to charges to call geographic numbers. Originating communications providers will be able to charge lower amounts for different 03 numbers – for example, some numbers may be considered more suitable to price closer to a 'local' rate – but all 03 numbers will have to be charged at no more than a UK national geographic call. Ofcom anticipates that a significant proportion of 03 numbers will be used for services on a national scale, so national geographic rates are a suitable benchmark. This approach sets a limit on 03 charges but is flexible enough to allow lower charges in response to market decisions, and avoids detailed tariff obligations in the 03 part of the Numbering Plan. Service providers wishing callers to their numbers to pay more than geographic rates will be able to offer services on other numbers (e.g., revenue-sharing 08 numbers);

- Memorable numbers in the '030' sub-range will be opened first in order to incentivise early take-up of 03 numbers. Making 03 numbers more attractive as a migration option should help to offset the migration costs for service providers in moving off an established number to a new number. These 030 numbers will, further, be opened in such a way as to promote the uptake of 03 by different types of provider:

  - 0300 numbers will be available for allocation for the purpose of use by public sector and not-for-profit bodies, with guidance on eligibility to use such numbers being provided in a document published on Ofcom's website (that will principally refer out to various lists maintained by other public bodies and charity regulators[18]);

  - 0303 numbers will be available for allocation for use by any subscriber. Communications providers will decide to whom these numbers should be made available;

- Ofcom will provide for easy migration from 084X and 087X numbers by reserving 034X and 037X blocks for migration from the analogous number. A condition of allocating the 03 blocks will be that the 03 numbers will be held open for individual service providers on the corresponding 08 numbers, so that those service providers can migrate by only changing the '8' digit in their number to a '3' digit, if they so wish. This addresses the comments by some consultation respondents that migration would be preferable if only one digit of their number had to change.

5.53 Ofcom believes that this approach combines a simple tariff requirement with a variety of options that will promote uptake of the 03 numbers and enable service providers to choose which numbers best suit their individual circumstances. Whilst the tariff maximum will be set, service providers will be free to price at a lower rate, for example where local service provision is involved and a local rate may be thought more appropriate. Service providers which wish to price at a higher rate can offer their services on the '08' range.

[18] see http://www.ofcom.org.uk/consult/condocs/numberingreview/statement/0300guidance/

5.54 The creation of a memorable 03 range for public services addresses a strong concern expressed by many consumers about the inappropriateness of public bodies using 08 numbers, for example in the case of helplines for disasters such as earthquakes, or to call health services. The 0300 range of numbers should provide a sub-range of numbers that consumers should feel comfortable to call and which should provide a strong identity for such services. The 0300 numbers should also more effectively attract migration from those who would lose money currently earned from revenue-sharing 08 numbers.

5.55 It is relatively straightforward to extend the eligibility for these numbers to charities, but less easy to do so for other bodies due to the difficulty of establishing a precise benchmark for who should qualify. It is unfeasible from an administrative perspective for Ofcom to judge eligibility of organisations for 0300 numbers on an individual basis. However, all organisations will be able to apply for the 0303 sub-range, which are also relatively memorable numbers. Ofcom would welcome comments on its draft guidance on eligibility for 0300 numbers (see Annex 8 for a specific question).

5.56 Ofcom is aware that opening new and memorable number ranges creates an incentive for early multiple number applications by individual communications providers. This has the potential to create competitive inequalities (as individual providers mop up preferred number ranges first). To address this, applicants can initially be awarded one block of each sub-range that they request (as long as they meet the application criteria), but they will need to provide evidence of their need for any subsequent blocks. This evidence may be in the form of number utilisation data or it may be based on 'serious letter of intent' statements to confirm the names of those who will be using the numbers. Ofcom will shortly publish guidance notes on the Numbering section of our web site to assist with the 03 applications process.

5.57 Ofcom notes that whilst some NHS bodies may wish to adopt 0300 numbers for their customers to call them, these numbers are not to be used for the calls to hospital patients using services provided by companies such as Patientline. Those services are provided using 070 numbers, on which Ofcom's policy is explained in Section 6.

5.58 Ofcom recognises that there are costs for those considering migration to 03 numbers, and we have sought to simplify the migration process by the way in which certain 03 numbers will be made available. For the 'migration path' ranges 034X and 037X, Ofcom is seeking to make available for allocation at this time only the equivalent blocks allocated in the 084X and 087X ranges. No other 034X and 037X ranges will be opened initially for providers, to avoid extra early applications at a time when Ofcom is processing other 03 applications. To allow for easy migration, Ofcom has not initially put a time limit on communications providers to apply for the 034X and 037X blocks that match their current 08 blocks, but in due course Ofcom may need to review this approach to ensure efficient use of number capacity.

5.59 We will also promote easy migration by setting conditions of allocation for these migrating number blocks that the 03 numbers will be kept available for allocation to the same end user, on the basis that these particular 03 numbers are being made available solely to minimise the disruption to migrating end users. As part of this, the communication provider acquiring the analogous 03 block will not use, sub-allocate or port any numbers whose 08 equivalents have been made available to other communications providers through sub-allocation or porting. Those communications providers who have acquired numbers through sub-allocation or porting will have to keep open the respective 03 numbers for allocation to current end users of the 08 numbers that they control.

5.60 Opening these number ranges should provide ample capacity, with 0300 and 0303 providing well over half of the numbers currently allocated on 084 and 087 ranges. However, as Ofcom does not intend to allocate other purposes to the 03 range, opening three two digit ranges (030, 034 and 037) equally does not represent a concern in terms of inefficient use of numbers.

5.61 It is important to stress that in terms of the messages that consumers would be given about the Numbering Plan in general, the focus would be on building an overall brand for the 03 range as a whole. Ofcom would not intend to draw consumers' attention to the allocation sub-divisions described above, which are intended purely to help to bring early benefits to consumers through the 03 range. It is hoped, however, that the early use of memorable 03 numbers, notably of 0300 numbers by public sector and not-for-profit bodies, will contribute to building trust in 03 numbers more generally.

5.62 A few other specific points about the structure and allocation of 03 numbers were made by respondents. Ofcom does not support the idea that 03 numbers could have some regional identity. Firstly, this is because 03 numbers are partly intended to allow for organisations with multiple and/or changing UK locations to deliver services using single 03 numbers that do not need to change. Regional meaning would reduce the flexibility of 03 numbers to be used in different parts of the UK. In broader terms, Ofcom also wants a simple structure for 03 from consumers' perspective, which is why we have aimed for a single 03 'brand' for this range. Another respondent suggested that Ofcom could directly allocate numbers to business users. Ofcom does not consider that this is necessary to encourage uptake of the new 03 numbers, and it also raises problems at this point in terms of technical feasibility and consumer protection (also raised in relation to the idea of allocating 06 'individual numbers', as mentioned in Section 6).

The structure of the 08 range

5.63 In consultation Ofcom presented three options for how demand for 08 numbers might be accommodated in the future if the 03 range were opened. These variants were similar to the three general options for how to manage demand growth for NTS numbers, in that they envisaged varying types and quantities of sub-ranges for use for the same services in the long term.

5.64 Most individual responses on 08 numbers wanted quite radical changes, such as the removal of all revenue-sharing services from the 08 range. Ofcom has already looked at many of those issues recently in its NTS Review (see paragraphs 5.9-5.14) and concluded that such changes will not be pursued. As the same arguments were made on those issues by respondents, there is no basis to reconsider the decisions made so recently by Ofcom in response to those points. We have, however, considered other comments made on 08 numbering.

5.65 There were relatively few consultation comments on the detailed structure of 08 numbers. Ofcom's consumer focus groups, however, much preferred the 03/08 option (option 3(ii) in the consultation document) that involved only four categories of numbers in the long term (03, 080, 084 and 087). Individual responses to consultation also strongly supported simplicity.

5.66 There were also few comments on the 0800/0808 services, but those tended to support retaining and strengthening that more trusted brand. Ofcom therefore will leave those numbers unchanged and extend the Freephone brand by reserving all 080 numbers for this purpose. Ofcom does not consider there to be a significant benefit to further differentiating 080 numbers from other 08 numbers by promoting or

requiring the migration of either all 080 services, or all other 08 numbers, to an alternative number range.

5.67 Ofcom has concluded that it should take the simplest option, by choosing the one that involves the fewest and simplest sub-ranges of 08 numbers being in use. This means that:

- Growth in non-revenue-sharing services can continue to be accommodated on 0845 and 0870, or alternatively on the 03 range. This approach is consistent with the outcome of the NTS Review;
- Once the 0845 and 0870 ranges are exhausted, further numbers for non-revenue-sharing tariffs would be provided on the 03 range only. Ofcom considers that this is preferable in terms of transparency to creating further three digit or two digit ranges within the 08 range for these tariffs;
- Once the 0844 and 0871 ranges are exhausted, further numbers for such tariffs would be provided within the '084' and '087' ranges respectively; and
- The 08 range can then broadly be characterised as consisting of only three two-digit sub-ranges: 080 (Freephone), 084 (up to 5ppm) and 087 (up to 10ppm), which provides a clear structure to which the broad message 'the higher the second digit, the higher the price' would apply.

5.68 As new sub-ranges are opened in the 08 range, the question of how those sub-ranges will be regulated will be considered in accordance with the approach set out in the NTS Review. Those decisions on regulating the new sub-ranges will include the extent to which ICSTIS has jurisdiction over new sub-ranges.

5.69 As noted in paragraph 5.48, Ofcom recognises that there is an apparent inconsistency between this statement, which establishes the new 03 range for future growth in non-revenue-sharing services that do not require revenue sharing and the decisions set out in the NTS Review about ending revenue-sharing on 0870 and 0845 numbers. But Ofcom has not proposed short-term forced migration of those services in this review, as it raises complex issues about migration costs, which we have already covered within the NTS Review.

5.70 If the introduction of the 03 range does incentivise significant voluntary migration from the 08 range to the new 03 range, then it may be appropriate at some point in the future to return to the issue of forced migration of the remaining legacy services from the 0845 and 0870 ranges. The basis for considering forced migration would be to remove potential for avoidable consumer confusion when calling 08 services. The trigger for such a re-evaluation might be a level of voluntary migration which materially reduced the residual costs associated with forced migration.

Conclusions and next steps

5.71 Ofcom has decided to open the 03 range and to allocate both 03 and 08 numbers in a way that it believes will cause a more rapid separation of revenue-sharing and non-revenue-sharing services between the two number ranges. Services which require small micro-payments will stay on the 08 range, getting new number allocations as required by demand. But creating the new 03 range gives us the opportunity to simplify the public description of 08 numbers over time, as services migrate from 08 numbers and more 03 numbers are allocated to new services.

5.72 In the longer-term, there will be fewer and simpler categories of numbers on which current 08 services can be provided. These numbers will be described as follows:

- Numbers starting with 03 will be charged like calls to 01/02 geographic numbers (and 03 calls will count towards any bundled minutes);
- Numbers starting with 080 will be Freephone - including current 0800 and 0808 ones;
- Numbers starting with 084 will be charged at one rate (currently 'Up to 5ppm'); and
- Numbers starting with 087 will be charged at a higher rate (currently 'Up to 10ppm').

5.73 Separating services in this way should provide a much simpler message for communications providers to give and their customers to understand. Indeed, these meanings can persist in the long-term, as the 084 and 087 ranges each have ten times more numbers than, for example, 0845 or 0870 alone.

5.74 By setting out these decisions, Ofcom has provided the information that service providers need in order to decide how they should react to the decisions set out in the NTS Review.

5.75 Annexes 2 to 8 comprise the consultation process on the formal changes to the Numbering Plan involved in making available 03 numbers as soon as possible.

5.76 Ofcom anticipates that the inter-operator arrangements to make 03 numbers available in reality should be in place by early 2007, at which point customers would be able to dial 03 numbers. As previously mentioned, Ofcom will also work with communications providers to facilitate access to 03 numbers for customers calling from abroad.

Premium rate services (09) - introduction

5.77 Premium rate services on 09 numbers are commonly used to provide information or entertainment via the telephone or other equipment. Services range from voting and competition lines to sports-related and business information to sexual entertainment. The current structure divides the 090 and 091 ranges into service categories, using a combination of tariff and/or content. The division is denoted at the three digit level.

5.78 Ofcom considers that the current structure for 09 numbers does not provide transparency for consumers and asked, in the consultation, for stakeholder views on alternative structures.

Consultation proposals on premium rate services

5.79 Premium rate services face the challenge of establishing greater transparency and rebuilding consumer trust, against a background of rapid growth in number demand from communication and service providers. The problem of tariff transparency for the 09 number range has already been exacerbated by the need to open overlapping three digit ranges (i.e. 090X and 091X) to provide additional numbers. The result is that consumers have almost no awareness of the meaning of 09 numbers communicated by the Numbering Plan, beyond a general distrust of the entire range.

5.80 In the consultation document, Ofcom set out three possible options for addressing this issue:

- **Option 1** was to continue as at present. Existing service definitions would be retained at the three digit level, and new three digit ranges would be opened up as required. The problem with this approach is that whilst the Numbering Plan theoretically provides service and tariff information to consumers, this information is not in a form that is understood by most consumers. The result is a regulatory structure which is highly complex but which delivers few benefits to consumers. This situation is likely to be exacerbated as further three digit number ranges are made available;

- **Option 2** represented one alternative approach to the status quo, under which we recognise and accept the erosion of meaning that has taken place in relation to the 09 part of the Numbering Plan, and replace all existing service designations by a single service designation for all premium rate numbers. There would no longer be an expectation that the Numbering Plan should provide tariff and service transparency for 09 numbers, and this would instead be provided via the existing obligation on providers via the ICSTIS code to advertise tariffs. This option has the merit of simplicity, in that it does at least recognise the current reality. It does not, however, contribute to Ofcom's objective of rebuilding consumer trust in 09 numbers; and

- **Option 3** would be to restructure the 09 range using similar principles to those proposed for 08. A new set of service categories would be defined, and two digit number ranges allocated to each, providing sufficient capacity for the foreseeable future. These would be ranked in ascending order of potential consumer detriment. The problem with this proposal is that it is not obvious what service categories could usefully be adopted, or how they should be ranked. It may be more appropriate in certain cases to rank services by the type of content being provided (e.g., '092' for 'charity fund-raising', '098' for 'adult content') than the price being paid.

5.81 Ofcom's preferred option in the consultation document was Option 3, but only if it is possible to define a set of service categories which are of use to consumers. We therefore consulted on the different dimensions which need to be considered when defining service categories (e.g., tariff information, availability of adult content) as well as the relative weighting to be given to these different dimensions. Ofcom considered in the consultation document that if Option 3 proved untenable, then our preference would be to move to Option 2, rather than revert to the status quo, since Option 2 does at least have the benefit of simplicity.

Responses to consultation on 09 numbers and Ofcom's comments

Structure of the 09 number range

Responses from consumers

5.82 Most individuals commented on the need for a simple PRS number structure and greater clarity on call charges. Generally, respondents wanted information on both the service and tariff incorporated in the 09 number structure, but in a logical manner.

5.83 Individuals definitely wanted service information on certain types of service that were considered likely to cause detriment, particularly services that children should be prevented from calling. Categories of service suggested in the responses were

gambling, sexual entertainment, auto-diallers, mediums and psychics services. It was agreed that services to which access may need to be barred should have their own 09X ranges.

5.84 Adult services aside, it was felt that the caller would not need to know from the number whether, for instance, it was for a computer helpline or a competition line. It was generally argued that tariff was the most important element to be conveyed for non-adult services and some individuals felt that the 09 range should be structured with a lower 09X number denoting a lower call price per minute or per call.

5.85 Beyond these general comments on structure, some specific views were made. One individual felt that service information in the number was important as this was not supplied on telephone bills. A further comment was that service categories can offer reassurance. One individual felt that consumers may be more relaxed about dialling an 09 number if it came, for instance, from a range for registered charity use. A further comment was that confusion may be caused if the 08 range was divided according to tariff but the 09 range according to service.

5.86 A few individuals felt that the 09 structure was of no interest generally to consumers as most called premium rate services infrequently if at all. Therefore a logical scheme was likely to be lost on them.

Responses from communications providers

5.87 There was a consensus of opinion that few consumers were aware of, or understood, the current structure for 09 numbers. It was agreed that a new structure should be kept simple - multiple categories were rejected as they can distract consumers from the really important messages. There was some support for the simplicity of no sub-ranges, instead focussing on the overall message that 09 means premium rate.

5.88 There was general agreement that services which consumers might particularly want to bar should be separated. Sexual entertainment was one such service requiring a distinct number range so that minors could be protected. There were some proposals to separate other adult services, such as gambling, chat lines and tarot readings. However, it was argued that a general category of “adult services” would be too vague to administer. Little merit was seen in retaining sub-ranges for “pay-for-product” and “multi-chat” services.

5.89 Some communication providers felt that a very basic banding of tariff ranges, perhaps, as Magrathea suggested, at the “low rate” and “high rate” level, could provide some transparency for consumers. However, communication providers generally felt that detailed tariff reflection in the Numbering Plan was a thing of the past and that a complex tariff structure was too difficult to convey, although one provider did propose replication of the detailed tariff banding structure used in Ireland. Tariff transparency was better achieved through price publication under the ICSTIS rules than through the Numbering Plan. It was also the responsibility of communication and service providers to help convey tariff information to their customers.

5.90 It was consistently argued that disruption to existing services should be kept to a minimum. One provider felt that decisions on a suitable structure should balance consumer clarity and over-restrictive regulation of providers. BT felt that the pace of the premium rate market may mean that any new structure based on specific services and/or tariffs may only be relevant for a brief period. It also felt that the continuing availability of numbers in the existing 090 and 091 ranges meant that a

decision could be delayed while further investigation of the most appropriate option was conducted.

5.91 H3G questioned Ofcom's implicit assumption that consumers needed be protected from certain types of services and its classification of some types as more detrimental than others. Ofcom should, as a priority, establish a consensus on the principles underpinning PRS regulation. This may, it was argued, have negated the need for Ofcom to consult on numbering as a consumer protection measure.

Responses from organisations

5.92 Organisations agreed that consumers were confused by the current numbering scheme for PRS. It was felt that the Numbering Plan should not be used as a vehicle for detailed tariff and/or service information and welcomed a strategic approach to PRS numbering in the future. However, changes that required migration of existing 09 numbers were not supported.

5.93 The Telephone Helplines Association (THA) proposed a "give as you talk" number range for charities. It was suggested that the service should have a free announcement explaining the cost of call and that the revenue share was to be donated to the charity. However, the THA was conscious that using a 09 number might give the image of a premium/adult nature to the service and that the public may mistrust it. On balance, it was argued, the service may be more appropriate in the 08 range as a chargeable companion to the Freephone 080880 confidential helpline numbers.

Ofcom's comments

5.94 Ofcom supports the view that the structure must be simple. It would be pointless to introduce an alternative structure that did not improve transparency for consumers. It appears, from responses, that the main message to convey through the structure is that 09 is premium rate and that sexual entertainment services are identifiable. Apart from that, responses were non-committal on the best way to sub-divide the 09 range.

5.95 Ofcom shares the belief that the Numbering Plan is not an effective means to provide a very detailed level of tariff information to consumers. We also note the general indifference to service categories beyond sexual entertainment, and perhaps some other services which minors should be prevented from calling. While the points raised in the responses have been informative, Ofcom has not been provided with a clear message on the most appropriate structure for the 09 range beyond segregation of sexual entertainment services.

5.96 The overall message that Ofcom has taken from the responses is that it should seek to create a number scheme for premium rate numbers that can provide more transparency for consumers. It is our feeling that this can be achieved by moving to a structure that conveys information at the two digit rather than three digit level. Further work, however, is required on appropriate categories beyond a separate range for sexual entertainment services.

5.97 In answer to H3G's point about Ofcom's consideration as some services as more potentially detrimental than others, Ofcom notes its principal duty to further the interests of citizens and consumers in relation to communications matters and to have regard to, in performing that duty, the vulnerability of children and of others whose circumstances appear to Ofcom to put them in need of special protection. It is with this statutory duty in mind that we have given consideration to the types of

services that may be considered detrimental, particularly to vulnerable consumers. Ofcom will take into account the regulatory structure for PRS as it considers further the appropriate numbering structure for 09 services.

Call barring

5.98 Communications providers' responses to the consultation did not provide a consensus on the ability of networks to allow consumers to selectively bar certain number ranges or sub-ranges. The communication providers themselves pointed out that there is no common industry position on this issue. Some respondents, therefore, questioned the need to restructure the 09 range to provide transparency of service and/or tariff if the consumer had little opportunity to act on such knowledge. Others felt that selective call barring would be confusing if not all services had numbers within the new 09 numbering structure, but did not advocate forced migration of existing numbers.

5.99 Ofcom notes from responses that the level of granularity at which networks can offer call barring services to their customers varies. However, a significant number of originating networks do have the capability to offer selective call barring facilities, and this is likely to increase in the future. There is, therefore, clear benefit in establishing a number plan which would allow this capability to be used in practice.

Migration of existing 09 numbers to a new structure

5.100 Communication providers indicated that there was a huge variety in the longevity of services on 09 numbers, with some, particularly competition and voting lines, lasting days or weeks, whereas others lasted years. Sufficient notice would need to be factored into any migration plan in order to minimise disruption. This period was commonly held to be two years.

5.101 Many communication providers did not support forced number changes in the 09 range, arguing against the cost and inconvenience to service providers and detriment to consumers who find that the number for a required service has changed. BT stressed that Ofcom's proposed scheme for 09 could only significantly increase consumers' understanding of premium rate numbering if migration of existing numbers was forced – a measure which it considered unacceptable.

5.102 Ofcom appreciates communications and service providers' resistance to number change, particularly if the benefits of the new number range structure (which has yet to be determined) are unclear. However, Ofcom believes that in order for a more transparent structure to deliver its benefits to consumers, both in terms of tariff transparency and selective call barring, all PRS would need to eventually use numbers according to that structure. We would, however, wish the migration to cause the minimum possible disruption to all parties and therefore advocate the setting of a sufficiently forward looking sunset date by which all services on 090 and 091 numbers would either have moved to the new structure or been withdrawn. Further work is envisaged on this matter, but an initial view is that a sunset date of two years from when the new structure is agreed would be appropriate. However, it may be appropriate to consider an earlier sunset date for sexual entertainment services on the 0908 and 0909 ranges in order to allow the early introduction of selective call barring for these services.

Need for a tariff ceiling and alternative means of providing transparency and protecting consumers

5.103 There was almost full agreement that a tariff ceiling was needed to protect consumers, particularly as distrust in PRS had been heightened by recent rogue dialler scams. One individual argued that the current ceiling should be reduced from £1.50 to £1 per minute; another that there should be a total call cap on all PRS calls. Some communications providers believed that a tariff ceiling should remain but be raised to, say, £5 per minute, while one individual felt that a ceiling would not be required if a regular running total of call cost was provided.

5.104 A number of individuals referred to alternative means of consumer protection in their responses. These included average call costs on advertisements; making all PRS opt-in; and the provision of a pre-announcement warning of adult content. A large proportion of individuals wanted tariff announcements at the start of a PRS call and updates on call cost every 60 seconds.

5.105 The right to bar calls to 09 numbers was seen by some individuals as a contractual right, arguing that all communications providers should be mandated to offer call barring to PRS numbers, including reverse charging and PRS text messages.

5.106 The Mobile Broadband Group requested that an 09 adult sub-range be used for reverse billed SMS. This would provide greater transparency for consumers as the charge for content and the charge for carriage would be shown separately.

Ofcom's comments

5.107 Ofcom agrees that a tariff ceiling can act as a consumer protection measure and would not support the removal of the ceiling without adequate protection measures being in place.

5.108 Many of the points raised in responses are beyond the scope of the consultation on a structure for the 09 range, instead referring to promotional and consumer protection issues. These views will be considered as part of Ofcom's ongoing work on consumer protection and shared with ICSTIS.

5.109 A couple of respondents set out the case for a sub-range to be set aside for reverse billed SMS calls of an adult nature. This is an interesting concept and one that was raised in Ofcom's recent consultation document on supplying numbers for premium rate sexual entertainment services (see paragraph 5.110). One of the drivers for this request is Ofcom's proposal that all adult services be provided on specifically designated 09 sub-ranges (see paragraph 5.111). Currently, many of these services are offered on 08 numbers and under the proposal would need to migrate to an appropriate range within 09. There has been some discussion on setting aside part of the 09 range for adult services accessed via a telephone number charged at geographic rates but where the adult content associated with that service is billed separately from the call charge (i.e. through reverse-billed SMS or by credit card). Ofcom considers that the question is valid and deserves further consideration in the forthcoming consultation document on the structure for the 09 number range.

Developments since the publication of the consultation document

Consultation on additional numbers for premium rate sexual entertainment services

5.110 Ofcom published a consultation document *Supplying numbers for 09 premium rate services and codes to facilitate mobile number portability* on 11 May 2006[19]. This document set out proposals to make additional numbers available for premium rate sexual entertainment services[20] (and additional codes to facilitate mobile number portability).

5.111 The consultation document included three options for handling the increasing demand and combating the resulting scarcity of numbers for sexual entertainment services. The options presented were to a) open 0919; b) open 098; or c) defer action until the numbering review had concluded the arrangements for premium rate numbers.

5.112 Ofcom received 14 responses to the consultation document from communications providers and organisations. There was general support for opening 098 with two provisos. First, that opening 098 would be in line with the outcome of the numbering review (otherwise deferment was preferred by some); and second, that further consideration be given to the issue of forced migration of existing services to the new number range (otherwise some opposition to 098 was expressed).

5.113 Ofcom will publish the statement on supplying additional numbers for sexual entertainment services shortly. Ofcom expects the statement to confirm that, in light of consultation responses, the 098 number range will be designated for sexual entertainment services.

Consumer research

5.114 During the consultation period, Ofcom commissioned additional consumer research, using focus groups to explore some of the issues raised in the consultation, including the structure of the 09 range. The report on the focus group work has been published as a companion document to this statement[21].

5.115 It was found that the concept of premium rate numbers was well understood and recognised by the vast majority of the group. Despite over half of the group members having called 09 numbers, premium rate services were held in a very negative light. While none of the participants had barred access to premium rate services, they agreed that the ability to do so was important for families.

5.116 It was clear that the group participants had no concept of service or tariff from any previous contact with the current 09 numbering scheme and that they would welcome improved clarity of information. The groups were offered different options for the structure, which included the current 09 range; no sub-ranges at all; and variations of tariff and/or service models. It was agreed that the current structure could be improved upon, while the no structure option was rejected as providing no additional information beyond the overall premium rate message. Price and service orientated

[19] http://www.ofcom.org.uk/consult/condocs/supply_numbers/
[20] Sexual entertainment services refers to services of a clearly sexual nature of services where the promotional material is, or implies that the service is, of a sexual nature.
[21] see http://www.ofcom.org.uk/consult/condocs/numberingreview/statement/futuresight/

structures were equally supported, with the favoured approach providing a mixture of the two elements.

Statement on number translation services

5.117 Ofcom published its statement *NTS: a way forward* on 19 April 2006. The statement announced the intention to implement a number of measures. On measure was the extension of PRS regulation to adult services currently on 08 numbers. Ofcom intends to amend the Numbering Plan later this year to clarify that adult services should only be provided on the specific 09 number ranges. As a result, adult services currently provided on 08 numbers would have to move to appropriate 09 numbers.

Analysis and conclusions on premium rate services

Consumer interests and policy objectives

5.118 The key element of the review's proposals in relation to numbering for premium rate services was to simplify the structure of the 09 number range and establish a clear service category identity defined by two digit sub-ranges. This is in the interest of telephone users, as improved information would be available to help inform choices on whether to call or bar access to certain types of premium rate numbers.

5.119 The intended outcome of Ofcom's proposals for premium rate numbers is that consumers are better informed and protected. The current arrangements are too complex to deliver adequate information on service and tariff, which has resulted in a general mistrust of calling 09 numbers. It is also the aim that sufficient numbers are available to meet demand from within a transparent 09 numbering structure.

Conclusions and next steps

5.120 As explained, premium rate services face the challenge of establishing greater tariff transparency and rebuilding consumer trust, while ensuring sufficient numbers are available to meet communication providers' needs. As demand escalates, Ofcom needs to establish the next available numbering resource to open for allocation. This has already been demonstrated by the consultation on opening a new number range for sexual entertainment services. Therefore, regulatory action must be taken to offset the negative impact on competition that would arise from a lack of available numbers. However, now that the immediate urgency of supplying numbers for sexual entertainment services has been handled, Ofcom has sufficient numbers available to allow time for further consideration of the most appropriate structure for the remainder of the 09 range.

5.121 Ofcom has considered all the responses to the consultation and the additional information received since its publication. Our evaluation is that premium rate numbering should no longer be confined to the complex service structure in the 090 and 091 number ranges. Instead, premium rate services should be categorised at the two digit level to allow for greater transparency of service and/or tariff. The case for separating sexual entertainment services into the 098 range has already been made. The best means of dividing the remaining services requires further examination and will be the subject of a subsequent consultation later this year.

5.122 The best means of handling legacy services on the 090 and 091 ranges will also be considered in the forthcoming consultation. As mentioned in paragraph 5.102, Ofcom believes that in order for consumers to fully benefit from the transparency of the new

09 structure, all premium rate services should eventually conform. The details of how best to effect such a move will be considered further in the forthcoming consultation.

5.123 Ofcom's next steps for premium rate numbering, therefore, are to seek further clarification on a number of issues and to further develop our thinking on the best approach to the structure of the 09 number range. In the meantime, the 098 number range is expected to be opened for allocation of premium rate sexual entertainment services. Ofcom plans to publish the consultation on proposals for the rest of the 09 number range later this year.

Figure 5.3 The future structure of the 03, 08 and 09 ranges[22]

Number range	Tariff/Service
03	Calls at the same rate as calls to geographic numbers, no revenue sharing permitted
080	Freephone
084	Calls up to 5ppm, revenue-sharing permitted
087	Calls up to 10ppm, revenue-sharing permitted
090-097	Distinct tariffs and/or services possible for each band of 090, 091, 092 etc (Ofcom to consult in detail)
098	Sexual Entertainment Services

Application of the Numbering Plan to all calls

Consultation proposals

5.124 The previous parts of this section have set out a number of measures to simplify that part of the Numbering Plan that relates to non-geographic numbers, so as to provide improved tariff and service transparency. However, if these measures are implemented using a similar approach to that adopted in the current Numbering Plan, the benefits of this improved transparency will only be apparent to consumers who are retail customers of BT. This is because most of the provisions in relation to tariff transparency which are contained within the current Numbering Plan apply only to calls which originate on BT lines.

5.125 This is something of an anomaly, since the tariff transparency provisions contained within the numbering plan are imposed via a general condition on all providers, rather than by an SMP condition based on a finding of market power. The intention of transparency provisions such as this is not to regulate the retail prices charged by providers, but to permit consumers to make informed choices between competing providers. Clearly, the ability of consumers to make informed choices is severely restricted when transparency provisions are restricted to a single provider.

[22] The specific tariff levels for the 08 and 09 ranges may change as Ofcom carries forward its plans to apply the tariff levels of the Numbering Plan to calls from all lines (see paragraphs 5.124 - 5.137).

5.126 Historically this may have been acceptable, as almost all calls did originate on BT lines. However, the growing use by consumers of competing fixed communications providers, and of mobile phones, mean that a declining share of retail traffic is covered by these tariff transparency provisions. By mid-2005, BT retail customers accounted for about 60 per cent of all retail fixed call volumes alone[23].

5.127 We therefore raised the question of whether the tariffing provisions in the Numbering Plan which currently apply to BT retail customers should be extended to apply to customers of other providers of publicly available communications services. Ofcom has a number of options for widening the application of the tariffing provisions in the Numbering Plan. The two dimensions to consider were:

- which other providers should have obligations: some other fixed services providers, all other fixed service providers, or all providers including mobile services providers and payphone service providers?; and
- for which number ranges should other providers have obligations: just those number ranges most prone to consumer abuses, or all number ranges?

Responses to consultation

5.128 On extending the tariff provisions to other providers, many individual respondents supported this, although some gave either positive or negative views with no explanations. Some believed that such a measure should focus on those numbers charged above geographic rates. There were also a number of negative comments about Freephone numbers being charged when calling from a mobile phone. Additionally, a reasonable number of respondents suggested that pre-call tariff announcements should be provided routinely, either for all calls or for any over standard geographic rates.

5.129 Communications providers were quite divided in their views. Fixed providers generally supported the concept, although for some that was conditional upon the approach not impeding competition or causing undue costs which would be passed on to consumers. Mobile providers however strongly opposed this as a whole. One commented that it was up to Ofcom to ensure that the Numbering Plan was flexible enough to accommodate mobile operators' pricing models. It was suggested by a few of them that tariff ceilings might amount to price regulation, even with the opportunity for (prescriptive) price announcements. Other alternatives to promote transparency (such as general condition requirements) were suggested, with one provider suggested a relatively simple 'other networks may vary' descriptor against Numbering Plan tariff levels, and one suggesting that adverts could state a cost 'plus your normal network rate'.

5.130 Other organisations tended to support this broad policy proposal, for example on the basis that it could strengthen the impact of the other measures proposed by Ofcom.

Strategic decision and next steps on common tariff requirements

5.131 Having considered the views expressed in consultation, Ofcom confirms that its strategic decision is to extend the tariffing provisions within the Numbering Plan as far as possible, to apply to all originating providers, on all types of network. This is the best way to ensure that the whole Numbering Plan is not weakened by inconsistencies in consumers' experiences.

[23] Ofcom market intelligence data

5.132 Ofcom notes that this approach is consistent with that in the European Commission's consultation on changes to the EU regulatory framework. That document[24] cites a general problem of consumers not being able to find out, or not being aware of, the tariff that applies to their calls. It also quotes the example that calls from mobile networks to numbers advertised as 'Freephone' may not be free.

5.133 However, Ofcom's intention in doing this is not to use the Numbering Plan to regulate the prices that communications providers charge. Communications providers should be free to determine what price they wish to charge for their services, subject only to any price controls imposed following a finding of SMP, and then choose a number range which is consistent with that price.

5.134 Of course, this may not always be possible, since the Numbering Plan can only support a limited set of number ranges. However, Ofcom believes that the Numbering Plan as a whole will provide Communications Providers with pricing flexibility, either by allowing for free pre-call announcements if they want to price above a particular tariff description, or by migration to alternative number ranges. Ofcom does not favour pre-call announcements as a general requirement for calls to all numbers. That option was rejected as part of Ofcom's recent NTS Review. But they might be suitable for some number ranges.

5.135 We recognise however that there are complex issues involved in developing tariff descriptions in the Numbering Plan. The key issue is to develop tariff descriptions that both inform the consumer and recognise the differing origination costs involved for different types of communications provider. We have therefore begun to consider various options for achieving transparency without placing disproportionate constraints on certain providers. This should help to meet the concerns expressed by mobile providers in particular about the practical impact of this policy approach.

5.136 There are a number of approaches that could be taken when applying tariff descriptions for number ranges across all providers. Ofcom will consider the relevance of pre-call announcements when assessing these options:

- Setting a standard tariff that applies to calls from all lines, e.g, 'up to 5ppm'. This has the potential disadvantage of being set either too low, such that pre-call tariff announcements would be required far more frequently when calling from some lines than from others. Alternatively, setting the price too high to limit the level of pre-call announcements would not give many customers a meaningful indication of the tariff. This approach should however be relatively simple for customers to understand and communications providers to implement;

- Setting different tariff descriptions for calls from different lines, e.g., 'up to 5p from fixed lines, under 10p from mobiles and payphones'. This would acknowledge the difference in origination costs but would be a more complex message to give to consumers;

- Linking the tariff description to the charge for another call type, e.g. 'call to a national number plus 2ppm'. This would allow charges to vary according to origination charges, and indicate the kind of premium being paid for the service in question. However, this option could rely too much on customers being aware of the alternative call cost to which charges were linked. This option could also be

[24] see http://europa.eu.int/information_society/policy/ecomm/doc/info_centre/public_consult/review/staffworkingdocument_final.pdf

more complex to develop and implement, partly as many basic calls from both fixed and mobile lines are now included in bundled minutes.

5.137 Ofcom will be engaging with stakeholders as part of a review of the Numbering Plan's service definitions later this year, to get their views on how best to achieve transparency for calls from all lines, based on these options for Numbering Plan tariff descriptions and any others proposed.

Section 6

Mobile and personal numbers

Introduction

6.1 Both mobile and personal numbers start with 07 numbers. By far the most important in terms of volume of traffic are mobile numbers, which currently start with '077', '078' or '079'. Most people are of course familiar with mobile services, as most of the UK population own a mobile phone. Most 07 numbers currently allocated are therefore identified with a well-known service that constitutes a significant proportion of UK call volumes. It is important that Ofcom enables the continuing growth of mobile services through its numbering policy decisions. At the same time, it is important that Ofcom's numbering decisions do not allow the meaning of mobile numbers to be diluted by introducing confusion with other services on similar numbers. At the same time, where innovative services meet the definition of a mobile service they should be able to obtain numbers to compete on an equal basis.

6.2 Personal numbers begin with 070, and unlike mobile numbers they represent a very small proportion of UK domestic traffic: about 0.01 per cent. Personal numbers are designed to enable customers who habitually move location to be called using a single telephone number, and to receive those calls at virtually any telephone number, including mobile numbers. A personal number is allocated by a Personal Numbering Service Provider ('PNSP') to a person (or organisation) and is not itself linked to a network. It is thus independent of a terminating network operator, and this enables customers to control the delivery of incoming calls so that they can be reached anywhere, irrespective of location.

6.3 Personal numbers have been the subject of many scams and much abuse of consumers, in large part as they are not particularly distinct from 07 mobile numbers but at the same time they do not have a specific tariff ceiling associated with calling them. A range of tariffs, some beyond £1 per minute when calling from some communications providers, add to the incentive to conduct scams through various methods to escalate call traffic to personal numbers, particularly those with high tariffs.

6.4 As further context, it is worth noting that the functionality provided to users of personal numbers may also be provided by a range of other services and technologies. For instance, call forwarding services allow consumers to have calls routed to a choice of devices in a similar way to current personal numbers. New technology such as ENUM will also be able to provide users with follow-me functionality with a single contact identifier.

Consultation proposals

6.5 Our consultation proposals for mobile numbers were based upon how to make more numbers available in future. We proposed that the unused sub-ranges '071'-'075' in 07 should be reserved for mobile use. We also proposed that mobile numbers would be allocated (where appropriate) in smaller blocks (of 100,000 numbers) to guarantee ongoing availability of mobile numbers in future, to supply the expected increase in the number of communication providers applying for mobile numbers. Such providers would often not need large allocations of numbers, at least initially. In addition, we considered the meanings associated with mobile numbers, by asking whether any part of 07 might be reserved specifically for future mobile multi-media

services. In addition, our proposals on personal numbers were made with the expectation that they would support the clear identification of 07 as a mobile range in the long-term.

6.6 On 070 personal numbers, we proposed to take immediate steps to increase consumer protection by introducing a price ceiling for personal numbers, with calls priced above that ceiling requiring a pre-call announcement of the tariff. Ofcom also proposed to close 070 as a personal number range, giving existing 070 services a period of perhaps three years before these numbers could no longer be used.

6.7 We also proposed to designate a new 06 range, for existing personal numbering services as provided now on 070 numbers, and for future 'individual numbering' allocations. The creation of a distinct 06 range was envisaged as both a short-term consumer protection measure and, through the creation of 'individual numbers', a longer-term market-stimulating proposal. We suggested that the 06 range should have consumer protection through a requirement to follow a price ceiling or make a pre-call announcement, as for calls to 070 personal numbers.

6.8 Ofcom's proposals were aimed at reducing the level of personal number abuse by clearly identifying personal numbers in the longer-term (by making them distinct from mobile numbers) and by providing immediate consumer protection to reduce current personal number abuse.

6.9 Figure 6.1 summarises Ofcom's proposals for how 06 and 07 numbers would be allocated in the longer-term.

Figure 6.1 Summary of Ofcom's consultation proposals

Number range	Services
060	Individual Numbers (sub-range provisionally set aside for direct allocations of numbers to end-users, numbers only to be made available for allocation once service feasibility has been established)
065	Personal Numbering Services (calls subject to a call ceiling) (new allocations)
070	Personal Numbering Services (calls subject to a call ceiling) (no new allocations, expectation that existing allocations will migrate to 065 over a period of time)
071-075	Mobile services (not yet allocated)
076	Legacy Radio-paging Services
077-079	Mobile Services (existing allocations)

Responses to consultation

Mobile services

6.10 Respondents generally agreed with the proposal that the part of the 07 range which is currently unused (071-075) should be reserved for mobile services, with the aim of

establishing 07 as a mobile 'brand'. However, respondents did not agree with the idea of reserving the sub-ranges 071-075 for mobile multi-media services. There was broad agreement that there was no need for this because a mobile number acts as a gateway to a range of services that could include mobile multi-media services. Some respondents also argued that specifying mobile sub-ranges for different service types would undermine the ability of mobile customers to change from one kind of service offering to a range of enhanced multi-media services. In addition to this some respondents argued that this would have an adverse effect on number utilisation.

6.11 Respondents were in broad agreement with Ofcom's proposal to allocate mobile numbers in 100,000-number blocks. Some doubted whether this was needed but were not strongly opposed. Respondents supported the idea of conserving mobile numbering, despite the current lack of mobile number scarcity. It was considered that Ofcom should be in a position to allocate mobile number blocks according to applicants' specific requirements.

6.12 A number of respondents commented on problems with transparency about mobile tariffs and the services provided on, or being allocated, mobile numbers.

Personal numbering services

6.13 Respondents voiced strong opinions on the proposals surrounding personal numbering services. There were some responses from individuals suggesting that personal numbering services should be abolished as they were extremely expensive and subject to a great many scams. Many considered them a 'licence to print money'. Some individuals argued that personal numbers should be moved to the 09 range, 'where they belong'.

6.14 On the issue of opening a new number range for personal numbers, some communication providers were opposed, believing that the new number range would be littered with scams, and questioning whether opening up a new number range was appropriate due to a lack of demand for genuine services. On the other hand, many existing personal number providers were against any enforced migration to a new number range. These concerns were shared by some users of personal numbers that expressed concern that their 'follow-me number for life' was being endangered by Ofcom's plans and the possibility of losing a personal number or having to change their number was going to impact their business.

6.15 On the question of migration periods for personal numbers, respondents' views varied widely. Some believed that instead of enforced migration, 070 services could diminish naturally, with no new allocations made and no need for a new number range to be opened. Some responses, mainly from personal number providers, supported long migration periods from two years to five years or more. Other responses, mainly from individuals, suggested one year or less, and even immediate enforced migration. There was also some specific support for the three year migration period suggested by Ofcom from communication providers and personal number providers.

6.16 All communications providers favoured tariff transparency, in order that callers were clear about the cost of calls. There was a range of views about how best to achieve this. Respondents were split on the proposed price ceiling for calls to personal numbers. There was some support for a price ceiling but no clear consensus on its level. Some communications providers holding personal numbers allocations were against any price ceiling, whereas most individuals and some other communications providers were very much in favour of a price ceiling. One provider suggested a

number of tariff bands capped at maximum rates that would allow adequate margins for communications providers. Some respondents suggested that a tighter enforcement regime was a better solution to address abuses than a price ceiling.

6.17 Respondents were split on the appropriateness of a pre-call announcement to give clear tariff information at the point of sale (when the call is made), especially if this were required in conjunction with a price ceiling. Some communication providers stated that callers would object to announcements being played at the beginning of a call, even if the announcement was not chargeable. A small number of communication providers seemed to prefer pre-call announcements to a price ceiling as a way to provide tariff transparency, although some communication providers supported a price ceiling in combination with pre-call announcements. Individuals and a few personal number providers supported a pre-call announcement on the basis that call tariff transparency was important and that this would give an opportunity to decide to make a call with a clear understanding of the call cost. Some users of personal numbers were also in favour of tariff transparency measures but were not in favour of pre-call announcements on all calls to personal numbers as this may impact on their ability to keep in contact and be contacted by friends and business contacts.

6.18 There were few responses to the policy proposal for the allocation of individual numbers and what issues would need to be overcome before individual numbers could be provided. It is apparent that some communication providers feel that there are many issues that need to be resolved before Ofcom could allocate numbering to end users. Some communication providers questioned whether there was likely to be demand for allocation of numbers to end users. There were very few responses on this issue from individuals. Legal issues were cited as one area, especially compliance issues. In addition, some technological issues would need to be resolved, such as number block sizes and portability.

Further information on personal numbers

The problem with personal numbers: customer abuses

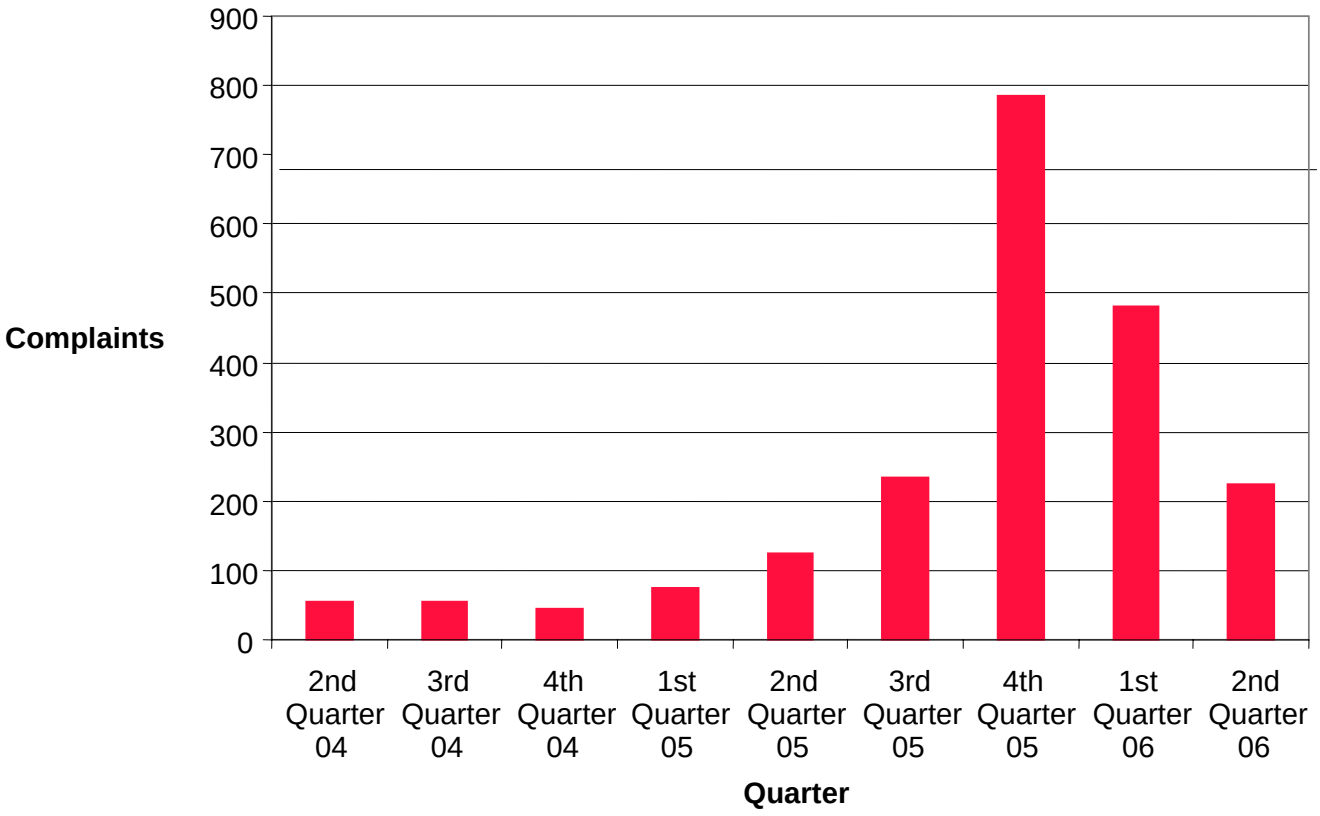
6.19 Ofcom has reviewed updated information on complaints that the Ofcom Contact Centre (OCC) has received concerning personal numbers. Complaints about personal numbers range from customers being angry about being plagued by calls from personal numbers to particular scams resulting in customers receiving high charges on their bills for calls to personal numbers. As can be seen from Figure 6.2 personal number complaints, from 67 complaints per quarter in Q1 2004 to about 220 complaints in Q2 2006.

6.20 Some scams have involved personal numbers being rung from customers' mobile phones following a short duration call to the customers' mobile phone. The customer rings the number back following a 'missed call' without realising that the number is a personal number. This scam has been quite harmful relying on the general lack of awareness of personal numbers as they closely resemble mobile numbers.

6.21 Other scams have included 'fax-back' scams where customers have been asked to fax a letter to a personal number following receipt of a marketing fax in order to stop receiving marketing faxes. The fax to a personal number has resulted in a long duration call to a fax machine often made even more expensive due to the high level of detail in the fax itself to be sent and the deliberate switching of the receiving fax to a very low data receive rate.

6.22 There have been a host of scams involving personal numbers that rely on the artificial escalation of calls to personal numbers and the lack of consumer awareness of personal numbers, mostly due to the similarity of personal numbers to mobile numbers. Many consumers have not looked further than 07 in the number they are dialling or to which they are returning a call. The lack of awareness of personal numbers is evidenced by the large number of complaints received by Ofcom; consumers have often been shocked by the price of calls to these numbers. Comments in consumer focus groups run by Ofcom during the consultation period are also consistent with this picture of very little awareness of the existence of personal numbers.

Figure 6.2 Complaints to Ofcom Contact Centre about personal numbers



6.23 Ofcom research in June 2004[25] supports the idea that consumers have low awareness of personal numbers. Ofcom commissioned quantitative research into consumer awareness and attitudes towards personal numbers. About seven in ten (72 per cent) of GB adults said that they did not recognise 070 numbers, and less than 1 per cent of the respondents specifically recognised them as personal numbers. The majority of those who claimed to know what types of numbers 070 number were thought that they were mobile numbers; this was especially the case for mobile users. The continuing consumer abuses, as evidenced by the level of consumer complaints, suggests that the key perceptions in this research are likely still to be valid.

[25] The research was conducted in June 2004. 1,004 GB adults were interviewed on ICM Research's omnibus survey. The survey was conducted amongst a representative sample of GB adults aged 16+ with a fixed line phone reflecting the GB profile of sex, age, region and housing tenure. Data was weighted to ensure a representative sample of GB adults.

6.24 Ofcom has opened 11 investigations into the misuse of personal numbers since the beginning of 2004. To put this into perspective, Ofcom has opened just over 70 communications cases in this period. This indicates that personal numbering abuse is a big problem in relative terms. These investigations have stemmed from either a specific complaint from one or a number of communications providers about alleged personal number misuse, or from a high level of consumer complaints relating to personal numbers provided by specific personal number providers.

6.25 However, despite Ofcom's investigation work, and the removal of revenue sharing on personal numbers in 2001, scams and general abuse of personal numbers have persisted. The volume of complaints varies with particular scamming activity, and in some quarters has considerably exceeded its current level. In general terms, though, personal numbers, whilst representing about 0.01 per cent of UK domestic traffic, accounts for between 1 per cent and 3 per cent of all complaints to Ofcom per month.

Ofcom personal number audit

6.26 Ofcom recently conducted an audit of personal numbers allocated to communication providers, to gain an up-to-date picture of the usage of these numbers. The audit provided details on the levels of usage and traffic volumes for over half of all personal numbers that have been allocated, and information on the mix of mobile and fixed numbers to which these calls are routed.

6.27 To date, Ofcom has allocated nearly 700 blocks of personal numbers to around 130 communications providers. The majority of personal numbering blocks are little utilised, the average utilisation being around 5 per cent for the blocks for which Ofcom received responses. Many of these numbers will not be live, but built onto switches and hence may be considered as 'in use' by some respondents. Around half of the allocated blocks are not being used at all by the communications providers concerned, and many have stated that they would be happy to return their allocations to Ofcom.

6.28 The fixed/mobile termination mix of calls to personal numbers seems to vary according to the particular tariff of personal numbering concerned. The audit suggests that the average mix is 58 per cent fixed and 42 per cent mobile. However, this is not based on a complete picture; many respondents did not have this information, or did not provide answers.

6.29 Evidence from the audit seems to suggest that call routing seems to correspond closely to tariffs for particular 070 blocks. That is, if the tariff is 40ppm or higher (from a BT line) then most calls are routed to customers' mobile phones, but if the tariff is 10ppm or less then most calls are routed to fixed phones. This would suggest that a lot of 070 services are not really 'follow me' services of the type for which the personal numbering range was originally intended. This is important context for Ofcom's decisions on personal numbering, as personal numbers were designed to allow customers to re-route calls between different numbers. This was set out in an Oftel 1998 publication and again in a 2001 publicatjon[26]. Further clarification on acceptable use of personal numbers was given by Ofcom in 2004[27]. The audit data suggest that some services may not be provided in accordance with Ofcom's expectations and in line with the Numbering Plan.

[26] *Restoring trust in Personal Numbering,* May 2001. – see http://www.ofcom.org.uk/static/archive/oftel/publications/numbering/pers0501.htm#personalnumbering
[27] *Personal Numbering - Guidance on the acceptable use of 070 numbers*, January 2004. - see http://www.ofcom.org.uk/telecoms/ioi/numbers/num_070_guide

Call charges to personal numbers

6.30 There is currently a large variation in the charges made by originating communications providers for calls to personal numbers. These call charges range from 5ppm (from one fixed provider), to a fixed charge of 70p plus £1 per minute (from one mobile provider). Charges vary depending on the originating provider and the particular personal number range being called. There are also time-of-day variations on some tariffs from some communications providers. Calls to personal numbers from BT payphones are charged at 63ppm to £1 per minute.

6.31 Given that there is such a large range of tariffs to call personal numbering consumers have no visibility of the cost of making a call. This has resulted in the very high level of complaints to Ofcom's Contact Centre. Many calls to personal numbers are made without the caller realising that the call is to a personal number where the call will not be included in any bundle of minutes provided by their communications provider. The caller has no transparency of the pricing of the call they are making. It is possible to find the call charge information from literature from communications providers and from their websites but there is no easy way for a caller to distinguish between a call costing 10ppm for example and call costing 50ppm. Also, callers often make calls without checking the cost of a call and the first time they are aware that they have been charged a high price for a call is when they receive their bill.

Feedback from stakeholder meetings

6.32 Stakeholder meetings during the consultation period have revealed a mix of attitudes towards personal numbering. In Ofcom's consumer focus groups in the consultation period, consumers seem to be totally unaware of the existence of personal numbering and actually thought that the term 'personal number' was intended to mean a mobile number. This kind of comment adds extra support to the Ofcom's view on the source of many scams that have occurred on this number range.

6.33 Communications providers have discussed their attitude towards personal numbers and are, on the whole, in agreement that these numbers are subject to abuse, particularly as consumers are unaware of them. Some communications providers are supportive of the continuation of personal numbers as they provide such services but are mixed about the proposals for consumer protection measures.

6.34 Consumer groups have been highly critical of personal numbers and the amount of scamming and fraudulent use that seems to pervade the number range. They have questioned the continued existence of these numbers and have been calling for Ofcom's intervention to ensure that such activity ceases.

Analysis and conclusions on personal numbering

Consumer interests and policy objectives

6.35 Ofcom's proposals for personal numbers clearly have potential implications for consumers. In essence, Ofcom's personal numbering policy is a major consumer protection issue. Given the high level of complaints received by Ofcom and the number of cases and investigations that Ofcom has opened, it is important for Ofcom to address the impact on consumers. There is strong evidence that Ofcom cannot let the current situation continue and that action is needed to curtail personal number abuse.

6.36 One of the main problems to address is the lack of tariff transparency and the lack of distinction between personal numbers and mobile numbers, which support the ability to make money from consumers who make calls without understanding the costs involved.

6.37 Ofcom must, of course, also take into account the interests of personal number customers, who have been supplied with personal numbers and may be disadvantaged by changes to such services. However, consultation responses and Ofcom's personal numbering audit support the view that there is currently a limited market for genuine follow-me services, and Ofcom believes that the key consumer issues to be considered in its decision on personal numbers is how to ensure appropriate consumer protection for those calling personal numbers. Ofcom believes that this approach can be consistent with the interests of genuine personal number providers as better transparency for genuine personal numbering services has the potential to stimulate demand for such numbers and, by establishing a clearer identity for these numbers, enable consumers to feel confident to call them.

6.38 Ofcom's objectives are therefore to address personal number abuse by putting in place measures in the short-term to ensure that consumers are made aware of the tariffs of calls to these numbers, and to ensure that future provision of personal numbering services is consistent with robust transparency and protection for consumers. Ofcom also wants to ensure that its approach to allocating personal numbers takes account of the demand to provide personal numbering services as well as the need to protect consumers from abuses.

Assessment of policy options

6.39 In developing a general approach to personal numbers, Ofcom has rejected some proposals by consultation respondents. On the idea that several personal number sub-ranges should be used with different tariff bands, Ofcom believes that would be too complex for consumers to remember and apply. Ofcom's preference is to establish early consumer protection and transparency through more simple measures. When Ofcom considers the future of personal numbering in more detail in 2007, we will make proposals on the structure of any new number range for these services.

6.40 Ofcom also does not support the suggestion by some consultation respondents that personal numbers should be moved to 09 premium rate. These are different services, in that on the 09 range the end user gains revenue from calls to their numbers by providing a range of services to the caller, whereas personal numbers are a follow-me service where the end user cannot share revenue from calls to their personal number. Adding more services to the 09 range would make it harder to clarify the services on that range using simplified, distinctive and enduring meanings (by service and/or tariff) for the various 09 sub-ranges, which Ofcom plans to do in the near future.

6.41 Ofcom has, however, considered whether personal numbers might have a more distinct position elsewhere in the Numbering Plan. The key issues that we have considered when assessing the policy options for personal numbering are how far there is a market in the future for legitimate personal numbering services, and what consumer protection measures are needed. The options to consider therefore revolve around:

- whether and how to transfer 070 personal numbering to the 06 range; and

- whether, and in what form, measures such as a price ceiling are needed in order to provide appropriate protection for consumers?

Policy options for general approach to personal numbering

6.42 In its consultation document, Ofcom explained that whilst consumers had little visibility of personal numbers, there was research to suggest some interest (from residential and business users) in having the functionality that personal numbers offer. But when considering options for personal numbers, it is important to note that they are not, even now, the only method of providing a 'follow me' service. The future status of the market for legitimate personal numbering services is uncertain given the possibility of many services providing the same or similar functionality to end users. It may be that ENUM will provide a much more flexible service than personal numbers as ENUM may be configured to provide a 'follow me' service dependant on an end users presence rather than a pre-configured 'ring this number at this time' service.

6.43 In addition to the low utilisation of personal numbers allocations noted previously, it is also noteworthy that calls to personal numbers are a very small proportion of calls made to numbers within the UK. In 2005, total domestic call volumes (to fixed and mobile phones, from fixed or mobile phones) were about 16 billion minutes per month. Ofcom estimates calls to personal numbers at only just over one million minutes per month making them less than 0.01 per cent of domestic UK calls.

6.44 Ofcom has compared four options relating to a general approach for personal numbering. These are now assessed, and a conclusion is presented.

No change to regulation

6.45 The obvious main argument for this approach is that it is the least intrusive option, because it involves no change to the way services are provided and charged for, and therefore has no impact on providers of personal numbers. It was favoured by a small minority of respondents, notably some providers of personal numbers. Some responses suggested that better enforcement of personal number regulations would be a better solution than other regulations.

6.46 However, this option does not address the level of abuse associated with these numbers, as evidenced by the level of complaints to Ofcom (see Figure 6.2) and the already relatively high number of Ofcom investigations involving personal numbers. Ofcom would not be serving the interests of consumers to leave personal number regulation as it is, as a continued lack of preventative measures would not minimise personal number abuses. Unsurprisingly, this option was not supported by many communication providers and was entirely rejected by the majority of individuals. In addition, legitimate providers of personal numbering services are not best-served by the prevalence of scams on similar numbers with which they are trying to do business.

Place a price ceiling on 070 numbers now to address abuses and let legitimate services continue on 070 numbers

6.47 This is also not a highly intrusive option, in that a price ceiling with the ability to make a pre-call announcement is a less burdensome way to deliver consumer protection than providing a very short time period in which to migrate services to a different number range (so as to avoid confusion with mobile services). It was supported by a few respondents, mainly some communications providers, who saw the benefits of introducing consumer protection measures but did not support further intervention.

Some users of personal numbers supported this option as they were reluctant to change their numbers.

6.48 However, Ofcom does not consider that this option is appropriate to the level of abuse that continues with this number range. This option allows the 070 range to continue in the longer-term, thereby supporting continuing consumer confusion with mobile numbers, with consequent potential for abuses. This option also does not allow for the possibility of a more positive, distinct, long-term identity being created for personal and individual numbers on the 06 range. This option would also not identify 07 as a mobile brand, which was a proposal that was well-supported by consultation respondents. Many individual respondents were not in favour of this option for personal numbers, as it was not seen to sufficiently address the amount of abuse that has been seen in personal numbers.

Open 06 now, with a price ceiling on both 070 and 06 number ranges, and require current 070 services to migrate to 06 over a period of three years

6.49 An advantage of this option is that it could reduce, if not eradicate, personal number abuse in the long-term, by moving personal numbers to a new and distinctive 06 range, adding to the benefits of a price ceiling by making scams and abuse less fruitful. There was some support for this option from communication providers. Also, a number of personal number providers saw this as a positive move to uniquely identify personal numbers, so eradicating the potential confusion between personal and mobile numbers and reducing the possible gains from scamming.

6.50 The downside of this option is that it would entail costs for industry in migrating numbers to 06. At this time, this might by considered to be a disproportionate measure given that there is not clear evidence of much demand for personal numbering services as originally conceived.

6.51 Although there was some support for the opening up of 06 for personal and individual numbers - mainly from some communication providers and a small number of providers of personal numbers - individuals were very much against the opening up of 06 for such use, on the basis that this may just be moving the problem rather than addressing it. Some communications providers did not consider that there is sufficient demand to justify this option and face the costs of opening up a new number range. The majority of personal number providers were against the migration from 070 to 06 (and most of the measures put forward by Ofcom).

6.52 It could also be argued that consumers may be confused by new 06 numbers that they may not recognise, at least for a time. This may restrict the use of by consumers of personal numbers due to consumers not being familiar or comfortable with 06 numbers.

Add an 070 price ceiling now and shut 070 in three years, but review within eighteen months whether there is demand to open 06 then for personal numbering services

6.53 This option would leave open Ofcom's options to address abuses on personal numbers in the long-term, as well as helping to tackle the ongoing abuse on 070 by the introduction of a price ceiling. By first trying to address abuses on 070 alone, Ofcom would also have an opportunity to review and strengthen consumer protection measures for when the 06 range is introduced. This would reduce the potential for an early and negative image for 06 numbers.

6.54 At the same time, this option allows a reasonable period of time in which to assess further market developments and information in the personal numbering market. Under this option, Ofcom would contact all communications providers to whom it had allocated personal numbers, as part of the review conducted by the end of 2007 on future personal numbering services. This would provide a better guarantee that there is a need to open a new number range, and it would limit the costs to industry by providing consumer protection in the short-term through a price ceiling rather than requiring rapid migration. In addition, Ofcom considers that three years is sufficient notice that 070 will be closing, and eighteen months would be sufficient time for users of personal numbers to know to where they would migrate their services, assuming that the new personal numbering range is opened at the end of 2007.

6.55 This option was supported by many communication providers, in the sense that they questioned the demand for personal numbers. Some respondents argued that there was very little demand for legitimate personal numbers, as evidenced by their low level of utilisation. Some communication providers saw the opening of a new number range as disproportionate. Many respondents argued that moving personal numbers to 06 was just moving the problem and did not address the issues of abuse and consumer protection. These views were mirrored by the vast majority of individuals in their responses.

6.56 A downside to this option is that it delays a decision on the future on personal numbering services, and so could be argued to increase the uncertainty around providing those services. There is therefore a disproportionate impact on 070 service providers. Personal number providers were not in favour of this option as, although they may be in a position to continue to provide services in the short term, they would have little certainty going forward.

6.57 Under this option, Ofcom could consider ways for users of current 070 numbers to retain those numbers, but as a mobile service rather than a personal numbering service. Traffic pattern data from our personal numbering audit suggest that this may be a suitable option for some numbers. It may be that some providers are more concerned to keep their 070 number than to keep other aspects of the personal numbering service, and it seems reasonable to allow this to happen if the services provided on those numbers can change to a mobile service.

6.58 This option still allows 070 personal numbers to continue, giving personal number users continuity of service. Whilst they may be required to change to a new number in the 06 range, this impact has to be weighed against the positive impact of this change on consumers as a whole. As discussed, these numbers are little utilised and form a low proportion of UK domestic traffic, but are a relatively major and growing concern in terms of complaints. The introduction of consumer protection measures in the short-term, coupled with a distinct number range if required in the longer-term, has potential to address many of these complaints. Communication providers, personal number providers and consumers could all benefit from more trusted numbers through such measures.

6.59 It may be possible to limit the impact on users of personal numbers having an enforced number change should there be sufficient demand for personal numbers. If users of 070 personal numbers planned to keep their service but had to change to an 06 number then a near-equivalent number in 06 could be provided to them by their personal number provider to limit the number of digits that would change.

Conclusion on general approach to personal numbering

6.60 Ofcom believes that the level of future demand for personal numbers is uncertain. This is certainly the case when considering current and future technological alternatives, and the current level of traffic involving personal numbers. In addition, consumers demonstrate little awareness of the existence of Personal Numbers and communications providers are split on whether there is any demand for such services. In light of the overall responses received by Ofcom there seems little value in opening up 06 at this point in time, as previously suggested.

6.61 However, Ofcom does not believe that the consumer protection problems on current 070 numbers will be fully addressed by leaving in place personal numbering services on the 07 range, which most consumers perceive, and are likely to continue to perceive, as mobile numbers. Ofcom therefore intends to require all 070 numbers to cease by the end of July 2009. Ofcom cannot rule out, however, that there will be demand for genuine personal numbering services that would justify opening other numbers. Ofcom therefore will reserve the 06 number range for possible future use for this purpose, with a review of demand for personal and 'individual' numbers to be completed by the end of 2007. If Ofcom opens 06 numbers for allocation at the end of 2007, 070 numbers will no longer be allocated.

6.62 In the short-term, before 070 numbers are closed, Ofcom believes more transparency has to be provided about the charges to call personal numbers. Therefore, Ofcom will introduce a price ceiling for personal numbers, to be implemented as soon as is practicable. If a communications provider wishes to levy a charge for a call to a personal number at a rate higher than the price ceiling, then the originating communications provider must provide a pre-call announcement about the charge involved.

6.63 Ofcom believes that this approach to personal numbering will result in the maximum overall benefits for consumers, communication providers and personal number providers. The outcome will benefit consumers as they will be protected from scams via a range of consumer protection measures. 070 numbers, and possibly 06, numbers will become more trusted as a result and consumers will use these numbers more readily as the services that are offered may provide a benefit. If it turns out that demand for such services falls away, Ofcom can avoid opening a new number range.

Policy options for a price ceiling for 070 personal numbering services

6.64 Ofcom has considered a number of options for the form that a price ceiling for 070 services. We have considered these options on the basis that any ceiling should meet the following requirements:

- Service providers will not actually be prevented from charging more than the price ceiling; there will be no 'maximum rate' for calls to personal numbers. The ceiling will simply define a price level below which no pre-announcement of the call price would be required. If a provider wishes to charge more for the service they could do so, but a pre-call announcement of the tariff will be required in order to give consumers appropriate transparency of what they will pay. Providers will have to comply with a ceiling through general obligations on all providers, to ensure transparency, not on the basis of any SMP designation in offering the services;

- The pre-call announcement should be free to callers. In conjunction with the price ceiling, this will support price transparency by enabling callers to choose whether

to continue with the call without being charged. The communications provider is not forced to introduce a pre-call announcement for calls to some or all personal numbers. They can alternatively decide to arrange for their customers to not call personal numbers at a rate above the price ceiling in the numbering plan; and

- The price ceiling and pre-call announcement will apply no matter what type of line the call is being made from. This approach reflects Ofcom's general strategy to provide robust tariff transparency through the Numbering Plan, by having tariff descriptions that cover not just services from BT lines but from all other lines too. Ofcom estimates that about a third of calls to personal numbers are made from mobile phones. Mobiles are the object of one notable scam on customers that exploits customers' readiness to return a call to a 'missed call' number on mobile handsets following a short-duration call from what they perceive to be another mobile customer due to the 07 at the start of the number. The introduction of a price ceiling and pre-call announcement would alert the caller responding to the missed call if the call they were inadvertently making to a personal number was charged above the price ceiling triggering a pre-call announcement from their mobile communications provider. The caller would then be in a position to cease the call or complete the call with the knowledge that the call may be an expensive one.

6.65 The first option is to set a price ceiling at 10ppm or per call, in line with the maximum charge in the current Numbering Plan for NTS numbers, to tackle abuse of this number range. This option was favoured by few personal number providers on the basis that it would be a huge impact on their businesses. An argument against this price ceiling would be that this would necessitate many pre-call announcements and pre-call announcement systems being introduced by call originators and possibly endanger legitimate personal number services being provided as nearly all calls to personal numbers would necessitate a pre-call announcement that may be off-putting to callers. If the price ceiling were set at 10ppm or per call the communication provider may charge above this point by introducing a pre-call announcement but the originating communications provider would have to invest in pre-call announcement systems to allow tariffs of above 10ppm or per call. The vast majority of personal numbers are currently charged at more than 10ppm or per call by all originating communications providers.

6.66 The second option is to set the charge at 20ppm or per call. This was also one of the consultation proposals. This proposal would reduce the requirement for pre-call announcements on many calls. Setting the price ceiling at this level would also give a reasonable level of tariff transparency as all calls charged above 20ppm or per call would trigger pre-call announcements making callers aware of the tariff or maximum charge levied by their communications provider for the call they are making. This level is also similar to the level of many calls to mobile phones (where the call is outside any inclusive minutes - although this does vary between originating communications providers) with which many consumers confuse 070 numbers. This proposal is clear and straightforward, does not necessitate pre-call announcements on all calls to personal numbers from all communications providers but gives a reasonable level of protection. However, it does not directly adjust the ceiling for the difference in origination costs between different types of providers so some communications providers may be adversely affected in comparison to other communications providers.

6.67 The third option is to set the price ceiling at a rate that reflects how a representative supplier of personal numbering services routes calls to personal numbers to a mix of mobile and fixed phones plus a mark-up on costs of 10p (on a per minute or per call

basis). This ceiling would be calculated using the costs of terminating calls on mobile and fixed numbers and data on the split of traffic (60 per cent fixed and 40 per cent mobile, from Ofcom's audit on personal numbers although this is not a complete picture due to the lack of complete responses to the audit). The average rate for wholesale call termination plus BT transit is around 7ppm. The average rate for BT transit and call termination is less than 1ppm. Therefore, the cost to a personal number provider of terminating calls to personal numbers would be just less than 4ppm. This would lead to a price ceiling of 14p on a per minute basis, using the above calculation. This option does not reflect the differing costs of call origination between communications providers and is based upon the current mix of calls to personal numbers being routed to fixed and mobile numbers. This proportion is not precisely known due to the lack of complete information and may vary in the future due to the likelihood of the effect on call routing, of price changes, a changing market and possibly the price ceiling itself.

6.68 The fourth option is a ceiling of 10p plus the communications provider's standard national call rate, on a per minute or per call basis. Setting the price ceiling at this rate may necessitate the introduction of pre-call announcements on many calls to personal numbers. This option should also allow legitimate 'follow-me' services to be provided. A similar option to this was supported by a few personal number providers where the model proposed was 10ppm + highest wholesale mobile rate. One clear problem with this option is that the variation in national call rates between providers, especially given the different call charges in inclusive bundles, could make it hard to construct a price ceiling with meaningful variations between different types of originating provider. This option does allow for the variation in costs of call origination for different communication providers.

6.69 The final option is to set the ceiling at the highest charge that an individual customer would pay for a voice call to a mobile phone. Specifically, this price ceiling would be pegged to the highest per minute rate that the customer would pay for a peak-rate voice call to a customer on a mobile number, where that call is outside of any inclusive minutes. This proposal links the price ceiling with consumers' expectations of what a call to an 07 number might cost. The peak rate for an off-net call outside of inclusive call packages would normally be a weekday daytime per minute rate, but this may not always be the case. If calls to personal numbers are charged on a per call basis, the price ceiling for the per call rate will be set at the level of the customer's highest per minute rate to a mobile number. For example, where the price ceiling set on a per minute basis is 40ppm, the price ceiling applying to calls to personal numbers charged on a per call basis will be 40p.

6.70 The very low volume of calls to personal numbers relative to calls to mobile numbers should mean that basing the personal number price ceiling on mobile prices should not affect decisions on the latter. There would be varying ceilings for different customers, according to their communications provider,and their specific call package. This option would allow for the differing costs of call origination between communication providers networks but may be more complex for communications providers due to the price ceiling being specific to customers on different call packages that may have different call costs to mobile phones.

Conclusions on a price ceiling

6.71 Ofcom's preferred option is to introduce a price ceiling that balances the needs for tariff transparency for consumers with the costs of introducing and providing pre-call announcements. Ofcom has decided that two of the options described above fit with these objectives:

- The highest rate that the individual consumer would pay for a peak-rate voice call to a customer on a mobile number (unless a free pre-call announcement specifies otherwise); and

- A price ceiling of 20ppm or per call (unless a free pre-call announcement specifies otherwise).

6.72 The first of these options is more complex to implement, as pre-call announcements would be customer-specific, but it does adjust more for differing origination costs of communications providers. The second option is more straightforward. Ofcom has decided to further consult for a brief period on these two options before selecting one ceiling that should be in place four months from the end of this statutory consultation period.

6.73 Ofcom believes that most communications providers already have pre-call announcement systems in place that are used to provide information about calls to other number ranges, and there is potential for such systems to be adapted or upgraded to provide pre-call announcements for calls to personal numbers. This further opportunity for consultation should help to ensure that a proportionate obligation is put in place for these calls.

6.74 The provision of a pre-call announcement shall be free of charge to the consumer calling the number. The 070 range has been the subject of much consumer abuse, and it would only further damage consumer confidence in personal numbers were consumers also to be charged for pre-call announcements. This would especially be the case where they such calls are associated with scams. Originating providers will have some choice about charging above the price ceiling for calls to some or all personal numbers, so they will have some ability to decide whether this cost should be passed on. They will also be in a position to pass on the costs of pre-call announcements in commercial negotiations. Costs passed through to genuine personal numbering providers should be considered as weighing against the expected benefits of greater consumer confidence in calling such numbers.

6.75 Ofcom wants to support rapid implementation of the price ceiling arrangements during the remaining period in which 070 personal numbers will be used, so that earlier consumer protection benefits are delivered. Therefore, to limit the complexity of the work required to implement pre-call announcements, Ofcom has decided that the obligation as regards the content of the pre-call announcement will be that providers should at least announce the maximum price that the caller might pay for a call to a personal number. There will not have to be a specific announcement about the price of each individual 070 number, but the communications provider is free to provide more detailed information if they wish. This leaves providers with a degree of commercial discretion about the necessary level of detail, but it also provides callers with visibility of the maximum price of the call.

Conclusions on other issues

6.76 As set out in the February consultation, certain communications providers currently use the 070 number range to provide services enabling consumers to make calls to hospital patients. Calls to hospital patients are typically charged at 49p per minute (peak) and 39p per minute (off peak) and the revenue from these calls is used to recover the cost of installing and operating the integrated terminals (offering telephony, television and radio) which providers have installed at the bedsides of these patients. In January 2006 Ofcom closed an investigation into the price of making telephone calls to hospital patients with a recommendation that the

Department of Health enter into discussions with these providers to examine whether these services can viably be provided on a basis that does not involve charging these high prices for incoming calls[28].

6.77 Calls to hospital patients currently carry a recorded message during each call which informs the caller of the price of the call. This recorded message (which incurs call charges) is not an Ofcom requirement. As part of the Department of Health's review, which at the time of writing is still ongoing, the review group is also considering the function of this recorded message. If the review does not lead to a reduction in call charges in accordance with the charge ceilings outlined in this document, originating operators will have to implement a recorded message (which would not incur call charges) when originating a call to a hospital patient. Should this be the case, providers of calls to hospital patients will have to agree with originating operators (and, as necessary, the Department of Health) the arrangements that should be in place for consumers making calls to hospital patients.

6.78 Ofcom will reserve the 06 number range for the future use of Individual numbers as well as the possible future use for migrating personal numbers from the 070 range. The review of demand for personal numbers by the end of 2007 will also enable Ofcom to assess the potential demand for individual numbers and consider at that time the issues that would have to be resolved to enable allocation of numbers to end users.

Conclusions on mobile numbers

6.79 Most of this section has focused on personal numbers, where opinions of consultation respondents were more divided, but there was clear support to most of Ofcom's consultation document proposals on mobile numbers. Therefore, we are now confirming most of our proposals on mobile numbers.

6.80 The 07 sub-ranges of 071-075 will be designated for mobile services. Consumers recognise 07 as a mobile number range, and by continuing to allocate more 07 numbers to existing and new mobile providers Ofcom will enable continuing growth in competition and variety of services. We will allocate mobile numbers in smaller blocks (of 100,000 numbers) where appropriate in order to ensure ongoing availability of 07 numbers for mobile services, for new entrants and existing providers.

6.81 To implement this decision, Ofcom is proposing to add the ranges 071 to 075 to Part A of the Numbering Plan. We also propose to open the 075 range now for allocation, to ensure that sufficient mobile number blocks are available to meet communications providers' needs. This proposal requires a modification to the application form for 07 numbers. The notifications of the proposed modifications to the Numbering Plan and the application form are found at Annex 3 together with an explanation of how the proposed modifications satisfy the necessary legal tests in Annex 2.

6.82 Ofcom will not specifically identify parts of 071-075 for mobile multi-media services, which is in keeping with the views of respondents. It may be worth revisiting this concept in future, given the evolution of mobile services and the communications market more generally.

6.83 Ofcom acknowledges ongoing concerns expressed in consultation responses over the transparency of mobile tariffs and the services offered on mobile numbers. Ofcom

[28] For details of this review, see http://www.dh.gov.uk/assetRoot/04/13/42/70/04134270.pdf

will consider the appropriateness of certain services using mobile numbers as part of a review of Numbering Plan service descriptions which will begin later this year. The structure of mobile pricing means that the Numbering Plan has limited potential as a way to deliver transparency of mobile tariffs. In broad terms, the identity of 07 with mobile services, including new mobile services with which consumers will currently be less familiar, should be reinforced by the decision to remove personal numbers from the 070 sub-range by July 2009. Once personal numbering services are removed from 070, Ofcom would expect to designate that sub-range for future use by mobile services.

Next steps

6.84 Ofcom is consulting until 7 September 2006 on the following changes, for which the process of consultation and legal provisions are covered in Annexes 2 to 8:

- Amending the Numbering Plan to designate the sub-ranges 071-075 for mobile services;
- Opening the 075 sub-range for allocation to mobile services; and
- Putting a requirement on originating communications providers to follow a price ceiling for calls to personal numbers, or apply a free pre-call announcement, within four months of Ofcom's decision on the form of the price ceiling. Ofcom is consulting on two options for the price ceiling.

6.85 By the end of 2007, Ofcom will end allocations of 070 numbers. Also by that time, Ofcom will have reviewed future demand for to provide genuine personal numbering services, and will make our decision about opening the 06 number range according to the outcome of that review. In considering the opening of the 06 range, Ofcom will also take into account at that time potential demand for the allocation of 'individual numbers' direct to end users.

Section 7

Implementing changes to the Numbering Plan

Implementing the numbering strategy

7.1 This section summarises the various measures that Ofcom will use to address the various concerns around number availability, transparency and consumer abuses. Figure 7.1 describes both the general steps that we are taking, which are relevant to all number ranges, as well as those measures that are being taken for specific number ranges.

Figure 7.1 Addressing current concerns with the Numbering Plan

Numbers starting:	Description:	Key proposals
	Area codes	Conservation measures to minimise risk of number changes Overlays as fallback
	UK-wide numbers	03 numbers available to call organisations with a national presence at geographic rates
	For future use	Use of 05 continues, but no major initiative for range as a whole
	Reserved for personalised numbers	06 set aside for possible migration of personal numbers, plus future allocation of numbers direct to end users
	Mobile numbers	07 set aside for mobile services Personal numbering on 070 to be closed down in medium term, tariff ceiling applied in short term
	Freephone	Strong consumer brand of Freephone services to be protected

	Business rate services	Simplified service descriptions: the higher the number, the higher the price Tariff ceilings apply to calls from all lines, unless specific tariff information is provided in a non-chargeable pre-announcement
	Premium rate services	Simplified service descriptions, and segregation of adult content Tariff ceilings apply to calls from all lines, unless specific tariff information is provided in a non-chargeable pre-announcement
	All numbers	Introduction of consumer protection test Possible introduction of charging for numbers

Unchanged number ranges

7.2 All of the number ranges in Figure 7.1 are discussed in further detail in Sections 5-7, except for the 04 and 05 ranges. Ofcom's position on these is now confirmed. The 04 range of numbers is currently completely unused. Ofcom has no current proposals for this range, and will keep it in reserve for future applications.

7.3 On the 05 number range, responses from individuals confirmed the low awareness of services within it, although a few were familiar with 0500 Freephone services. Some suggestions for the use of the range were made, including use for VoIP services and as an alternative to opening the 03 range. Arguments were made for the establishment of a clear identity for 05 otherwise the range could become a home for scam operations.

7.4 A number of communication providers were dismayed that Ofcom had referred to the 05 range as "reserved – for future use" in the graphics and implied that services were "experimental" in nature. It was argued that such an approach did not assist in the promotion of trust and legitimate use of 05 numbers or increase brand awareness.

7.5 In particular, communication providers called for an Ofcom commitment to support the 056 Location Independent ECS range, particularly as just under two years ago, Ofcom had championed the range as supporting consumer choice, promoting competition and reducing the burden on geographic numbers. Also, the problems experienced by those with 056 numbers in ensuring that their customers with 056 numbers could be called from all communications providers was highlighted as a significant hurdle to take-up and an issue that Ofcom was requested to address.

Ofcom's response

7.6 Ofcom agrees that the 05 range as a whole does not have a service identity. This was the main reason why the graphics in the consultation document showed the

range as “reserved”, meaning that, as yet, an identity has not been established. The difficulty is the variety of services currently available on 05 numbers. However, Ofcom takes the point that such an approach is not beneficial to services that are legitimately being offered on 05 numbers and we will consider, as part of our further work on the icons and service descriptions, an appropriate icon and description for the 05 range.

7.7 Ofcom has no plans to close the 055 or 056 number ranges and supports the growth of both service types. With reference to 055 corporate numbers, while demand is still not definite, there have been a small number of enquiries and allocations. In the future, Ofcom proposes to address a number of outstanding issues for corporate numbering including the concept of allocation direct to corporate bodies.

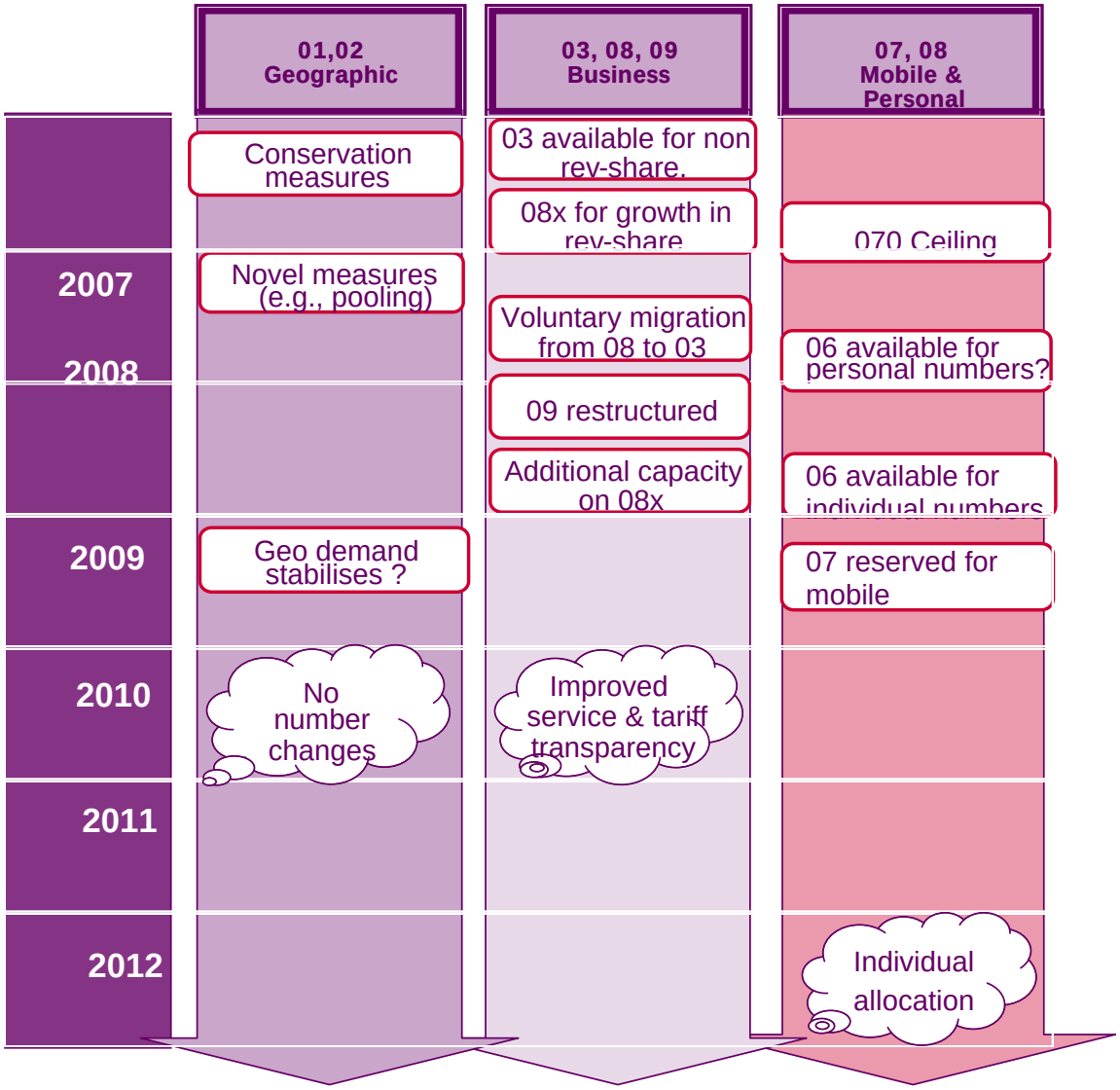
7.8 Ofcom is aware of the problems faced by communications providers in getting access to numbers in new ranges provided by all communications providers. Those experiencing such difficulties should first consider the obligation on all providers to negotiate interconnection under General Condition of Entitlement 1. Interconnection disputes can be referred to Ofcom for direction. Nevertheless, Ofcom takes the point made in some responses that similar hurdles would face all new number ranges and will consider whether there is a case for intervention as part of the forthcoming review of general conditions.

7.9 Freephone services on 0500 numbers are a legacy from before the National Code and Number Change in 2000, which established that the 080 range should be used for Freephone services. No new 0500 numbers have been put into use since 1997. Ofcom believes that it may be time to establish the level of utilisation in the 0500 range and consider whether a sunset date for migration to 080 should be established. Such a move would also help develop the service identity for the 05 range.

Timescales for the changes

7.10 These changes will not happen overnight. There is a need to ensure that we minimise costs and confusion. Our anticipated roadmap for the changes is summarised in Figure 7.2.

Figure 7.2 Roadmap to the new Numbering Plan



Next steps

7.11 Annexes 2-8 comprise the consultation process on the current changes that Ofcom has decided are appropriate in respect of conservation measures for geographic numbers; opening the 03 range; setting a price ceiling for calls to 070 personal numbers; designating the sub-ranges 071-075 for mobile services in the Numbering Plan, and making 075 numbers available for allocation as mobile numbers.

7.12 The consultation process for those issues will run for six weeks until 7 September. Ofcom will aim to process responses rapidly in order that it can be in a position to conclude its decisions and begin to allocate 03 numbers as soon as possible, perhaps in early October 2006. In addition, the requirement to implement a price ceiling or free pre-call announcement of 070 personal numbering tariffs will exist four months from Ofcom's decision date following that consultation process.

7.13 In addition, several future work streams in the near future will take further the strategic decisions made in this review. These are outlined below.

Review of service definitions

7.14 Ofcom will review the precise Numbering Plan service definitions (e.g. 'mobile service') so that the definitions which apply to each service are precise and well understood. If this is not the case, there will be potential for scams based on consumer misunderstanding of the services provided. Detailed comments on those definitions received in responses to this consultation, for example in relation to the use of mobile number ranges, will be reflected in this work.

7.15 The review of service definitions will also consider how to apply tariff ceilings for the different number ranges to calls made from all lines. This approach has already been applied in this statement to 03 UK-wide numbers (for which all calls must be priced as if they were calls to 01 or 02 geographic numbers) and 070 personal numbers. Much of the work in this area, which Ofcom will take forward in the second half of 2006, is likely to be devoted to establishing appropriate means of describing tariff ceilings for 08 and 09 numbers.

Managing geographic numbers

7.16 Ofcom has identified its strategic approach for making more geographic numbers available, the key aspect being more active use of conservation measures - allocating more numbers in smaller block sizes where number demand is high. The evidence available to Ofcom indicates that any further measures would not need to be applied widely across the UK, but could be applied in a limited number of locations, and Ofcom has decided to use overlay codes in such cases where further numbers are required.

7.17 Whilst overlay codes do not require anyone to change their current numbers, they are not without their disadvantages and so Ofcom will now work to target those areas most likely to need overlay codes in order to take steps, such as withdrawing unused numbers from communications providers, to avoid the need for overlay codes in those areas.

Consumer protection test

7.18 The idea of consumer protection tests for allocating and withdrawing numbers had near-universal support from consultation respondents. The next stage is to turn the concept into a set of tests to effectively deter undesirable behaviour by individuals and organisations. Ofcom will take forward this work in the second half of 2006, and anticipates extensive involvement with a broad range of stakeholders.

Charging for numbers

7.19 As noted, Ofcom has already begun to investigate further the potential for introducing charging for numbers. In broad terms, charging may be considered appropriate where it either improves efficiency or reduces the extent to which we micro-manage numbering resource. It is possible that even a modest level of charge would disincentivise extreme forms of behaviour (e.g. allocating multiple numbers per line). Ofcom will also consider specifically the potential contribution of charging for geographic numbers alongside other measures being taken to reduce the need to implement overlay codes.

Raising awareness of the new Numbering Plan

7.20 As well as revising the Numbering Plan service definitions and developing the identity of each number range, Ofcom will consider what steps are needed to ensure that the new Numbering Plan is communicated to consumers. This should be much more practicable once simpler new numbering arrangements are in place across the Numbering Plan. In residential consumer surveys, about 90 per cent of respondents said that they would use such information. The most popular potential source of information was the inside cover of the phone book, which almost two-thirds said they would realistically use.[29]

7.21 Ofcom carried out research during the consultation period to help develop straightforward descriptions for individual number ranges, and associated graphics, for use in publicity material designed to promote greater consumer awareness of the Numbering Plan. This research[30] included assessments of how accessible the graphics and descriptions were for consumers with different impairments. Whilst many of Ofcom's proposals were supported, some of the elements required further development. The descriptions for number ranges in Figure 7.1 draw on the opinions provided by those groups, but Ofcom will do further work in the second half of 2006 to confirm both those descriptions and final graphics.

[29] http://www.ofcom.org.uk/consult/condocs/numberingreview/research
[30] Research by Designed for All and Futuresight (for latter, see http://www.ofcom.org.uk/consult/condocs/numberingreview/statement/futuresight/)

Annex 1

Impact Assessments

Introduction

A1.1 The analyses presented in this Annex represents impact assessments, as defined in section 7 of the Communications Act 2003 ('the Act').

A1.2 Impact assessments provide a valuable way of assessing different options for regulation and showing why the preferred option was chosen. They form part of best practice policy-making. This is reflected in section 7 of the Act, which means that generally we have to carry out impact assessments where our proposals would be likely to have a significant effect on businesses or the general public, or when there is a major change in Ofcom's activities. However, as a matter of policy Ofcom is committed to carrying out and publishing impact assessments in relation to the great majority of our policy decisions. For further information about our approach to impact assessments, see the guidelines, Better policy-making: Ofcom's approach to impact assessment, which are on our website: http://www.ofcom.org.uk/consult/policy_making/guidelines.pdf

Geographic numbering (see Section 4 for further details)

The citizen and/or consumer interest

A1.3 Consumers have a strong attachment to geographic numbers, considering them to be "their" telephone numbers. Consequently, consumers are significantly affected by changes made to geographic telephone numbers.

Ofcom's policy objective

A1.4 Ofcom's policy objectives in relation to geographic number management are to minimise the chance of consumers having to change their geographic number or dialling behaviour in the future, while ensuring that adequate numbers are available to meet demand.

A1.5 The intended outcomes of Ofcom's proposals for geographic numbering are that sufficient number blocks would be available to meet demand for the next five or so years (until NGNs remove some of the current restrictions on allocating numbers in smaller number blocks) and that no consumers need to change their geographic numbers in the meantime.

Analysis of the different options

A1.6 Ofcom considers that the best way to achieve its objectives for geographic numbers is to improve communications providers' utilisation of the existing resource by extending conservation measures. This is because conservation measures:

- are invisible to consumers, who would be unaffected by any changes apart from the indirect benefit of available geographic numbers on which to receive communications services;
- address the underlying problem of geographic number management - poor utilisation of the existing and sufficient resource;

- have been successful in offsetting the need for more disruptive supply side measures in the past and are predicted to do so in the future; and

- would generate less administrative and operational costs for communications providers than if conservation measures were not extended and widespread supply side measures were required.

A1.7 Ofcom has identified three fallback options for increasing the supply of numbers in areas where, despite concentrated conservation measures, demand still exceeds availability. Ofcom's strong preference is for the use of overlay codes because:

- they cause minimal disruption to existing consumers as they generate additional numbers without requiring a number change;

- resulting changes to consumers' dialling behaviour would be limited to consumers in the affected area and would have considerably less impact than a number change or removing the ability to dial locally across the UK;

- any consumer opposition to the unfamiliar area code and perceived loss of geographic significance is expected to be limited in terms of the timescale of the impact and the costs in comparison to alternative supply side options;

- the impact on communications providers would be relatively minimal, mainly covering modifications to infrastructure tables to ensure calls are routed and billed accordingly and the running of consumer information campaigns;

- even if the new codes are viewed as less attractive by business and residential end users, the impact on new entrant communications providers to win new customers would be mitigated by number portability;and

- they are suited to solving a localised need for more numbers – which is the predicted demand scenario.

A1.8 Other supply side options are code changes, in the form of implementing wide area codes across the UK, and closing the number scheme so that all digits of a UK geographic telephone number need to be dialled. Closing the scheme would increase the supply of geographic numbers without the need for any consumers to change numbers or communications providers to experience a significant impact, however:

- removing the ability to local dial would have an impact on consumer dialling behaviour across the UK;

- closing the scheme impacts all consumers, regardless of whether their area has a limited supply of numbers; and

- closing the scheme is a good option where an increase in the supply of geographic numbers is likely to be more than a localised requirement but where demand is likely to be met by an increase of 25 per cent more numbers. Demand forecasts do not predict such a scenario.

A1.9 The final option for increasing the supply of geographic numbers is to instigate a code change. This would generate a large supply of numbers, however:

- wherever a wide area code was rolled out, consumers in that area, and those making calls to that area, would experience a significant impact;

- consumers would need to change their telephone number and become accustomed to the new number structure, the location significance that it offers and the opportunities for local dialling;

- wide area codes would also represent the biggest impact on communications providers. Networks would need to manage a period of parallel running between the old and new codes and handle misdialled calls. Network infrastructure and administration changes would need to be made to ensure calls were routed and billed accordingly; and

- due to the substantial disruption and cost of number change, Ofcom considers that a change to wide area codes is only a valid option if there is a sustained need to extensively increase the supply of numbers in a significantly widespread manner across the UK - such a level of demand is not predicted.

The preferred option

A1.10 Ofcom's preferred option for managing geographic numbers is to extend conservation measures to prolong the availability of existing numbers. Where this proves insufficient, Ofcom's preferred fallback measure would be to implement overlay codes in the predicted relatively few areas where they are required.

A1.11 Ofcom prefers this approach as it minimises the impact on consumers. Conservation measures are invisible to consumers and Ofcom will concentrate on making these sufficient to meet the demand for numbers. In areas where a fallback measure is required, overlay codes would generate significantly less impact in terms of cost, inconvenience and the number of consumers affected than alternative options.

NTS - 03/08 numbers (see Section 5 for further details)

The citizen and/or consumer interest

A1.12 Ofcom's main concern is to address problems with consumer transparency about tariffs and services on current NTS numbers. There are also concerns often expressed about revenue-sharing, certainly in regards to the use of revenue-sharing numbers by certain types of organisation, Ofcom can also address this issue in this policy decision. In addition, Ofcom wants to ensure that consumers can get the services they want through the use of these numbers.

Ofcom's policy objective

A1.13 Ofcom's main objective is to ensure that sufficient numbers are made available for non-geographic services in a way that ensures clear and enduring meanings for different groups of numbers. The timeframe over which this will happen is uncertain due to the many legacy services on existing numbers, but Ofcom wants to design a structure for numbering of these services that emphasis and encourages voluntary migration of service providers.

Analysis of the different options

A1.14 Ofcom considered three broad options for how to provide more numbers for those services currently using the 0844/0845/0870 and 0871 number sub-ranges.

A1.15 Option 1 was a 'business as usual' approach that adds more three digit sub-ranges in the 08 number range as the current ones run out. This approach would minimise

migration. However, this could lead to rising confusion as each of the current 08 three-digit ranges could run out within a few years, making it even harder to understand what price (and business model) is involved in making a call. It also provides no very distinct alternative to revenue-sharing numbers.

A1.16 Option 2 was to create new two digit ranges within the 08 range, which at least would have more number capacity for the long-term. However, this would still produce a mix of two digit and three digit number sub-ranges within the 08 range as a whole, and this option received little support from consultation respondents.

A1.17 Option 3 was to create a more distinct, new number range of 03 numbers, to be non-revenue sharing and charged like calls to geographic numbers. This would sit alongside the existing 08 numbers, which would continue to have new numbers allocated in the long-term for revenue-sharing services. The advantage of this option was the greater distinction between revenue-sharing and non-revenue-sharing numbers, and the opportunity it provides for simplifying the description of all of these numbers into a few simple categories in the Numbering Plan. The main disadvantage expressed about this option was a potential low level of demand in relation to the volume of numbers dedicated to the new 03 range. Concerns about issues such as calling 03 numbers from abroad were expressed, and on the consumer side many preferred to totally end revenue-sharing (or even all chargeable services) on 08 numbers.

The preferred option

A1.18 Ofcom's preferred option is Option 3, which is also what most consultation respondents preferred. Ofcom considers this the best way to ensure enduring meanings for the numbers used for these services, as over time an increasingly clear and enduring distinction will be made between different services on the 03 and 08 range. In the long-term, 03 numbers will be used for non-revenue-sharing numbers, 084 numbers for revenue-sharing numbers up to one rate, and 087 numbers revenue-sharing numbers up to a higher rate.

A1.19 By focusing on voluntary migration, this option also allows market forces to determine which service providers choose the new, non-revenue-sharing numbers. Ofcom believes that there will be reasonable demand for numbers the new 03 range, including from some large public sector bodies. The timeframe for these benefits is therefore unclear, but Ocom is attempting to encourage these benefits to flow through early by the way in which it allocates 03 numbers.

A1.20 Ofcom will aim to keep open number blocks which begin with 034 and 037 where the corresponding 084 and 087 number blocks have been allocated. This should enable service providers to move to the 03 range with minimal change to their numbers, if they so wish. In addition, Ofcom is encouraging early use of 03 numbers by allocating 0300 numbers and 0303 numbers – both memorable number ranges. The 0300 numbers will be available for use by public bodies and not-for-profit bodies. This system should encourage early migration by a variety of organisations.

Personal (070) Numbers (see Section 6 for further details)

The citizen and/or consumer interest

A1.21 The key consumer issue to be considered is how to ensure appropriate consumer protection for those calling personal numbers. Ofcom wishes to address the lack of tariff transparency and the lack of distinction between personal numbers and mobile

numbers. We also want to take into account the interests of personal number customers (and providers), who may be disadvantaged with changes to such services. These aims can be reconciled as better transparency for genuine personal numbering services has the potential to stimulate demand for such numbers and, by establishing a clearer identity for these numbers, enable consumers to feel confident to call them.

Ofcom's policy objective

A1.22 Our objective is to address personal number abuse by putting in place measures in the short-term to ensure that consumers are made aware of the tariffs of calls to these numbers, and to ensure that future provision of personal numbering services is consistent with robust transparency and protection for consumers.

A1.23 The outcomes of our policy need to be considered in terms of achieving consumer protection and in terms of the impact on those providing and benefiting from personal numbering services.

Analysis of the different options for a general approach to personal numbering

A1.24 No change to regulation

- This is the least intrusive option;
- But it does not address the growing complaints and level of abuse associated with these numbers.

A1.25 Place a price ceiling on 070 numbers now to address abuses and let legitimate services continue on 070 numbers

- This is also not a highly intrusive option, in that a price ceiling with the ability to make a pre-call announcement is a less burdensome way to deliver consumer protection than providing a very short time period in which to migrate services;
- This option allows the 070 range to continue in the longer-term, thereby supporting continuing consumer confusion with mobile numbers, with consequent potential for abuses;
- This option would also not identify 07 as a mobile brand.

A1.26 Open 06 now, with a price ceiling on both 070 and 06 number ranges, and require current 070 services to migrate to 06 over a period of three years

- This could reduce, if not eradicate, personal number abuse in the long-term, by moving personal numbers to a new and distinctive 06 range, adding to the benefits of a price ceiling by making scams and abuse less fruitful;
- This option would entail costs for industry in migrating numbers to 06 but possibly disproportionate measure given that there is not clear evidence of much demand for personal numbering services as originally conceived.

A1.27 Add a 070 price ceiling now and shut 070 in three years, but review within eighteen months whether there is demand to open 06 then for personal numbering services

- This option would leave open Ofcom's options to address abuses on personal numbers in the long-term. By first trying to address abuses on 070 alone, Ofcom would also have an opportunity to review and strengthen consumer protection measures when the 06 range is introduced. This would reduce the potential for an early and negative image for 06 numbers;

- At the same time, this option allows a reasonable period of time in which to assess further market developments and information in the personal numbering market. It would limit the costs to industry by providing consumer protection in the short-term through a price ceiling rather than requiring rapid migration;

- A downside to this option is that it delays a decision on the future on personal numbering services, and so could be argued to increase the uncertainty around providing those services;

- Communication providers, personal number providers and consumers could all benefit from more trusted numbers through such measures.

The preferred option

A1.28 Add a 070 price ceiling now and shut 070 in three years, but review within eighteen months whether there is demand to open 06 then for personal numbering services. The level of future demand for personal numbers is uncertain. There seems little value in opening up 06 at this point in time.

A1.29 Ofcom intends to require all 070 numbers to cease by the end of July 2009. Ofcom will reserve the 06 number range for possible future use for this purpose, with a review of demand for personal and 'individual' numbers to be completed by the end of 2007. If Ofcom opens 06 numbers for allocation at the end of 2007, 070 numbers will no longer be allocated from that point.

A1.30 Ofcom will introduce a price ceiling for personal numbers, to be implemented as soon as is practicable. If a communications provider wishes to levy a higher charge, then the originating communications provider must provide a pre-call announcement about the charge involved.

A1.31 Ofcom believes that this approach to personal numbering will result in the maximum overall benefits for consumers, communication providers and personal number providers.

The price ceiling - the citizen and/or consumer interest

A1.32 In selecting a specific price ceiling, Ofcom seeks to provide tariff transparency for consumers, but does not want to introduce disproportionate costs to provide pre-call announcements; such costs may be passed on indirectly to consumers.

Ofcom's policy objective

A1.33 Ofcom has considered a number of options for the form that a price ceiling for 070 services. We have considered these options on the basis that any ceiling should meet the following requirements:

- Service providers will not actually be prevented from charging more than the price ceiling. The ceiling will simply define a maximum price level for which no pre-announcement of the call price would be required;

- The pre-call announcement should be free to callers. This will enable them to choose to continue with the call without being charged; and

- The price ceiling and pre-call announcement will apply no matter what type of line the call is being made from. This approach reflects Ofcom's general strategy to provide robust tariff transparency through the Numbering Plan, by having tariff descriptions that cover not just services from BT lines but from all other lines too.

Analysis of the different options

A1.34 Set a price ceiling at 10ppm or per call

- Favoured by few personal number providers on the basis that it would be a huge impact on their businesses;

- This would necessitate many pre-call announcements and pre-call announcement systems being introduced by call originators;

- Possibly endanger legitimate personal number services being provided.

A1.35 Set the price ceiling at 20ppm or per call

- This would reduce the requirement for pre-call announcements on many calls;

- Would also give a reasonable level of tariff transparency as all calls charged above 20ppm or per call would trigger pre-call announcements;

- This level is also similar to the level of many calls to mobile phones.

- This proposal is clear and straightforward to consumers;

- This does not directly adjust the ceiling for the difference in origination costs between different types of providers.

A1.36 Set the price ceiling at a rate that reflects how a representative supplier of personal numbering services routes calls to personal numbers to a mix of mobile and fixed phones plus a mark-up on costs of 10p (per minute or per call)

- This would lead to a price ceiling of around 14ppm or per call;

- This option does not reflect the differing costs of call origination between communications providers;

- This proportion is not precisely known due to the lack of complete information and may vary in the future due to various factors.

A1.37 Set a price ceiling on a per minute or per call basis derived from adding 10ppm to the communications provider's standard national call rate

- This option should also allow legitimate 'follow-me' services to be provided;

- It would be difficult to construct a price ceiling with meaningful variations between different types of originating provider;

- Allows for variation in costs of call origination for different communication providers.

A1.38 Set the price ceiling at the highest charge that an individual customer would pay for a voice call to a mobile number;

- This proposal links the price ceiling with consumers' expectations of what a call to a 07 number might cost;
- Any communications provider would still be free to charge above this price ceiling by providing a pre-call announcement;
- This price ceiling would be customer-specific, being set at the rate that each individual customer would be charged for a call to an off-net mobile number at the peak rate outside of any call inclusive package or bundle of minutes;
- This option would allow for the differing costs of call origination between communication providers networks.

The preferred option

A1.39 Ofcom has two preferred options on which it will seek views in a further detailed stage of consultation.

- Set the price ceiling at the highest charge (on a per minute or per call basis) that an individual customer would pay for a voice call to a mobile number; or
- Set the price ceiling at 20ppm or per call.

A1.40 The first option is more complex but directly adjusts for differing costs of call origination and differing consumer expectations of call costs to 07 numbers. The second option is simpler and gives consumers increased tariff transparency without necessitating customer-specific price ceilings.

A1.41 Ofcom seeks views on the preferred choice for a price ceiling and asks whether communications providers can put in place these consumer protection mechanisms by February 2007. Please see Annex 8 for the relevant consultation questions.

Annex 2

Proposed changes to the National Telephone Numbering Plan and changes to Numbering Application Forms

Consultation on the proposed changes

A2.1 Some of the strategic decisions set out in this document require a modification to the Numbering Plan to bring them into effect. These decisions concern:

- The new definition of conservation areas and standard areas in relation to geographic numbers;
- The opening of the 03 number range;
- The establishment of a price ceiling for calls to 070 numbers, in relation to which any calls priced above that ceiling would have to be preceded by a tariff announcement; and
- The designation of additional 07 numbers 071 to 075 inclusive as mobile services and the immediate opening of the 075 range for mobile allocations.

A2.2 In addition to changes to the Numbering Plan, the decision to open the new 03 numbering range requires a consultation on the consequential modification to the numbering application form to accommodate applications for 03 numbers (the "03 application form") and a minor modification to the existing 07 application form.

A2.3 The reasoning and effect of the proposals to amend the Numbering Plan are set out in the following sections of this document. Whilst Ofcom has decided to introduce an 070 price ceiling, we have decided to conduct a brief additional period of consultation on two options for the level of that ceiling. We will consider further responses on these options before selecting one of them.

A2.4 This consultation seeks responses to the questions set out in Annex 8 **by 5 pm on 7 September 2006**. The Communications Act 2003 ("the Act") states that one month is the minimum period for consultation on modifications to the Numbering Plan and telephone numbering application forms. However, Ofcom has decided to allow six weeks for this consultation. Ofcom believes that six weeks is appropriate because Ofcom has already taken into account detailed submissions from respondents on various options in relation to the issues that are the subject of this consultation. The scope of the issues being consulted on is also relatively limited, and the detailed issues covered are expected to be chiefly of interest to communications providers. Ofcom has chosen to exceed the minimum one month period for consultations in order to allow comments to be provided more easily over the summer holiday period.

The legal framework

A2.5 Ofcom regulates the communications sector under the framework established by the Act.

A2.6 The Act provides, amongst other things in relation to numbering, for the publication by Ofcom of the Numbering Plan and the ability for Ofcom to set General Conditions of Entitlement relating to Telephone Numbers ("Numbering Conditions"). The Act also sets out statutory procedures that apply when Ofcom wishes to make modifications to the Numbering Plan and the processes for the giving of directions under conditions such as the Numbering Conditions.

The National Telephone Numbering Plan ("the Plan")

A2.7 Section 56(1) of the Act states that:

> "It shall be the duty of OFCOM to publish a document (to be known as "the National Telephone Numbering Plan") setting out-
>
> a) the numbers that they have determined to be available for allocation by them as telephone numbers;
>
> b) such restrictions as they consider appropriate on the adoption of numbers available for allocation in accordance with the plan; and
>
> c) such restrictions as they consider appropriate on the other uses to which numbers available for allocation in accordance with the plan may be put."

A2.8 The Act provides for Ofcom to review and revise the Plan. Section 56(2) states that:

> "It shall be OFCOM's duty –
>
> a) from time to time to review the National Telephone Numbering Plan; and
>
> b) to make any modification of that plan that they think fit in consequence of such a review; but this duty must be performed in compliance with the requirements, so far as applicable, of section 60."

A2.9 Section 60 of the Act provides for the modification of provisions in the Plan and explains the procedures to be followed in order to conduct this review. Section 60(2) of the Act provides that:

> "OFCOM must not revise or otherwise modify the relevant provisions unless they are satisfied that the revision or modification is -
>
> a) objectively justifiable in relation to the matters to which it relates;
>
> b) not such as to discriminate unduly against particular persons or against a particular description of persons;
>
> c) proportionate to what the modification is intended to achieve; and
>
> d) in relation to what it is intended to achieve, transparent."

A2.10 Section 60(3) further provides that:

> "Before revising or otherwise modifying the relevant provisions, OFCOM must publish a notification -

a) stating that they are proposing to do so;

b) specifying the Plan or other document that they are proposing to revise or modify;

c) setting out the effect of their proposed revisions or modifications;

d) giving their reasons for making the proposal; and

e) specifying the period within which representations may be made to OFCOM about their proposal."

The numbering application forms

A2.11 Section 45 of the Act gives Ofcom the power to set conditions:

"(1) Ofcom shall have the power to set conditions under this section binding the persons to whom they are applied in accordance with section 46.

(2) A condition set by Ofcom under this section must be either –

(a) a general condition…"

A2.12 Section 58 of the Act provides examples of the type of general conditions that Ofcom may set about the allocation and adoption of numbers, including procedures that apply in relation to applications for allocations of telephone numbers.

A2.13 The General Conditions Notification that took effect on 25 July 2003 includes General Condition 17, which contains provisions relating to the allocation, adoption and use of telephone numbers. Clause 17.9 states that:

"When applying for an Allocation of Telephone Numbers, the Communications Provider shall:

(a) use an appropriate application form as directed by the Director from time to time as he thinks fit;

(b) provide such information as is required by such application form."

A2.14 By virtue of the Transitional Provisions, references to the Director in the Numbering Condition should be read as references to Ofcom.

A2.15 Section 49 applies to directions and approvals that affect the operation of conditions set under section 45. Before making a change to an appropriate application form, Ofcom must satisfy the tests set out in section 49(2) of the Act as follows:

"A person must not give, modify or withdraw the direction, approval or consent unless he is satisfied that to do so is:

a) objectively justifiable in relation to the matters to which it relates;

b) not such as to discriminate unduly against particular persons or against a particular description of persons;

c) proportionate to what the modification is intended to achieve; and

d) in relation to what it is intended to achieve, transparent."

A2.16 Section 49(4) further provides that:

"Before the direction, approval or consent is given, modified or withdrawn, a notification must be published -

a) stating that there is a proposal to give, modify or withdraw it;;

b) identifying the person whose proposal it is;

c) setting out the direction, approval or consent to which the proposal relates;

d) setting out the effect of the direction, approval or consent or of its proposed modification or withdrawal;

e) giving reasons for the making of the proposal; and

f) specifying the period within which representations may be made about the proposal to the person whose proposal it is."

Ofcom's general duty as to telephone numbering functions

A2.17 Ofcom has a general duty under section 63(1) of the Act in carrying out its numbering functions:

"a) to secure that what appears to them to be the best use is made of the numbers that are appropriate for use as telephone numbers; and

b) to encourage efficiency and innovation for that purpose."

General duties of Ofcom

A2.18 In addition to its general duties as to telephone numbering functions, the principal duty of Ofcom to be observed in the carrying out of any of its functions is set out in section 3(1) of the Act as the duty:

"a) to further the interests of citizens in relation to communications matters; and

b) to further the interests of consumers in relevant markets, where appropriate by promoting competition."

A2.19 As part of the fulfilment of these principal duties, it is Ofcom's responsibility to secure the availability throughout the UK of a wide range of numbering arrangements, having regard to the interests of consumers in respect to choice, price awareness, and consumer protection.

Duties for the purpose of fulfilling Community obligations

A2.20 When carrying out its regulatory functions such as considering revisions to the Plan and/or numbering application forms, Ofcom must also take into account the six Community requirements as set out in section 4 of the Act. These include the requirement to promote competition in the provision of electronic communications networks and services, and the requirement not to favour one form of network, service or associated facility or one means of providing or making available such network, service or associated facility over another, as well as the requirement to promote the interests of European citizens.

A2.21 The various legal tests and duties, and how Ofcom has complied with them in consulting on the proposals in this consultation document, are set out below.

Legal tests

A2.22 It is Ofcom's duty, when proposing a modification to the Plan, to show how it considers that its proposals comply with the legal tests in the Act.

A2.23 The proposed modifications to the Plan and application form changes:

(a) would set out a new definition of a conservation area and introduce a definition for standard areas;

(b) restate the areas that are identified as having Conservation Area status under the existing definition, with their status under the new definition of Conservation Area;

(c) specifically require communications providers to use number allocations in standard areas in 1k block sequence;

(d) provide for a new number range “03” to be made available for allocation to organisations that wish to offer a single UK-wide number;

(e) require that the charge for “03” numbers will not exceed the charge that the caller would pay if they were instead calling a geographic number, with calls to 03 numbers treated as inclusive call minutes if the customer has inclusive minutes to geographic numbers remaining in their call package, and included in any discount structures that apply to Geographic Numbers;

(f) prohibit revenue-share arrangements on numbers in the 03 range;

(g) require that numbers commencing with 0300 are to be used by subscribers classed as public sector bodies or not-for-profit bodies;

(h) provide that numbers commencing with 0303 may be used by any subscribers;

(i) provide that numbers commencing with 0344/0345/0370/0371 may only be used by communications providers holding 0844/0845/0870/0871 number blocks that are identical after the “4” or “7” digit. To facilitate migration of end users from 084 and 087 numbers to the “03” range, communication providers being allocated an 0344/0345/0370/0371 block by Ofcom must not use or sub-allocate those numbers within that block

that have been sub-allocated or ported from the corresponding “08” block to another communications provider. Those 03 numbers will be made available upon request (through sub-allocation) to the communications provider holding the equivalent sub-allocated or ported 08 number, for the purpose of providing service to end users migrating from the equivalent 08 number;

(j) introduce a new application form to recognise an application requesting the allocation of numbers in the 03 range;

(k) implement one of the following restrictions on the 070 personal number range:

a. a price ceiling of 20 pence per minute or per call, unless a free pre-call announcement is provided which at least states the maximum charge that could be incurred for a call to a personal number. Providers will not be prevented from offering customers a more detailed pre-call announcement that explains more specific call charges rather than the maximum charge.

OR

b. a price ceiling set at the highest rate that the individual consumer would pay for a peak-rate voice call to a customer on a mobile number, unless a free pre-call announcement is provided which at least states the maximum charge that could be incurred for a call to a personal number. For calls to personal numbers that are charged on a per call basis, the price ceiling will be set at the level of the customer’s highest per minute rate to a mobile number. For example, where the price ceiling set on a per minute basis is 40ppm, the price ceiling for calls to personal numbers charged on a per call basis will be 40p. Providers will not be prevented from offering customers a more detailed pre-call announcement that explains more specific call charges rather than the maximum charge.

(l) designate a new range of numbers 071 to 075 for mobile services, of which 075 will be the first number range available for allocation; and

(m) modify the existing 07 application form to recognise the newly opened 075 range available for allocation to mobile numbers.

A2.24 Measures (a) through (c) relate to managing geographic number exhaustion issues. Measures (d) through (j) are changes required to open the 03 range and specific sub-ranges in that range. Measure (k) is the proposed change to introduce a price ceiling for calls to 070 numbers. The last measures, (l) and (m), modify the Plan to designate further mobile numbers and amend the application form to take into account an additional 07 number range for mobile services. These are considered against the legal tests below.

Proposed modifications in relation to managing geographic numbering (measures (a) through (c))

A2.25 As discussed in Section 4, Ofcom's approach to managing demands on geographic numbers is to take actions it believes will minimise the chance of consumers having to change their geographic number or dialling behaviour in the future.

A2.26 To achieve this, Ofcom proposes to alter the definition of Conservation Areas as they relate to the supply of geographic numbers commencing with 01 and 02. The proposed change in definition would extend the forward-looking view to cover areas that are predicted to run out of available numbers in the next five rather than two years. It is also proposed to introduce the category of Standard Areas, which would cover all areas not designated as Conservation Areas (i.e., areas where number availability is not forecast to be at risk within the next five years).

A2.27 The consequence of this proposed change in definition is that the geographic areas set out in Appendix A of the Plan would either be identified as having Conservation Area status or they will be Standard Areas. The current distinction between Type A and Type B Conservation Areas would no longer apply but the 51 existing Type A Areas will retain their status as Conservation Areas. Ofcom has adopted a forecasting model that will be used as a tool to evaluate the likelihood of numbers reaching exhaustion within certain timeframes. The results from Ofcom's modelling and adopting the new definition means that the number of Conservation Areas should fall within the 55 to 77 range forecast in the consultation document. Ofcom will need to continue to run the forecasting model at regular intervals to see whether areas would qualify as Consultation Areas and will consult on these proposals as and when they arise.

A2.28 Consistent with current practices for Type A Conservation Areas, numbers will be allocated in 1k blocks. In Standard Areas, as with current Type B areas, allocations would continue to be made in 10k blocks. However, in order to manage these numbers efficiently and facilitate possible future moves to conservation area status, use would be restricted to specific 1k blocks.

A2.29 Ofcom believes these demand-side measures are the optimal way to manage numbers, maintain stability and avoid the impact of of supply side measures.

A2.30 The proposed modifications to the Plan are set out in Annex 3 and Ofcom is satisfied that these meet the tests set out in section 60(2) of the Act being:

A2.31 **objectively justifiable**, in that the proposed modifications will help ensure the long-term availability of sufficient numbering resource to meet communication providers' requirements and to promote competition and consumer choice. The proposed modification to the Plan is necessary to ensure that Ofcom has an effective and efficient way to balance the continued demand against imminent exhaustion issues that some areas are facing;

A2.32 **not unduly discriminatory**, in that all communications providers eligible to apply for telephone numbers would be subject to the proposed modifications to the Plan and will all be required to manage number allocations efficiently and effectively;

A2.33 **proportionate**, in that the proposed modification to the Plan is necessary to conserve geographic numbers in a way that Ofcom considers will ensure that providers and users of geographic numbers are subjected to the minimum possible disruptive changes; and

A2.34 **transparent**, in that the Notification proposing the modifications to the Plan, and its effects, are set out in this consultation document.

A2.35 Ofcom considers that it is fulfilling its general duty as to telephone number functions as set out in section 63 of the Act in making its proposals by:

A2.36 **securing the best use of appropriate numbers**, the proposal would ensure that optimal use was made of the most limited geographic numbering resources, and that conservation measures are instigated in sufficient time to ensure as far as possible that appropriate numbers are available for allocation; and

A2.37 **encouraging efficiency and innovation**, in that the proposals ensure that sufficient and appropriate numbering resources are available to meet communication providers' demands thereby encouraging innovation. They improve efficiency in number use as they more closely align allocation to demand, improving utilisation rates.

A2.38 Ofcom considers that its proposal to modify the Plan is consistent with its general duties in carrying out its functions as set out in section 3 of the Act. In particular, it considers that the proposals further the interests of citizens in relation to communications matters and consumers in relevant markets by ensuring that the supply of geographic telephone numbers is maintained for as long as possible such that it avoids or delays the introduction of disruptive measures such as overlay codes.

A2.39 In proposing the modifications to the Plan, Ofcom has also considered the Community obligations set out in section 4 of the Act, particularly the requirement to promote the interests of all persons who are citizens of the European Union. Taking measures to conserve geographic numbers benefits citizens throughout the European Union by making more efficient use of limited numbering resources, offsetting the need for more disruptive measures to ensure continued availability.

Proposed modifications for introducing the 03 range (measures (d) through (j)) and 03 application form

A2.40 Ofcom's basis for introducing the 03 range as an alternative range for numbers currently provided on the 08 range is discussed in detail in Section 5. The approach outlined in this document is consistent with Ofcom's earlier NTS Review decisions. Ofcom believes that the proposals in this document will give providers and end users sufficient information to plan for the NTS changes that will take effect in 18 months from the date of this publication.

A2.41 The 03 range is intended to be used by a group of end users who wish to offer a nationwide number to their customers at a simple cost that its customers will know and understand. For any providers considering a move from an existing number to a new number in the 03 range, there will be costs in adopting new numbers, both at the provider and end user level.

A2.42 Ofcom is cognisant of these costs and in opening up various sub-ranges in the 03 range has endeavoured to offer a series of options that will encourage early take-up of 03 numbers and make migration as attractive as possible. Ofcom has proposed that 0300 numbers will be available specifically for end user bodies that meet certain criteria and will include public sector bodies, registered charities and other not-for-profit bodies. Numbers in the 0303 range will be available for use by private sector bodies and other end users seeking the functionality that the 03 range will offer. A

further option Ofcom has proposed is designed to assist migration path from certain 08 numbers to 03 numbers. Providers with end users in the 0844/0845/0870/0871 ranges would be able to request a corresponding 0344/0345/0370/0371 allocation so that their end users may have the option to alter only one digit of their telephone number in moving from the 08 to 03 range.

A2.43 Ofcom believes there will be benefits to all consumers by creating a new range with clearly understood price range that applies to all providers. Ofcom is conscious that the tariff descriptions on the 03 range will impose a restriction on all providers of 03 numbers, in so far as it will restrict providers from charging in excess of the charge that would be applied to a call made to a normal geographic number. This may appear inconsistent with Ofcom's decision to propose a price ceiling for 070 numbers, which enables providers to price above that limit so long as a free of charge pre-call announcement is provided to the caller. The two situations are different. The 070 range is the only range on which personal numbering services may be provided, whereas the 03 range will be an additional range on which UK-wide numbers can be provided. UK-wide numbers can also be provided on the 08 and 09 ranges.

A2.44 The impact of imposing tariff restrictions on pre-existing ranges such as 070, without an option for a pre-call announcement, would impact charges that have already been negotiated and agreed between providers and at present there is no alternative set of numbers that can be used to provide personal numbering services. The pre-call announcement means these arrangements can remain intact, but there is an obligation on the provider to disclose the higher costs to consumers so consumers understand the costs they will face and can elect whether or not to proceed with the call.

A2.45 Unlike the 070 range, which has been in operation for some time, the 03 range is a new range and the obligations and tariff restrictions that are intended to apply to this range will be clear from the outset, in order to establish a strong degree of transparency and consumer understanding for this range. End users wishing to remain on their existing numbers will be free to do so, and numbers in the 08 range will continue to be available for adoption as an alternative to using 03 numbers. The existing number ranges have been the subject of criticism and complaints by consumers about the non-transparent and widely varying charges that apply to these numbers. One of the reasons why Ofcom has opened the 03 range is in response to end users seeking an alternative option for providing nationwide services to their customers.

A2.46 To open a new range requires modifications to the Plan to identify the new range and to explain the features and obligations that attach to numbers in these ranges. Ofcom has chosen 03 for a number of reasons including the fact that this range has not been used and has no prior associations, understandings or expectations about how it will operate. In addition, its proximity to the 01 and 02 geographic ranges should help consumers make an association with the geographic charges that will be reflected in the charges for calls to 03 numbers.

A2.47 Ofcom is satisfied that the proposals for modifications to the Plan in relation to opening the 03 range and introducing the 03 application form(s) meet the tests set out in sections 60(2) and 49(2) of the Act being:

A2.48 **objectively justifiable**, in that these changes give effect to the strategy to create a new, simple and easily identifiable number range for end users who wish to provide a national service to their customers. The 03 range will also serve to reduce the

demand pressures on some 08 numbers and enable an increase in transparency of charging by creating a clearer distinction between revenue-sharing and non-revenue-sharing numbers for the long-term. The decision to open several 03 sub-ranges will give end users a wide choice of options to move from existing 08 numbers to a memorable 03 number, including a number that only requires a one digit alteration at the front of the number.

A2.49 **not unduly discriminatory**, in that all communications providers will be eligible to apply for telephone numbers in the 03 range. Ofcom has proposed restricting the allocation of certain 084/087 ranges for providers who have corresponding 084 and 087 allocations to enable them to accommodate requests from their end user customers to provide matching 03 ranges. Ofcom does not consider this to be unduly discriminatory because any communications provider with end users on 08 ranges will have this opportunity to apply for a matching 03 allocation. Ofcom considers that numbers in the 0340/0341 and 0370/0371 blocks are initially likely to be attractive for end users wishing to retain some similarity to an existing number, but equally there will be memorable 0300 and 0303 numbers will be available for allocation and adoption, which may be regarded as a more attractive option for end users.

A2.50 Ofcom will review the take-up of 03 and make any further decisions about additional ranges where necessary;

A2.51 **proportionate**, in that the proposed modification to the Plan opens a sufficient range of numbers to encourage early migration without requiring anyone to move away from an existing number within a stated timeframe. The modification provides a further option for end users who wish to move away from 08 numbers onto a newly established number range; and

A2.52 **transparent**, in that the Notification proposing the modifications to the Plan, and its effects, are set out in this consultation document.

A2.53 Ofcom considers that it is fulfilling its general duty as to telephone number functions as set out in section 63 of the Act in making its proposals by:

A2.54 **securing the best use of appropriate numbers**, the proposal will alleviate demands on 08 numbers, therefore increasing the clarity of meaning about 08 number tariffs for the long-term, and it will offer a new range with a simple tariff structure that consumers will be able to understand and trust. The 03 range is one of a number of unused ranges and there are many ranges still available should they be required in the future; and

A2.55 **encouraging efficiency and innovation**, in that the proposals ensure that sufficient and appropriate numbering resources are available to meet communication providers' (and end users') demands thereby encouraging innovation.

A2.56 Ofcom considers that its proposal to modify the Plan is consistent with its general duties in carrying out its functions as set out in section 3 and section 4 of the Act. In particular, it considers that the proposals further the interests of citizens in relation to communications matters and consumers in relevant markets by providing a new range of telephone numbers that consumers will easily understand and where similar groups of end users will start to congregate, thereby creating recognition of a new number range for contacting public and private sector services within the UK.

Proposed modifications to introduce a price ceiling and pre-call announcement for the 070 range (measure (k))

A2.57 Section 6 discusses Ofcom's proposals for 070 numbers. Ofcom has evidence of complaints about consumer scams and abuses conducted using 070 numbers. The majority of consumers are unfamiliar with personal numbering services and mistakenly think 070 numbers are mobile numbers, for example, in instances where missed calls from an 070 number are recorded on a consumer's mobile. As a proportion of total calls, the volume of calls to 070 represents around 0.01 per cent. However, since 2004 the number of complaints to the Ofcom Contact Centre about personal number telephone services has accounted for between one and three per cent of complaints per month of total complaints about telephone services. The relatively high level of complaints about 070 numbers has persisted.

A2.58 Ofcom acknowledges there are genuine providers and users of personal numbering services but despite its consultation process and an audit of personal number usage it the extent of such demand for these services is uncertain. However, it is clear that these numbers are also used in scams. Currently there is considerable flexibility as to the underlying tariffs yet no visibility for consumers in the Plan.

A2.59 To improve transparency about the costs of calling these numbers Ofcom has decided to amend the Plan as it relates to 070 numbers and introduce a price ceiling that is intended to apply from early 2007. From that point onwards providers will not be prevented from pricing in excess of the ceiling but they will be required to notify callers in advance of the call at least about the maximum price they could be charged. Providers will be free to offer a more detailed price announcement that indicates in more detail how much a caller will pay for the service, but Ofcom recognises that this level of specificity may not be possible to implement within the timeframe of early 2007.

A2.60 Ofcom is consulting on two possible types of price ceiling descriptions and has invited responses to its consultation questions by **5pm on 7 September 2006**.

A2.61 To accommodate Ofcom's longer term decision to re-organise numbers so that mobile services are provided on the 07 range, 070 numbers will no longer be available for allocation as personal numbering services after July 2009. This longer term decision does not need to be reflected in the current modifications.

A2.62 Ofcom is satisfied that the proposals for modifications to the Plan in relation to introducing a price ceiling and pre-call announcement for 070 calls meet the tests set out in sections 60(2) of the Act being:

A2.63 **objectively justifiable**, in that these changes will increase the degree of tariff transparency on numbers that are not well understood by consumers without actually requiring any tariffs to change. Requiring the pre-call announcements to be free supports tariff transparency and avoids further damage to consumer confidence in personal numbers, as callers will not directly incur costs to acquire tariff information. Making this obligation apply to all providers ensures that customers of all communications providers will benefit from an increase in tariff transparency. Ofcom recognises that implementing pre-call announcements impose costs on providers, and has therefore given providers the opportunity to implement a simplistic pre-call announcement. Providers may choose to adopt a more specific pre-call announcement, but the minimum requirement for the announcement will be to inform consumers of the maximum price they could face. Ofcom will conclude on the form of the price ceiling as a result of this consultation;

A2.64 **not unduly discriminatory**, in that the changes will apply to all communications providers who offer 070 calling capability;

A2.65 **proportionate**, in that the proposed modification to the Plan is a measure that Ofcom believes is necessary to address the high levels of consumer detriment by bringing tariffs to the attention of consumers; and

A2.66 **transparent**, in that the Notification proposing the modifications to the Plan, and its effects, are set out in this consultation document.

A2.67 Ofcom considers that it is fulfilling its general duty as to telephone number functions as set out in section 63 of the Act in making its proposals by:

A2.68 **securing the best use of appropriate numbers**, there is no threat of exhaustion to 070 numbers given current levels of demand. The proposal does not alter the availability of these numbers, rather it specifies some restrictions on how these numbers would be provided; and

A2.69 **encouraging efficiency and innovation**, the proposal requires providers to make available certain tariff information about the cost of these calls. The minimum level of information required is the maximum amount that callers would pay.

A2.70 Ofcom considers that its proposal to modify the Plan is consistent with its general duties in carrying out its functions as set out in section 3 of the Act and with its section 4 duties, in particular the duty to promote the interests of all persons who are citizens of the European Union. The proliferation of non-genuine uses of numbers does not promote the interests of European Union citizens and these measures are designed to inform consumers of the tariffs they may face. Ofcom considers that the proposals further the interests of citizens in relation to communications matters and consumers in relevant markets by ensuring that these costs of these calls are more transparent.

Proposed modifications to designate and open new mobile numbering sub-ranges within the 07 range (measures (l) through (m))

A2.71 As explained in Section 6 of the document, Ofcom intends to designate the currently unused 07 sub-ranges of 071-075 for mobile services. Our evidence suggests that consumers recognise 07 as the mobile number range and this recognition will strengthen as more mobile numbers are provided on this range. In the consultation Ofcom asked respondents if they supported establishing 07 as a mobile brand and this was overwhelmingly supported. To reflect this decision Ofcom is proposing to add the ranges 071 to 075 to Part A of the Plan. The existing 077 to 079 ranges are nearing exhaustion (based on current one million block allocations), so in addition to designating the numbers as mobile numbers, we propose to open the 075 range for allocation to ensure that sufficient mobile number blocks are available to meet communications providers' demands.

A2.72 This requires an amendment to the Plan to recognise the additional 07 numbers to be designated as mobile services. The changes to the Plan are set out in Annex 3.

A2.73 A consequential amendment needs to be made to the 07 application form to incorporate applications for 075 allocations. Annex 4 contains the amended application form, with the proposed insertions shown as underlined text and the proposed deletions as struck-out text. For now Ofcom plans to open 075 (and not 071-074) to ensure that the 07 range is opened for allocation in a phased manner.

Although we are stating that the sub-ranges do not need to identify mobile multi-media services, there may in the future be a reason why a particular type of mobile service needs to be separated at the two digit level.

A2.74 Ofcom is also taking this opportunity to propose a number of minor changes to the 07 application form. Consistent with the measure to introduce price ceilings to 070 (discussed above) we have altered the example tariffs for personal numbers from k rate / 75ppm to 5ppm and 10ppm. We have also updated references to dates for "planned in service" to 2006. Finally, we have deleted section A4 and a paragraph from section A1 as these refer to the now defunct register of providers of PECNs. We are systematically deleting this section whenever we update a numbering application form.

A2.75 Ofcom is satisfied that the proposals for modifications to the Plan in relation to designating 071 to 075 as mobile numbers and opening the 075 range meet the tests set out in sections 60(2) of the Act being:

A2.76 **objectively justifiable**, in order to ensure the long-term availability of sufficient mobile numbers to meet communication providers' requirements and to promote competition and consumer choice. The strong and continuing growth in demand for mobile services is underpinning the demand for more mobile numbers. Mobile numbers in the 077, 078 and 079 ranges are rapidly nearing exhaustion and by opening the 075 range at this point Ofcom is acting to offset future exhaustion and delays in obtaining new numbers;

A2.77 Ofcom's duty to publish the Plan and is justified in order to ensure the long-term availability of sufficient numbering resource to meet communication providers' requirements and to promote competition and consumer choice. The strong and continuing growth in demand for mobile services is underpinning the demand for more mobile numbers;

A2.78 **not unduly discriminatory**, in that all communications providers eligible to apply for telephone numbers would be subject to the proposed modifications to the Plan;

A2.79 **proportionate**, in that the proposed modification to the Plan is the minimum revision necessary to its provisions to continue to make numbers available for allocation as mobile numbers. Ofcom believes it is appropriate to open up these sub-ranges in 07 systematically and will commence by opening up 075 as the sub-range closest to existing mobile allocations; and

A2.80 **transparent**, in that the Notification proposing the modifications to the Plan and application form, and its effects, are set out in this consultation document.

A2.81 Ofcom considers that it is fulfilling its general duty as to telephone number functions as set out in section 63 of the Act in making its proposals by:

A2.82 **securing the best use of appropriate numbers**, the proposal would provide additional numbers to accommodate increased demand for mobile services within the recognised mobile "brand" of 07, thus ensuring that appropriate numbers are available for allocation; and

A2.83 **encouraging efficiency and innovation**, in that the proposals ensure that sufficient and appropriate numbering resources are available to meet communication providers' demands thereby encouraging innovation.

A2.84 Ofcom considers that its proposal to modify the Plan is consistent with its general duties in carrying out its functions as set out in sections 3 and 4 of the Act. In particular, it considers that the proposals further the interests of citizens in relation to communications matters and consumers in relevant markets by ensuring that the supply of mobile service telephone numbers is maintained to accommodate rising demand for these services.

Annex 3

Notifications of modifications to the National Telephone Numbering Plan

1. Ofcom, in accordance with section 60 of the Act, hereby makes the following proposal for a modification to the provisions of the National Telephone Numbering Plan (the "Plan").

2. The Condition has effect by reference to provisions of the Plan.

3. The draft modification to the Plan is set out in the Schedule to this Notification.

4. The reasons for making the proposal and the effect of the modification are set out in the accompanying consultation document.

5. Ofcom considers that the proposed modification complies with the requirements in section 60(2) of the Act.

6. In making the proposals referred to above Ofcom have considered and acted in accordance with the six Community requirements in section 4 of the Act as well as performed their general duties under section 3 of the Act and their duty as to telephone numbering in section 63 of the Act.

7. Representations may be made to Ofcom about the proposal by 5pm on 7 September 2006.

8. Copies of this Notification have been made available to the Secretary of State.

9. In this Notification-

- 'Act' means the Communications Act 2003;
- 'Condition' means General Condition 17 of the General Conditions of Entitlement set by the Director by way of publication of a Notification on 22 July 2003;
- 'Director' means the Director-General of Telecommunications as appointed under section 1 of the Telecommunications Act 1984;
- 'Ofcom' means the Office of Communications; and
- 'Plan' means the National Telephone Numbering Plan published from time to time by Ofcom.

Signed by Dr Stephen Unger

Director of Telecoms Technology

A person authorised by Ofcom under paragraph 18 of the Schedule to the Office of Communications Act 2003

27 July 2006

Draft Schedule

[A]. The following shall be deleted from the Plan under Section 1 Definitions and Interpretation –

'Conservation Area' means a geographic area that has a realistic expectation of number exhaustion within the foreseeable future. Type A Conservation Areas are those which Ofcom believes are within two years of having less than ten spare 10,000 number blocks available. Type B Conservation Areas are those which Ofcom believes are likely to become Type A Conservation Areas within ten years.

and replaced with the following:

'Conservation Area' means a geographic area that Ofcom believes has a realistic expectation of number exhaustion within five years.

[B]. The following shall be deleted from the Plan under Section 1 Definitions and Interpretation –

'Personal Number' means a Telephone Number, from a range of numbers in Part A of this document, assigned by a Personal Numbering Service Provider, which allows a Subscriber to receive calls or other communications at almost any Telephone Number, including a Mobile Number

and replaced with the following:

'Personal Number' means a Telephone Number, from a range of numbers in Part A of this document, assigned by a Personal Numbering Service Provider, which allows a Subscriber to receive calls or other communications at almost any Telephone Number, including a Mobile Number, that is charged to the Customer at up to the rates set out in Part A, except where a free pre-call announcement is provided at the start of the call.

[C]. The following shall be inserted in the Plan under Section 1 Definitions and Interpretation –

'Standard Area' means a geographic area that is not forecast to be at risk of exhaustion within the next five years.

[D]. The following shall be inserted in the Plan under Section 1 Definitions and Interpretation –

'UK-wide Number' means a Telephone Number for a service charged at the rates set out in Part A where:

(i) the Numbering Plan of the Communications Provider offering the service has no geographic significance;
(ii) the location of the Customer's Apparatus identified by a given Telephone Number at the time of use is not necessarily permanently associated with a particular Network Termination Point;
(iii) number translation to a Geographic Number is involved; and
(iv) the service is not a Mobile Service.

[E]. The following shall be inserted in the Plan under Part A1: Public Telephone Network Numbers:

0300	**UK-wide services at a geographic rate: to be used by public sector bodies and not-for-profit bodies, calls charged at up to the same rate the customer would pay to call to a Geographic Number, with calls to 03 numbers counting towards inclusive call minutes if the customer has remaining inclusive minutes to Geographic Numbers, and included in any discount structures that apply to Geographic Numbers.**
0303	**UK-wide services at a geographic rate: calls charged at up to the same rate the customer would pay to call a Geographic Number, with calls to 03 numbers counting towards inclusive call minutes if the customer has remaining inclusive minutes to Geographic Numbers, and included in any discount structures that apply to Geographic Numbers.**
0344/0345	**UK-wide services at a geographic rate: migrating numbers from 0844/0845, calls charged at up to the same rate the customer would pay to call a Geographic Number, with calls to 03 numbers counting towards inclusive call minutes if the customer has remaining inclusive minutes to Geographic Numbers, and included in any discount structures that apply to Geographic Numbers.**
0370/0371	**UK-wide services at a geographic rate: migrating numbers from 0870/0871, calls charged at up to the same rate the customer would pay to call a Geographic Number, with calls to 03 numbers counting towards inclusive call minutes if the customer has remaining inclusive minutes to Geographic Numbers, and/or included in any discount structures that apply to Geographic Numbers.**

[F]. The following shall be deleted from the Plan under Part A1: Public Telephone Network Numbers –

070	**Personal Numbering Service**

and replaced with the following:

070	**Personal Numbering Service: from [February] 2007, calls to these numbers are charged at up to and including 20p per minute or per call, inclusive of value added tax. Charges in excess of 20p per minute or per call must be notified to callers at the start of the call before any call charges start to apply by means of a free pre-call announcement which at least states the maximum charge that could be incurred for a call to a personal number.**

OR, replaced with the following:

070	**Personal Numbering Service: from [February] 2007, calls to these numbers are charged at up to and including the highest per minute rate, inclusive of value added tax, that the specific customer would pay for a voice call to a customer on a mobile number. Charges in excess of this rate, on a per minute or per call basis, must be notified to callers at the start of the call, before any call charges start to apply, by means of a free pre-call announcement which at least states the maximum charge that could be incurred for a call to a personal number.**

[G]. The following shall be deleted from the Plan under Part A1: Public Telephone Network Numbers

077 to 079 inclusive	**Mobile Services**

and replaced with the following:

071 to 075 inclusive and 077 to 079 inclusive	**Mobile Services**

[H]. The following shall be inserted as a new section B.3.1.7 condition in the Plan as follows:

Standard Areas

B3.1.7 Numbers in geographic areas with a Standard Area status are allocated in blocks of 10,000 numbers but shall only be Adopted or otherwise used in units of 1,000 numbers in new allocations, and in existing allocations where unused 1,000 blocks are available.

[I]. The following shall be inserted as a new section B.3.6 in the Plan as follows:

B3.6 03 Numbers

B3.6.1 Those who adopt or otherwise use 03 numbers shall not share with any End user any revenue obtained from providing a service on those numbers.

B3.6.2 Those who are allocated 0300 blocks by Ofcom shall not Adopt or otherwise use those numbers unless the End user is a public sector body or a not-for-profit body.

B3.6.3 Those communications providers who are allocated 0344/0345/0370/0371 blocks by Ofcom shall not use or sub-allocate those numbers within that block that have been sub-allocated or ported from the corresponding "08" block to another communications provider. Those 03 numbers will be made available upon request (through sub-allocation) to the communications provider holding the equivalent sub-allocated or ported 08 number, for the purpose of providing service to end users migrating from the equivalent 08 number.

[J]. The following shall be deleted from Appendix A of the Plan:

Appendix A: Geographic Numbering - Geographic Area Codes and applicable Geographic Area

Geographic Area Code	Geographic Area	Conserv-ation Status[31]
0113	Leeds	
0114	Sheffield	
0115	Nottingham	
0116	Leicester	
0117	Bristol	
0118	Reading	
01200	Clitheroe	
01202	Bournemouth	A
01204	Bolton	A
01205	Boston	
01206	Colchester	
01207	Consett	
01208	Bodmin	
01209	Redruth	

Geographic Area Code	Geographic Area	Conserv-ation Status[31]
0121	Birmingham	
01223	Cambridge	A
01224	Aberdeen	A
01225	Bath	
01226	Barnsley	B
01227	Canterbury	
01228	Carlisle	
01229	Barrow-in-Furness (2,4,5,6,8) Millom (3,7,9)	
01233	Ashford (Kent)	
01234	Bedford	
01235	Abingdon	
01236	Coatbridge	
01237	Bideford	
01239	Cardigan	
01241	Arbroath	
01242	Cheltenham	

[31] Where applicable, A or B indicates Conservation Area Type A or B (see Part B3.1.6.)

Geographic Area Code	Geographic Area	Conserv-ation Status[31]
01243	Chichester	
01244	Chester	B
01245	Chelmsford	
01246	Chesterfield	
01248	Bangor (Gwynedd)	
01249	Chippenham	
01250	Blairgowrie	
01252	Aldershot	A
01253	Blackpool	
01254	Blackburn	A
01255	Clacton-on-Sea	
01256	Basingstoke	
01257	Coppull	
01258	Blandford	
01259	Alloa	
01260	Congleton	
01261	Banff	
01262	Bridlington	
01263	Cromer	
01264	Andover	
01267	Carmarthen	
01268	Basildon	
01269	Ammanford	
01270	Crewe	
01271	Barnstable	
01273	Brighton	A
01274	Bradford	A
01275	Clevedon	
01276	Camberley	B
01277	Brentwood	
01278	Bridgwater	
01279	Bishops Stortford	
01280	Buckingham	
01282	Burnley	
01283	Burton-on-Trent	
01284	Bury-St-Edmunds	
01285	Cirencester	
01286	Caernarvon	
01287	Guisborough	
01288	Bude	
01289	Berwick-on-Tweed	
01290	Cumnock	
01291	Chepstow	
01292	Ayr	
01293	Crawley	
01294	Ardrossan	
01295	Banbury	
01296	Aylesbury	
01297	Axminster	

Geographic Area Code	Geographic Area	Conserv-ation Status[31]
01298	Buxton	
01299	Bewdley	
01300	Cerne Abbas	
01301	Arrochar	
01302	Doncaster	B
01303	Folkestone	
01304	Dover	
01305	Dorchester	
01306	Dorking	
01307	Forfar	
01308	Bridport	
01309	Forres	
0131	Edinburgh	
01320	Fort Augustus	
01322	Dartford	
01323	Eastbourne	
01324	Falkirk	
01325	Darlington	
01326	Falmouth	
01327	Daventry	
01328	Fakenham	
01329	Fareham	
01330	Banchory	
01332	Derby	A
01333	Peat Inn	
01334	St Andrews	
01335	Ashbourne	
01337	Ladybank	
01339	Aboyne (2,3,5,8) Ballater (4,6,7,9)	
01340	Craigellachie	
01341	Barmouth	
01342	East Grinstead	
01343	Elgin	
01344	Bracknell	A
01346	Fraserburgh	
01347	Easingwold	
01348	Fishguard	
01349	Dingwall	
01350	Dunkeld	
01352	Mold	
01353	Ely	
01354	Chatteris	
01355	East Kilbride	
01356	Brechin	
01357	Strathaven	
01358	Ellon	
01359	Pakenham	
01360	Killearn	

Geographic Area Code	Geographic Area	Conserv-ation Status[31]
01361	Duns	
01362	Dereham	
01363	Crediton	
01364	Ashburton	
01366	Downham Market	
01367	Faringdon	
01368	Dunbar	
01369	Dunoon	
01371	Great Dunmow	
01372	Esher	
01373	Frome	
01375	Grays Thurrock	
01376	Braintree	
01377	Driffield	
01379	Diss	
01380	Devizes	
01381	Fortrose	
01382	Dundee	A
01383	Dunfermline	
01384	Dudley	
01386	Evesham	
01387	Dumfries	
013873	Langholm	A
01388	Bishop Auckland (3,4,6,7,8,9) Stanhope (2,5)	A
01389	Dumbarton	
01392	Exeter	
01394	Felixstowe	
01395	Budleigh Salterton	
01397	Fort William	
01398	Dulverton	
01400	Honington	
01403	Horsham	
01404	Honiton	
01405	Goole	
01406	Holbeach	
01407	Holyhead	
01408	Golspie	
01409	Holsworthy	
0141	Glasgow	
01420	Alton	
01422	Halifax	
01423	Boroughbridge (3,4,9) Harrogate (2,5,6,7,8)	A
01424	Hastings	
01425	Ringwood	
01427	Gainsborough	
01428	Haslemere	
01429	Hartlepool	
01430	Market Weighton (6,7,8,9) North Cave (2,3,4,5)	
01431	Helmsdale	
01432	Hereford	
01433	Hathersage	
01434	Bellingham (2,4,9) Haltwhistle (3,5) Hexham (6,7,8)	A
01435	Heathfield	
01436	Helensburgh	
01437	Clynderwen (2,3,4,5) Haverfordwest (6,7,8,9)	
01438	Stevenage	
01439	Helmsley	
01440	Haverhill	
01442	Hemel Hempstead	
01443	Pontypridd	
01444	Haywards Heath	
01445	Gairloch	
01446	Barry	
01449	Stowmarket	
01450	Hawick	
01451	Stow-on-the-Wold	
01452	Gloucester	A
01453	Dursley	
01454	Chipping Sodbury	
01455	Hinckley	
01456	Glenurquhart	
01457	Glossop	
01458	Glastonbury	
01460	Chard	
01461	Gretna	
01462	Hitchin	
01463	Inverness	
01464	Insch	
01465	Girvan	
01466	Huntly	
01467	Inverurie	
01469	Killingholme	
01470	Isle of Skye – Edinbane	
01471	Isle of Skye – Broadford	
01472	Grimsby	
01473	Ipswich	A
01474	Gravesend	

Geographic Area Code	Geographic Area	Conserv-ation Status[31]
01475	Greenock	
01476	Grantham	
01477	Holmes Chapel	
01478	Isle of Skye - Portree	
01479	Grantown-on-Spey	
01480	Huntingdon	
01481	Guernsey	
01482	Hull	
01483	Guildford	A
01484	Huddersfield	
01485	Hunstanton	
01487	Warboys	
01488	Hungerford	
01489	Bishops Waltham	
01490	Corwen	
01491	Henley-on-Thames	
01492	Colwyn Bay	
01493	Great Yarmouth	
01494	High Wycombe	B
01495	Pontypool	
01496	Port Ellen	
01497	Hay-on-Wye	
01499	Inveraray	
01501	Harthill	
01502	Lowestoft	
01503	Looe	
01505	Johnstone	
01506	Bathgate	
01507	Alford (Lincs) (4,8,9) Louth (3,6,7) Spilsby (2,5)	A
01508	Brooke	
01509	Loughborough	
0151	Liverpool	
01520	Lochcarron	
01522	Lincoln	
01524	Lancaster	A
015242	Hornby	A
01525	Leighton Buzzard	
01526	Martin	
01527	Redditch	
01528	Laggan	
01529	Sleaford	
01530	Coalville	
01531	Ledbury	
01534	Jersey	
01535	Keighley	
01536	Kettering	
01538	Ipstones	

Geographic Area Code	Geographic Area	Conserv-ation Status[31]
01539	Kendal	
015394	Hawkshead	A
015395	Grange-Over-Sands	A
015396	Sedbergh	A
01540	Kingussie	
01542	Keith	
01543	Cannock	
01544	Kington	
01545	Llanarth	
01546	Lochgilphead	
01547	Knighton	
01548	Kingsbridge	
01549	Lairg	
01550	Llandovery	
01553	Kings Lynn	
01554	Llanelli	
01555	Lanark	
01556	Castle Douglas	
01557	Kirkcudbright	
01558	Llandeilo	
01559	Llandyssul	
01560	Moscow	
01561	Laurencekirk	
01562	Kidderminster	
01563	Kilmarnock	
01564	Lapworth	
01565	Knutsford	
01566	Launceston	
01567	Killin	
01568	Leominster	
01569	Stonehaven	
01570	Lampeter	
01571	Lochinver	
01572	Oakham	
01573	Kelso	
01575	Kirriemuir	
01576	Lockerbie	
01577	Kinross	
01578	Lauder	
01579	Liskeard	
01580	Cranbrook	
01581	New Luce	
01582	Luton	A
01583	Carradale	
01584	Ludlow	
01586	Campbeltown	
01588	Bishops Castle	
01590	Lymington	
01591	Llanwrtyd Wells	

Geographic Area Code	Geographic Area	Conserv-ation Status[31]
01592	Kirkcaldy	
01593	Lybster	
01594	Lydney	
01595	Lerwick Foula (75) Fair Isle (76)	
01597	Llandrindod Wells	
01598	Lynton	
01599	Kyle	
01600	Monmouth	
01603	Norwich	A
01604	Northampton	A
01606	Northwich	
01608	Chipping Norton	
01609	Northallerton	
0161	Manchester	
01620	North Berwick	
01621	Maldon	
01622	Maidstone	
01623	Mansfield	
01624	Isle of Man	
01625	Macclesfield	
01626	Newton Abbot	
01628	Maidenhead	
01629	Matlock	
01630	Market Drayton	
01631	Oban	
01633	Newport	
01634	Medway	
01635	Newbury	A
01636	Newark	
01637	Newquay	
01638	Newmarket	
01639	Neath	
01641	Strathy	
01642	Middlesbrough	A
01643	Minehead	
01644	New Galloway	
01646	Milford Haven	
01647	Moretonhampstead	
01650	Cemmaes Road	
01651	Oldmeldrum	
01652	Brigg	
01653	Malton	
01654	Machynlleth	
01655	Maybole	
01656	Bridgend	
01659	Sanquhar	
01661	Prudhoe	

Geographic Area Code	Geographic Area	Conserv-ation Status[31]
01663	New Mills	
01664	Melton Mowbray	
01665	Alnwick	
01666	Malmesbury	
01667	Nairn	
01668	Bamburgh	
01669	Rothbury	
01670	Morpeth	
01671	Newton Stewart	
01672	Marlborough	
01673	Market Rasen	
01674	Montrose	
01675	Coleshill	
01676	Meriden	
01677	Bedale	
01678	Bala	
01680	Isle of Mull – Craignure	
01681	Isle of Mull – Fionnphort	
01683	Moffat	
01684	Malvern	
01685	Merthyr Tydfil	
01686	Llanidloes (2,3,4,7) Newtown (5,6,8,9)	
01687	Mallaig	
01688	Isle of Mull – Tobermory	
01689	Orpington	
01690	Betws-y-Coed	
01691	Oswestry	
01692	North Walsham	
01694	Church Stretton	
01695	Skelmersdale	
01697	Brampton	
016973	Wigton	A
016974	Raughton Head	A
01698	Motherwell	A
01700	Rothesay	
01702	Southend-on-Sea	
01704	Southport	
01706	Rochdale	
01707	Welwyn Garden City	
01708	Romford	
01709	Rotherham	
01720	Isles of Scilly	
01721	Peebles	
01722	Salisbury	
01723	Scarborough	

Geographic Area Code	Geographic Area	Conservation Status[31]
01724	Scunthorpe	
01725	Rockbourne	
01726	St Austell	
01727	St Albans	
01728	Saxmundham	
01729	Settle	
01730	Petersfield	
01732	Sevenoaks	
01733	Peterborough	A
01736	Penzance	
01737	Redhill	
01738	Perth	
01740	Sedgefield	
01743	Shrewsbury	
01744	St Helens	
01745	Rhyl	
01746	Bridgnorth	
01747	Shaftesbury	
01748	Richmond	
01749	Shepton Mallet	
01750	Selkirk	
01751	Pickering	
01752	Plymouth	A
01753	Slough	A
01754	Skegness	
01756	Skipton	
01757	Selby	
01758	Pwllheli	
01759	Pocklington	
01760	Swaffham	
01761	Temple Cloud	
01763	Royston	
01764	Crieff	
01765	Ripon	
01766	Porthmadog	
01767	Sandy	
01768	Penrith	
017683	Appleby	A
017684	Pooley Bridge	A
017687	Keswick	A
01769	South Molton	
01770	Isle of Arran	
01771	Maud	
01772	Preston	A
01773	Ripley	
01775	Spalding	
01776	Stranraer	
01777	Retford	
01778	Bourne	
01779	Peterhead	
01780	Stamford	
01782	Stoke-on-Trent	A
01784	Staines	
01785	Stafford	
01786	Stirling	
01787	Sudbury	
01788	Rugby	
01789	Stratford-upon-Avon	
01790	Spilsby	
01792	Swansea	A
01793	Swindon	A
01794	Romsey	
01795	Sittingbourne	
01796	Pitlochry	
01797	Rye	
01798	Pulborough	
01799	Saffron Walden	
01803	Torquay	
01805	Torrington	
01806	Shetland	
01807	Ballindalloch	
01808	Tomatin	
01809	Tomdoun	
01821	Kinrossie	
01822	Tavistock	
01823	Taunton	
01824	Ruthin	
01825	Uckfield	
01827	Tamworth	
01828	Coupar Angus	
01829	Tarporley	
01830	Kirkwhelpington	
01832	Clopton	
01833	Barnard Castle	
01834	Narberth	
01835	St Boswells	
01837	Okehampton	
01838	Dalmally	
01840	Camelford	
01841	Newquay	
01842	Thetford	
01843	Thanet	
01844	Thame	
01845	Thirsk	
01847	Thurso (2,3,4,5,8) Tongue (6,7,9)	
01848	Thornhill	
01851	Great Bernera (4,6,9)	

Geographic Area Code	Geographic Area	Conserv-ation Status[31]
	Stornoway (2,3,5,7,8)	
01852	Kilmelford	
01854	Ullapool	
01855	Ballachulish	
01856	Orkney	
01857	Sanday	
01858	Market Harborough	
01859	Harris	
01862	Tain	
01863	Ardgay	
01864	Abington	
01865	Oxford	A
01866	Kilchrenan	
01869	Bicester	
01870	Isle of Benbecula	
01871	Castlebay	
01872	Truro	
01873	Abergavenny	
01874	Brecon	
01875	Tranent	
01876	Lochmaddy	
01877	Callandar	
01878	Lochboisdale	
01879	Scarinish	
01880	Tarbert	
01882	Kinloch Rannoch	
01883	Caterham	
01884	Tiverton	
01885	Pencombe	
01886	Bromyard	
01887	Aberfeldy	
01888	Turriff	
01889	Rugely	
01890	Ayton (5,6,7,9) Coldstream (2,3,4,8)	
01892	Tunbridge Wells	
01895	Uxbridge	
01896	Galashiels	
01899	Biggar	
01900	Workington	
01902	Wolverhampton	A
01903	Worthing	
01904	York	A
01905	Worcester	
01908	Milton Keynes	A
01909	Worksop	
0191	Tyneside (2,4,6) Durham (3) Sunderland (5)	

Geographic Area Code	Geographic Area	Conserv-ation Status[31]
01920	Ware	
01922	Walsall	
01923	Watford	A
01924	Wakefield	A
01925	Warrington	A
01926	Warwick	
01928	Runcorn	
01929	Wareham	
01931	Shap	
01932	Weybridge	
01933	Wellingborough	
01934	Weston-Super-Mare	
01935	Yeovil	
01937	Wetherby	
01938	Welshpool	
01939	Wem	
01942	Wigan	A
01943	Guiseley	
01944	West Heslerton	
01945	Wisbech	
01946	Whitehaven	
019467	Gosforth	A
01947	Whitby	
01948	Whitchurch	
01949	Whatton	
01950	Sandwick	
01951	Colonsay	
01952	Telford	
01953	Wymondham	
01954	Madingley	
01955	Wick	
01957	Mid Yell	
01959	Westerham	
01962	Winchester	
01963	Wincanton	
01964	Hornsea (2,5,8,9) Patrington (3,4,6,7)	
01967	Strontian	
01968	Penicuik	
01969	Leyburn	
01970	Aberystwyth	
01971	Scourie	
01972	Glenborrodale	
01974	Llanon	
01975	Alford (Aberdeen) (2,4,5,9) Strathdon (3,6,7,8)	
01977	Pontefract	
01978	Wrexham	

Geographic Area Code	Geographic Area	Conserv-ation Status[31]
01980	Amesbury	
01981	Wormbridge	
01982	Builth Wells	
01983	Isle of Wight	
01984	Watchet	
01985	Warminster	
01986	Bungay	
01988	Wigtown	
01989	Ross-on-Wye	
01992	Lea Valley	
01993	Witney	
01994	St Clears	
01995	Garstang	
01997	Strathpeffer	
020	London	
023	Southampton (80) Portsmouth (92)	
024	Coventry	
028	Ballycastle (20) Martinstown (21) Ballymena (25) Ballymoney (27) Larne (28) Kilrea (29) Newry (30) Armagh (37) Portadown (38)	
	Banbridge (40) Rostrevor (41) Kircubbin (42) Newcastle (Co. Down)(43) Downpatrick (44) Enniskillen (66) Lisnaskea (67) Kesh (68) Coleraine (70) Londonderry (71) Limavady (77) Magherafelt (79) Carrickmore (80) Newtownstewart (81) Omagh (82) Ballygawley (85) Cookstown (86) Dungannon (87) Fivemiletown (89) Belfast (90) Bangor (Co. Down)(91) Lisburn (92) Ballyclare (93) Antrim (94) Saintfield (97)	
029	Cardiff	

and replaced with the following:

Appendix A: Geographic Numbering - Geographic Area Codes and applicable Geographic Area

Geographic Area Code	Geographic Area	Conserv-ation Status[32]
0113	Leeds	
0114	Sheffield	
0115	Nottingham	
0116	Leicester	
0117	Bristol	
0118	Reading	
01200	Clitheroe	
01202	Bournemouth	Y
01204	Bolton	Y
01205	Boston	
01206	Colchester	
01207	Consett	
01208	Bodmin	
01209	Redruth	
0121	Birmingham	
01223	Cambridge	Y
01224	Aberdeen	Y
01225	Bath	
01226	Barnsley	
01227	Canterbury	
01228	Carlisle	
01229	Barrow-in-Furness (2,4,5,6,8) Millom (3,7,9)	
01233	Ashford (Kent)	
01234	Bedford	
01235	Abingdon	
01236	Coatbridge	
01237	Bideford	
01239	Cardigan	
01241	Arbroath	
01242	Cheltenham	
01243	Chichester	
01244	Chester	
01245	Chelmsford	
01246	Chesterfield	
01248	Bangor (Gwynedd)	
01249	Chippenham	
01250	Blairgowrie	
01252	Aldershot	Y
01253	Blackpool	
01254	Blackburn	Y
01255	Clacton-on-Sea	
01256	Basingstoke	
01257	Coppull	

Geographic Area Code	Geographic Area	Conserv-ation Status[32]
01258	Blandford	
01259	Alloa	
01260	Congleton	
01261	Banff	
01262	Bridlington	
01263	Cromer	
01264	Andover	
01267	Carmarthen	
01268	Basildon	
01269	Ammanford	
01270	Crewe	
01271	Barnstable	
01273	Brighton	Y
01274	Bradford	Y
01275	Clevedon	
01276	Camberley	
01277	Brentwood	
01278	Bridgwater	
01279	Bishops Stortford	
01280	Buckingham	
01282	Burnley	
01283	Burton-on-Trent	
01284	Bury-St-Edmunds	
01285	Cirencester	
01286	Caernarvon	
01287	Guisborough	
01288	Bude	
01289	Berwick-on-Tweed	
01290	Cumnock	
01291	Chepstow	
01292	Ayr	
01293	Crawley	
01294	Ardrossan	
01295	Banbury	
01296	Aylesbury	
01297	Axminster	
01298	Buxton	
01299	Bewdley	
01300	Cerne Abbas	
01301	Arrochar	
01302	Doncaster	
01303	Folkestone	
01304	Dover	
01305	Dorchester	
01306	Dorking	
01307	Forfar	
01308	Bridport	
01309	Forres	
0131	Edinburgh	

[32] Where Conservation Status is not indicated as Y, the area is a Standard Area (see Part B3.1.7)

Geographic Area Code	Geographic Area	Conserv-ation Status[32]
01320	Fort Augustus	
01322	Dartford	
01323	Eastbourne	
01324	Falkirk	
01325	Darlington	
01326	Falmouth	
01327	Daventry	
01328	Fakenham	
01329	Fareham	
01330	Banchory	
01332	Derby	Y
01333	Peat Inn	
01334	St Andrews	
01335	Ashbourne	
01337	Ladybank	
01339	Aboyne (2,3,5,8) Ballater (4,6,7,9)	
01340	Craigellachie	
01341	Barmouth	
01342	East Grinstead	
01343	Elgin	
01344	Bracknell	Y
01346	Fraserburgh	
01347	Easingwold	
01348	Fishguard	
01349	Dingwall	
01350	Dunkeld	
01352	Mold	
01353	Ely	
01354	Chatteris	
01355	East Kilbride	
01356	Brechin	
01357	Strathaven	
01358	Ellon	
01359	Pakenham	
01360	Killearn	
01361	Duns	
01362	Dereham	
01363	Crediton	
01364	Ashburton	
01366	Downham Market	
01367	Faringdon	
01368	Dunbar	
01369	Dunoon	
01371	Great Dunmow	
01372	Esher	
01373	Frome	
01375	Grays Thurrock	
01376	Braintree	

Geographic Area Code	Geographic Area	Conserv-ation Status[32]
01377	Driffield	
01379	Diss	
01380	Devizes	
01381	Fortrose	
01382	Dundee	Y
01383	Dunfermline	
01384	Dudley	
01386	Evesham	
01387	Dumfries	
013873	Langholm	Y
01388	Bishop Auckland (3,4,6,7,8,9) Stanhope (2,5)	Y
01389	Dumbarton	
01392	Exeter	
01394	Felixstowe	
01395	Budleigh Salterton	
01397	Fort William	
01398	Dulverton	
01400	Honington	
01403	Horsham	
01404	Honiton	
01405	Goole	
01406	Holbeach	
01407	Holyhead	
01408	Golspie	
01409	Holsworthy	
0141	Glasgow	
01420	Alton	
01422	Halifax	
01423	Boroughbridge (3,4,9) Harrogate (2,5,6,7,8)	Y
01424	Hastings	
01425	Ringwood	
01427	Gainsborough	
01428	Haslemere	
01429	Hartlepool	
01430	Market Weighton (6,7,8,9) North Cave (2,3,4,5)	
01431	Helmsdale	
01432	Hereford	
01433	Hathersage	
01434	Bellingham (2,4,9) Haltwhistle (3,5) Hexham (6,7,8)	Y
01435	Heathfield	
01436	Helensburgh	
01437	Clynderwen (2,3,4,5)	

Geographic Area Code	Geographic Area	Conserv-ation Status[32]
	Haverfordwest (6,7,8,9)	
01438	Stevenage	
01439	Helmsley	
01440	Haverhill	
01442	Hemel Hempstead	
01443	Pontypridd	
01444	Haywards Heath	
01445	Gairloch	
01446	Barry	
01449	Stowmarket	
01450	Hawick	
01451	Stow-on-the-Wold	
01452	Gloucester	Y
01453	Dursley	
01454	Chipping Sodbury	
01455	Hinckley	
01456	Glenurquhart	
01457	Glossop	
01458	Glastonbury	
01460	Chard	
01461	Gretna	
01462	Hitchin	
01463	Inverness	
01464	Insch	
01465	Girvan	
01466	Huntly	
01467	Inverurie	
01469	Killingholme	
01470	Isle of Skye – Edinbane	
01471	Isle of Skye – Broadford	
01472	Grimsby	
01473	Ipswich	Y
01474	Gravesend	
01475	Greenock	
01476	Grantham	
01477	Holmes Chapel	
01478	Isle of Skye - Portree	
01479	Grantown-on-Spey	
01480	Huntingdon	
01481	Guernsey	
01482	Hull	
01483	Guildford	A
01484	Huddersfield	
01485	Hunstanton	
01487	Warboys	
01488	Hungerford	
01489	Bishops Waltham	
01490	Corwen	
01491	Henley-on-Thames	
01492	Colwyn Bay	
01493	Great Yarmouth	
01494	High Wycombe	
01495	Pontypool	
01496	Port Ellen	
01497	Hay-on-Wye	
01499	Inveraray	
01501	Harthill	
01502	Lowestoft	
01503	Looe	
01505	Johnstone	
01506	Bathgate	
01507	Alford (Lincs) (4,8,9) Louth (3,6,7) Spilsby (2,5)	Y
01508	Brooke	
01509	Loughborough	
0151	Liverpool	
01520	Lochcarron	
01522	Lincoln	
01524	Lancaster	Y
015242	Hornby	Y
01525	Leighton Buzzard	
01526	Martin	
01527	Redditch	
01528	Laggan	
01529	Sleaford	
01530	Coalville	
01531	Ledbury	
01534	Jersey	
01535	Keighley	
01536	Kettering	
01538	Ipstones	
01539	Kendal	
015394	Hawkshead	Y
015395	Grange-Over-Sands	Y
015396	Sedbergh	Y
01540	Kingussie	
01542	Keith	
01543	Cannock	
01544	Kington	
01545	Llanarth	
01546	Lochgilphead	
01547	Knighton	
01548	Kingsbridge	
01549	Lairg	

Geographic Area Code	Geographic Area	Conserv-ation Status[32]
01550	Llandovery	
01553	Kings Lynn	
01554	Llanelli	
01555	Lanark	
01556	Castle Douglas	
01557	Kirkcudbright	
01558	Llandeilo	
01559	Llandyssul	
01560	Moscow	
01561	Laurencekirk	
01562	Kidderminster	
01563	Kilmarnock	
01564	Lapworth	
01565	Knutsford	
01566	Launceston	
01567	Killin	
01568	Leominster	
01569	Stonehaven	
01570	Lampeter	
01571	Lochinver	
01572	Oakham	
01573	Kelso	
01575	Kirriemuir	
01576	Lockerbie	
01577	Kinross	
01578	Lauder	
01579	Liskeard	
01580	Cranbrook	
01581	New Luce	
01582	Luton	Y
01583	Carradale	
01584	Ludlow	
01586	Campbeltown	
01588	Bishops Castle	
01590	Lymington	
01591	Llanwrtyd Wells	
01592	Kirkcaldy	
01593	Lybster	
01594	Lydney	
01595	Lerwick Foula (75) Fair Isle (76)	
01597	Llandrindod Wells	
01598	Lynton	
01599	Kyle	
01600	Monmouth	
01603	Norwich	Y
01604	Northampton	Y
01606	Northwich	
01608	Chipping Norton	
01609	Northallerton	
0161	Manchester	
01620	North Berwick	
01621	Maldon	
01622	Maidstone	
01623	Mansfield	
01624	Isle of Man	
01625	Macclesfield	
01626	Newton Abbot	
01628	Maidenhead	
01629	Matlock	
01630	Market Drayton	
01631	Oban	
01633	Newport	
01634	Medway	
01635	Newbury	Y
01636	Newark	
01637	Newquay	
01638	Newmarket	
01639	Neath	
01641	Strathy	
01642	Middlesbrough	Y
01643	Minehead	
01644	New Galloway	
01646	Milford Haven	
01647	Moretonhampstead	
01650	Cemmaes Road	
01651	Oldmeldrum	
01652	Brigg	
01653	Malton	
01654	Machynlleth	
01655	Maybole	
01656	Bridgend	
01659	Sanquhar	
01661	Prudhoe	
01663	New Mills	
01664	Melton Mowbray	
01665	Alnwick	
01666	Malmesbury	
01667	Nairn	
01668	Bamburgh	
01669	Rothbury	
01670	Morpeth	
01671	Newton Stewart	
01672	Marlborough	
01673	Market Rasen	
01674	Montrose	
01675	Coleshill	

Geographic Area Code	Geographic Area	Conserv-ation Status[32]
01676	Meriden	
01677	Bedale	
01678	Bala	
01680	Isle of Mull – Craignure	
01681	Isle of Mull – Fionnphort	
01683	Moffat	
01684	Malvern	
01685	Merthyr Tydfil	
01686	Llanidloes (2,3,4,7) Newtown (5,6,8,9)	
01687	Mallaig	
01688	Isle of Mull – Tobermory	
01689	Orpington	
01690	Betws-y-Coed	
01691	Oswestry	
01692	North Walsham	
01694	Church Stretton	
01695	Skelmersdale	
01697	Brampton	
016973	Wigton	Y
016974	Raughton Head	Y
01698	Motherwell	Y
01700	Rothesay	
01702	Southend-on-Sea	
01704	Southport	
01706	Rochdale	
01707	Welwyn Garden City	
01708	Romford	
01709	Rotherham	
01720	Isles of Scilly	
01721	Peebles	
01722	Salisbury	
01723	Scarborough	
01724	Scunthorpe	
01725	Rockbourne	
01726	St Austell	
01727	St Albans	
01728	Saxmundham	
01729	Settle	
01730	Petersfield	
01732	Sevenoaks	
01733	Peterborough	Y
01736	Penzance	
01737	Redhill	
01738	Perth	
01740	Sedgefield	

Geographic Area Code	Geographic Area	Conserv-ation Status[32]
01743	Shrewsbury	
01744	St Helens	
01745	Rhyl	
01746	Bridgnorth	
01747	Shaftesbury	
01748	Richmond	
01749	Shepton Mallet	
01750	Selkirk	
01751	Pickering	
01752	Plymouth	Y
01753	Slough	Y
01754	Skegness	
01756	Skipton	
01757	Selby	
01758	Pwllheli	
01759	Pocklington	
01760	Swaffham	
01761	Temple Cloud	
01763	Royston	
01764	Crieff	
01765	Ripon	
01766	Porthmadog	
01767	Sandy	
01768	Penrith	
017683	Appleby	Y
017684	Pooley Bridge	Y
017687	Keswick	Y
01769	South Molton	
01770	Isle of Arran	
01771	Maud	
01772	Preston	Y
01773	Ripley	
01775	Spalding	
01776	Stranraer	
01777	Retford	
01778	Bourne	
01779	Peterhead	
01780	Stamford	
01782	Stoke-on-Trent	Y
01784	Staines	
01785	Stafford	
01786	Stirling	
01787	Sudbury	
01788	Rugby	
01789	Stratford-upon-Avon	
01790	Spilsby	
01792	Swansea	Y
01793	Swindon	Y
01794	Romsey	

Geographic Area Code	Geographic Area	Conserv-ation Status[32]
01795	Sittingbourne	
01796	Pitlochry	
01797	Rye	
01798	Pulborough	
01799	Saffron Walden	
01803	Torquay	
01805	Torrington	
01806	Shetland	
01807	Ballindalloch	
01808	Tomatin	
01809	Tomdoun	
01821	Kinrossie	
01822	Tavistock	
01823	Taunton	
01824	Ruthin	
01825	Uckfield	
01827	Tamworth	
01828	Coupar Angus	
01829	Tarporley	
01830	Kirkwhelpington	
01832	Clopton	
01833	Barnard Castle	
01834	Narberth	
01835	St Boswells	
01837	Okehampton	
01838	Dalmally	
01840	Camelford	
01841	Newquay	
01842	Thetford	
01843	Thanet	
01844	Thame	
01845	Thirsk	
01847	Thurso (2,3,4,5,8) Tongue (6,7,9)	
01848	Thornhill	
01851	Great Bernera (4,6,9) Stornoway (2,3,5,7,8)	
01852	Kilmelford	
01854	Ullapool	
01855	Ballachulish	
01856	Orkney	
01857	Sanday	
01858	Market Harborough	
01859	Harris	
01862	Tain	
01863	Ardgay	
01864	Abington	
01865	Oxford	Y
01866	Kilchrenan	

Geographic Area Code	Geographic Area	Conserv-ation Status[32]
01869	Bicester	
01870	Isle of Benbecula	
01871	Castlebay	
01872	Truro	
01873	Abergavenny	
01874	Brecon	
01875	Tranent	
01876	Lochmaddy	
01877	Callandar	
01878	Lochboisdale	
01879	Scarinish	
01880	Tarbert	
01882	Kinloch Rannoch	
01883	Caterham	
01884	Tiverton	
01885	Pencombe	
01886	Bromyard	
01887	Aberfeldy	
01888	Turriff	
01889	Rugely	
01890	Ayton (5,6,7,9) Coldstream (2,3,4,8)	
01892	Tunbridge Wells	
01895	Uxbridge	
01896	Galashiels	
01899	Biggar	
01900	Workington	
01902	Wolverhampton	Y
01903	Worthing	
01904	York	Y
01905	Worcester	
01908	Milton Keynes	Y
01909	Worksop	
0191	Tyneside (2,4,6) Durham (3) Sunderland (5)	
01920	Ware	
01922	Walsall	
01923	Watford	Y
01924	Wakefield	Y
01925	Warrington	Y
01926	Warwick	
01928	Runcorn	
01929	Wareham	
01931	Shap	
01932	Weybridge	
01933	Wellingborough	
01934	Weston-Super-Mare	
01935	Yeovil	

Geographic Area Code	Geographic Area	Conserv-ation Status[32]
01937	Wetherby	
01938	Welshpool	
01939	Wem	
01942	Wigan	Y
01943	Guiseley	
01944	West Heslerton	
01945	Wisbech	
01946	Whitehaven	
019467	Gosforth	Y
01947	Whitby	
01948	Whitchurch	
01949	Whatton	
01950	Sandwick	
01951	Colonsay	
01952	Telford	
01953	Wymondham	
01954	Madingley	
01955	Wick	
01957	Mid Yell	
01959	Westerham	
01962	Winchester	
01963	Wincanton	
01964	Hornsea (2,5,8,9) Patrington (3,4,6,7)	
01967	Strontian	
01968	Penicuik	
01969	Leyburn	
01970	Aberystwyth	
01971	Scourie	
01972	Glenborrodale	
01974	Llanon	
01975	Alford (Aberdeen) (2,4,5,9) Strathdon (3,6,7,8)	
01977	Pontefract	
01978	Wrexham	
01980	Amesbury	
01981	Wormbridge	
01982	Builth Wells	
01983	Isle of Wight	
01984	Watchet	
01985	Warminster	
01986	Bungay	
01988	Wigtown	
01989	Ross-on-Wye	
01992	Lea Valley	

Geographic Area Code	Geographic Area	Conserv-ation Status[32]
01993	Witney	
01994	St Clears	
01995	Garstang	
01997	Strathpeffer	
020	London	
023	Southampton (80) Portsmouth (92)	
024	Coventry	
028	Ballycastle (20) Martinstown (21) Ballymena (25) Ballymoney (27) Larne (28) Kilrea (29) Newry (30) Armagh (37) Portadown (38) Banbridge (40) Rostrevor (41) Kircubbin (42) Newcastle (Co. Down)(43) Downpatrick (44) Enniskillen (66) Lisnaskea (67) Kesh (68) Coleraine (70) Londonderry (71) Limavady (77) Magherafelt (79) Carrickmore (80) Newtownstewart (81) Omagh (82) Ballygawley (85) Cookstown (86) Dungannon (87) Fivemiletown (89) Belfast (90) Bangor (Co. Down)(91) Lisburn (92) Ballyclare (93) Antrim (94) Saintfield (97)	
029	Cardiff	

Annex 4

Notification of proposals under section 49(4) of the Act

Proposal for making a Direction under paragraph 17.9(a) of the Condition relating to an application form for 03 numbers and modifications to the application form for 07 numbers

1. Ofcom hereby makes the following proposal for a Direction to be given under paragraph 17.9(a) of the Condition.

2. The draft Direction is set out in the Schedule to this Notification.

3. The reasons for making the proposal and the effect of the draft Direction are set out in the accompanying consultation document.

4. Representations may be made to the Ofcom about the proposed draft Direction until 5pm on 7 September 2006.

5. Copies of this Notification have been sent to the Secretary of State in accordance with section 50(1)(b) of the Act.

6. Except as otherwise defined in this Notification, words or expressions used shall have the same meaning as they have been ascribed in the Act.

7. In this Notification:

- "Act" means the Communications Act 2003;
- "Condition" means General Condition 17 of the general Conditions of Entitlement set by the Director on 22 July 2003 pursuant to section 45 of the Act by way of publication of a Notification pursuant to section 48(1) of the Act;
- "Director" means the Director General of Telecommunications as appointed under section 1 of the Telecommunications Act 1994; and
- "Ofcom" means the Office of Communications.

Signed by Dr Stephen Unger

Director of Telecoms Technology

A person authorised by Ofcom under paragraph 18 of the Schedule to the Office of Communications Act 2003

27 July 2006

Schedule

Direction under paragraph 17.9(a) of the Condition

Where as-

A. paragraph 17.9(a) of the Condition provides that when applying for an Allocation or reservation of Telephone Numbers, the Communications Provider shall use an appropriate application form as directed by the Director from time to time as he thinks fit;

B. by virtue of the Transitional Provisions, references to the Director in General Condition 17 should be read as references to Ofcom.

C. for the reasons set out in the Statement accompanying this Direction Ofcom are satisfied that the application form in the Annex to this Direction is appropriate for use by Communications Providers when applying for an Allocation or reservation of Telephone Numbers;

D. for the reasons set out in the Statement accompanying this Direction Ofcom are satisfied that this Direction is:

objectively justifiable in relation to the networks, services, facilities, apparatus or directories to which it relates;

not such as to discriminate unduly against particular persons or against a particular description of persons;

proportionate to what it is intended to achieve; and

in relation to what it is intended to achieve, transparent.

E. for the reasons set out in the Statement accompanying this Direction Ofcom are satisfied that they acted in accordance with the relevant duties set out in sections 3 and 4 of the Act;

F. a notification of a proposal to give this Direction was given under section 49(4) of the Act on 27 July 2006 (the 'Notification');

G. a copy of the Notification was sent to the Secretary of State in accordance with section 50(1)(b) of the Act;

H. in the Notification and accompanying consultation document Ofcom invited representations about any of the proposals therein by 5pm on 7 September 2006;

I. by virtue of section 49(9) of the Act, Ofcom may give effect to the proposal set out in the Notification, with or without modification, only if-

they have considered every representation about the proposal that is made to them within the period specified in the notification; and

they have had regard to every international obligation of the United Kingdom (if any) which has been notified to them for this purpose by the Secretary of State;

J. Ofcom received responses to the Notification and have considered every such representation made to them within the period specified in the Notification and accompanying consultation document and these representations are discussed in Sections 4 and 6 of the Statement accompanying this Direction; and the Secretary of State has not notified Ofcom of any international obligation of the United Kingdom for this purpose;

NOW, THEREFORE, OFCOM, PURSUANT TO PARAGRAPH 17.9(a) OF THE CONDITION, HEREBY DIRECT THAT-

1. for the time being, the application form S3 in the Annex to this Direction shall be used by Communications Providers when applying for an Allocation of 03 numbering and the application form S7 in the Annex to this Direction shall be used by Communications Providers when applying for an Allocation of 07 numbering.

2. in this Direction-

'the Act' means the Communications Act 2003;

'Allocation' shall have the same meaning as in the Condition;

'Communications Provider' shall have the same meaning as in the Condition;

'the Condition' means General Condition 17 of the General Conditions of Entitlement set by the Director on 22 July 2003 pursuant to section 45 of the Act by way of publication of a Notification pursuant to section 48(1) of the Act;

'the Director' means the Director-General of Telecommunications as appointed under section 1 of the Telecommunications Act 1984;

'Ofcom' means the Office of Communications;

'Telephone Number' shall have the same meaning as in paragraph 1 of Part 1 of the Schedule to the Notification published by the Director on 22 July 2003 under section 48(1) of the Act;

'Transitional Provisions' means sections 408 and 411 of the Act, the Communications Act 2003 (Commencement No. 1) Order 2003 and the Office of Communications Act 2003 (Commencement No. 3) and Communications Act 2003 (Commencement No 2) Order 2003.

3. Except in so far as the context otherwise requires, words or expressions shall have the meaning assigned to them. Otherwise, any word or expression shall have the same meaning as it has:

(i) in the National Telephone Numbering Plan published from time to time by Ofcom pursuant to section 56 of the Act;

(ii) if, and only if, it has no meaning ascribed as mentioned in (i) above, and only if the context so permits, in General Condition 17 (entitled 'Allocation, Adoption and Use of Telephone Numbers') in Part 2 of the Schedule to the Notification published by the Director on 22 July 2003 under section 48(1) of the Act;

(iii) if, and only if, it has no meaning ascribed as mentioned in (i) and (ii) above, and only if the context so permits, in paragraph 1 of Part 1 of the Schedule to the Notification published by the Director on 22 July 2003 under section 48(1) of the Act;

(iv) and if, and only if, it has no meaning ascribed as mentioned in (i), (ii) and (iii) above, and only if the context so permits, in the Act.

4. The Interpretation Act 1978 shall apply as if this Direction were an Act of Parliament.

5. Headings and titles shall be disregarded.

6. This direction takes effect on the date it is published.

Signed by Dr Stephen Unger

Director of Telecoms Technology

A person authorised by Ofcom under paragraph 18 of the Schedule to the Office of Communications Act 2003

27 July 2006

Annex to Schedule (setting out the new S3 application form and modified S7 application form)

Form S3

OFFICE OF COMMUNICATIONS

UK-WIDE APPLICATION - NUMBERS STARTING 03

Service Type:	***Number range starting:***	***Number block size:***
UK-wide numbers for end users who are public sector or not-for-profit bodies, calls charged at up to the same rate the customer would pay to call to a Geographic Number, with calls to 03 numbers counting towards inclusive call minutes if the customer has remaining inclusive minutes to Geographic Numbers, and included in any discount structures that apply to Geographic Numbers	0300 0XX to 0300 9XX	10,000
UK-wide numbers for any end users, calls charged at up to the same rate the customer would pay to call to a Geographic Number, with calls to 03 numbers counting towards inclusive call minutes if the customer has remaining inclusive minutes to Geographic Numbers, and included in any discount structures that apply to Geographic Numbers.	0303 0XX to 0303 9XX	10,000
UK-wide numbers for end users migrating from 0844/0845/0870/0871 numbers to equivalent numbers in 0344/0345/0370/0371 number blocks, calls charged at up to the same rate the customer would pay to call to a Geographic Number, with calls to 03 numbers counting towards inclusive call minutes if the customer has remaining inclusive minutes to geographic numbers, and included in any discount structures that apply to Geographic Numbers.	0344 XXX 0345 XXX 0370 XXX 0371 XXX	10,000

Definitions and Interpretation

1. Except in so far as the context otherwise requires, words or expressions shall have the meaning assigned to them. Otherwise, any word or expression shall have the same meaning as it has-

(i) in the National Telephone Numbering Plan published by the Director on 22nd July 2003 pursuant to section 56 of the Communications Act 2003 (the 'Act');

(ii) if, and only if, it has no meaning ascribed as mentioned in (i) above, and only if the context so permits, in General Condition 17 (entitled 'Allocation, Adoption and Use of Telephone Numbers') in Part 2 of the Schedule to the Notification published by the Director on 22nd July 2003 under section 48(1) of the Act;

(iii) if, and only if, it has no meaning ascribed as mentioned in (i) and (ii) above, and only if the context so permits, in paragraph 1 of Part 1 of the Schedule to the Notification published by the Director on 22nd July 2003 under section 48(1) of the Act; and

(iv) if, and only if, it has no meaning ascribed as mentioned in (i), (ii) and (iii) above, and only if the context so permits, in the Act.

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

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

1. <u>Your reference (optional)</u>:	

2. <u>Applicant details and date of application</u>: Your name, company name, address, direct telephone, direct fax, direct e-mail, mobile. *(Where you are acting on behalf of a Communications Provider (eg a consultant, solicitor, etc), and if you have not previously supplied one, you should enclose a letter from that Communications Provider confirming that you are authorised to represent it).*	**<u>Date of application</u>:**

3. <u>Communications Provider details</u>: If different from 2. above (eg 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.	

4. <u>Declaration of 'Public Electronic Communications Network' or 'Public Electronic Communications Service'</u> The information requested in Annex A helps Ofcom to assess your eligibility to be allocated Telephone Numbers. If you are a provider of a Public Electronic Communications Network: confirm whether you have previously supplied the information requested in Annex A (or information equivalent to it), to Ofcom's Numbering Unit; or if not, you <u>must</u> complete in full all relevant questions in Annex A and submit it along with this form. 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. If you are a provider of Public Electronic Communications Services: you MUST complete all relevant questions in Annex A each time you apply for Telephone Numbers and submit it with this form.	*(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).*

5. Telephone Numbers required:

When completing the table below, you should:

i) 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; and

ii) ensure that, except in the case of (ii) above, a maximum of 15 blocks are entered on this Application Form. A new Form S3 should be completed for further blocks.

		Code - first 4 digits after initial '0' e.g., 3001 – Public sector and not-for-profit bodies, 3704 – for migration from 8704 (SABC)	Next 2 digits of number e.g., 34 (DE)	Planned 'In-Service' Date (applications should not be submitted more than 6 months prior to in-service date)	Forecast of expected Adoption in 1st 12 months (%)	Forecast of expected Adoption in 2nd 12 months (% cumulative)
e.g. 1st Block	1st Choice	3006	21	mid Jan 2007	20	80
	2nd Choice	3005	36	mid Jan 2007	20	80
e.g. 2nd Block	1st Choice	3039	02	beg. Feb 2007	40	100
	2nd Choice	3039	05	beg. Feb 2007	40	100
e.g. 3rd Block	1st Choice	3704	34	end Feb 2007	15	90
	2nd Choice	3705	33	end Feb 2007	15	90
1st Block	1st Choice					
	2nd Choice					
2nd Block	1st Choice					
	2nd Choice					
3rd Block	1st Choice					
	2nd Choice					
4th Block	1st Choice					
	2nd Choice					
5th Block	1st Choice					
	2nd Choice					
6th Block	1st Choice					
	2nd Choice					
7th Block	1st Choice					
	2nd Choice					
8th Block	1st Choice					
	2nd Choice					
9th Block	1st Choice					
	2nd Choice					
10th Block	1st Choice					
	2nd Choice					
11th Block	1st Choice					
	2nd Choice					
12th Block	1st Choice					
	2nd Choice					
13th Block	1st Choice					
	2nd Choice					
14th Block	1st Choice					
	2nd Choice					
15th Block	1st Choice					
	2nd Choice					

EXAMPLE

6. <u>Service and Market</u>: 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. charitable helplines for UK customers, retail financial services etc.	

7. <u>Adoption of existing Telephone Number blocks</u>:

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.

Code – first 6 digits after initial '0' – show as SABC DE **(see top of Form for number of digits to specify)** **(SABC)**	**(DE)**	**Total Numbers Allocated to End Users: ie, in use or ported out** **(Numbers or %)**	**Total Numbers not in use but contracted out** **(Numbers or %)**
3005	28	942	8
3030	95	860	35
3456	23	6540	2050
3709	56	7560	180

EXAMPLE

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

Form S3 - Annex A

A1. <u>Confirmation of Status</u>:

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

It is not Ofcom's intention for a Communications Provider to be assessed more than once to determine whether or not it is a provider of a Public Electronic Communications Network.

Therefore, please now complete question A4. If you have answered 'yes' to question A4(a), you do not need to answer questions A1 (a) and (b) below.

If you have not registered i.e. you have answered no to question A4(a), Ofcom needs certain information from you in order to determine whether or not you are a provider of a Public Electronic Communications Network.

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.

A2. <u>Applications from providers of Public Electronic Communications Services</u> 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. 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 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?	

A3. <u>Interconnection arrangements</u> 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.	

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

Form S7

OFFICE OF COMMUNICATIONS

APPLICATION FOR

PERSONAL NUMBERS (STARTING 070)

RADIOPAGING NUMBERS (STARTING 076)

MOBILE NUMBERS (STARTING ~~07~~075/7/8/9)

Definitions and Interpretation

1. Except in so far as the context otherwise requires, words or expressions shall have the meaning assigned to them. Otherwise, any word or expression shall have the same meaning as it has-

(v) in the National Telephone Numbering Plan published by the Director on 22nd July 2003 pursuant to section 56 of the Communications Act 2003 (the 'Act');

(vi) if, and only if, it has no meaning ascribed as mentioned in (i) above, and only if the context so permits, in General Condition 17 (entitled 'Allocation, Adoption and Use of Telephone Numbers') in Part 2 of the Schedule to the Notification published by the Director on 22nd July 2003 under section 48(1) of the Act;

(vii) if, and only if, it has no meaning ascribed as mentioned in (i) and (ii) above, and only if the context so permits, in paragraph 1 of Part 1 of the Schedule to the Notification published by the Director on 22nd July 2003 under section 48(1) of the Act; and

(viii) if, and only if, it has no meaning ascribed as mentioned in (i), (ii) and (iii) above, and only if the context so permits, in the Act.

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

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

1. Your reference (optional):	

2. <u>Applicant details and date of application</u>: Your name, company name, address, direct telephone, direct fax, direct e-mail, mobile. *(Where you are acting on behalf of a Communications Provider (eg a consultant, solicitor, etc), and if you have not previously supplied one, you should enclose a letter from that Communications Provider confirming that you are authorised to represent it).*	**<u>Date of application</u>:**

3. <u>Communications Provider details</u>: If different from 2. above (eg 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.	

4. <u>Declaration of 'Public Electronic Communications Network' or 'Public Electronic Communications Service'</u> The information requested in Annex A helps Ofcom to assess your eligibility to be Allocated Telephone Numbers. If you are a provider of a Public Electronic Communications Network: confirm whether you have previously supplied the information requested in Annex A (or information equivalent to it), to Ofcom's Numbering Unit; or if not, you <u>must</u> complete in full all relevant questions in Annex A and submit it along with this form. 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. If you are a provider of Public Electronic Communications Services: you MUST complete all relevant questions in Annex A each time you apply for Telephone Numbers and submit it with this form.	*(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).*

5. Telephone Numbers required:
In the table below, you should give a 1st and 2nd choice for each type of number block applied for in case the block you have applied for is not available at the time the application is processed. A maximum of 15 blocks should be entered on this Application Form. A new Form S7 should be completed for further blocks.

		Number block Type? Personal Numbers; Mobile; or Radiopaging (state which)	Code - first 4 digits after initial '0' e.g 7034 - Personal Numbers, 7623 - Radiopaging, 7892 - Mobile. (SABC)	Next digit of number block/s: (for Mobile, if whole million block required state 0-9) (D)	Tariff & Rate for each number block (including VAT): (Personal Numbering and Radiopaging blocks only)	Planned 'In-Service' Date (N.B. applications should not be submitted more than 6 months prior to in-service date)	Forecast of expected Adoption in 1st 12 months (%)	Forecast of expected Adoption in 2nd 12 months (% cumulative)
1st Block	1st Choice	Mobile	7892	0-9		mid Oct 2003~~6~~	30	80
	2nd Choice	Mobile	7~~9~~589	0-9		mid Oct 2003~~6~~	30	80
2nd Block	1st Choice	Personal Numbers	7034	4	~~k rate/ 75~~10ppm	end Nov 2003~~6~~	35	90
	2nd Choice	Personal Numbers	7023	7	~~k rate/ 755~~ppm	end Nov 2003~~6~~	45	90
1st Block	1st Choice							
	2nd Choice							
2nd Block	1st Choice							
	2nd Choice							
3rd Block	1st Choice							
	2nd Choice							
4th Block	1st Choice							
	2nd Choice							
5th Block	1st Choice							
	2nd Choice							

EXAMPLE

		Number block Type? Personal Numbers; Mobile; or Radiopaging (state which)	Code - first 4 digits after initial '0' e.g 7034 - Personal Numbers, 7623 - Radiopaging, 7892 - Mobile. (SABC)	Next digit of number block/s: (for Mobile, if whole million block required state 0-9) (D)	Tariff & Rate for each number block (including VAT): (Personal Numbering and Radiopaging blocks only)	Planned 'In-Service' Date (N.B. applications should not be submitted more than 6 months prior to in-service date)	Forecast of expected Adoption in 1st 12 months (%)	Forecast of expected Adoption in 2nd 12 months (% cumulative)
6th Block	1st Choice							
	2nd Choice							
7th Block	1st Choice							
	2nd Choice							
8th Block	1st Choice							
	2nd Choice							
9th Block	1st Choice							
	2nd Choice							
10th Block	1st Choice							
	2nd Choice							
11th Block	1st Choice							
	2nd Choice							
12th Block	1st Choice							
	2nd Choice							
13th Block	1st Choice							
	2nd Choice							
14th Block	1st Choice							
	2nd Choice							
15th Block	1st Choice							
	2nd 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. for mobile Telephone Numbers – pre-paid, post-paid, testing of 3rd generation network, MVNO use, etc.	

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 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.

Number block Type? **Personal Numbering, Mobile numbers, or Radiopaging numbers** **(state which)**	**Code – first 5 digits after initial '0' – show as SABC D (for mobile blocks only the 1 million SABC block needs to be shown)** **(SABC)**	**(D)**	Total Numbers Allocated to End Users: ie, in use or ported out (Numbers or %)	Total Numbers not in use but contracted out (Numbers or %)
Personal Numbering	**7069**	**2**	**65,420**	**23,054**
Mobile numbers	**7894**	**0-9**	**885,620**	**10,654**

EXAMPLE

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

Form S7 - Annex A

A1. <u>Confirmation of Status</u>: 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 ~~It is not Ofcom's intention for a Communications Provider to be assessed more than once to determine whether or not it is a provider of a Public Electronic Communications Network.~~ ~~Therefore, please now complete question A4. If you have answered 'yes' to question A4(a), you do not need to answer questions A1 (a) and (b) below.~~ ~~If you have not registered i.e. you have answered no to question A4(a), Ofcom needs certain information from you in order to determine whether or not you are a provider of a Public Electronic Communications Network.~~ 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) c) 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.	

A2. Applications from providers of Public Electronic Communications Services 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. 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 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?	

A3. Interconnection arrangements 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.	

~~**A4. Register of providers of Public Electronic Communication Networks**~~ ~~Ofcom maintains a voluntary register of providers of Public Electronic Communications Networks.~~ ~~a) Is your company listed on this register?~~ ~~b) If so, under which name is your company registered?~~ ~~c) If different from b), what is the 'trading name' under which your company will sub-allocate the Telephone Numbers applied for in this application?~~	

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

Annex 5

Responding to this consultation

How to respond

A5.1 Ofcom invites written views and comments on the issues raised in this document, to be made by **5pm on 7 September 2006.**

A5.2 This is greater than the statutory requirement for a one month consultation on modifications to the Plan and the numbering application forms. The consultation period has not been set at the usual ten week period. However, Ofcom has decided to allow six weeks for this consultation. Ofcom believes that six weeks is appropriate because Ofcom has already taken into account detailed submissions from respondents on various options in relation to the issues that are the subject of this consultation. The scope of the issues being consulted on is also relatively limited, and the detailed issues covered are expected to be chiefly of interest to communications providers. Ofcom has chosen to exceed the minimum one month period for consultations in order to allow comments to be provided more easily over the summer holiday period.

A5.3 Ofcom strongly prefers to receive responses as e-mail attachments, in Microsoft Word format, as this helps us to process the responses quickly and efficiently. We would also be grateful if you could assist us by completing a response cover sheet (see Annex 7) and, among other things, to indicate whether or not there are confidentiality issues. The cover sheet can be downloaded from the 'Consultations' section of our website.

A5.4 Please send your response to neil.nasralla@ofcom.org.uk

A5.5 Responses may alternatively be posted or faxed to the address below, marked with the title of the consultation:

Neil Nasralla
4th Floor, Riverside House
2A Southwark Bridge Road
London SE1 9HA
Fax: 020 7783 4103

A5.6 Note that we do not need a hard copy in addition to an electronic version. Also note that Ofcom will not routinely acknowledge receipt of responses.

A5.7 It would be helpful if your response could include direct answers to the questions asked in this document, which are listed together at Annex 8. It would also help if you can explain why you hold your views, and how Ofcom's proposals would impact on you.

Further information

A5.8 If you want to discuss the issues and questions raised in this consultation, or need advice on the appropriate form of response, please contact Neil Nasralla at neil.nasralla@ofcom.org.uk

Confidentiality

A5.9 Ofcom thinks 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 (when respondents confirm on their response cover sheet that this is acceptable).

A5.10 All comments will be treated as non-confidential unless respondents specify that part or all of the response is confidential and should not be disclosed. Please place any confidential parts of a response in a separate annex, so that non-confidential parts may be published along with the respondent's identity.

A5.11 Ofcom reserves its power to disclose any information it receives where this is required to carry out its legal requirements. Ofcom will exercise due regard to the confidentiality of information supplied.

A5.12 Please also note that copyright and all other intellectual property in responses will be assumed to be licensed to Ofcom to use, to meet its legal requirements. Ofcom's approach on intellectual property rights is explained further on its website, at www.ofcom.org.uk/about_ofcom/gov_accountability/disclaimer.

Next steps

A5.13 Ofcom intends to publish a statement shortly after the end of the consultation period.

A5.14 Please note that you can register to get automatic notifications of when Ofcom documents are published, at http://www.ofcom.org.uk/static/subscribe/select_list.htm

Ofcom's consultation processes

A5.15 Ofcom is keen to make responding to consultations easy, and has published some consultation principles (see Annex 6) which it seeks to follow, including on the length of consultations.

A5.16 The period of time for responses to this consultation is six weeks. The Communications Act 2003 ("the Act") states that one month is the minimum period for consultation on modifications to the Plan and telephone numbering application forms. However, Ofcom has decided to allow six weeks for this consultation (see paragraph A5.2).

A5.17 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, whose views are less likely to be obtained in a formal consultation.

A5.18 If you would like to discuss these issues, or Ofcom's consultation processes more generally, you can alternatively contact Vicki Nash, Director, Scotland, who is Ofcom's consultation champion:

Vicki Nash
Ofcom (Scotland)
Sutherland House
149 St. Vincent Street

Glasgow G2 5NW
Tel: 0141 229 7401

Fax: 0141 229 7433
E-mail: vicki.nash@ofcom.org.uk

Annex 6

Ofcom's consultation principles

A6.1 Ofcom has published the following seven principles that it will follow for each public written consultation:

Before the consultation

A6.2 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

A6.3 We will be clear about who we are consulting, why, on what questions and for how long.

A6.4 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 version for smaller organisations or individuals who would otherwise not be able to spare the time to share their views.

A6.5 We will normally allow ten weeks for responses to consultations on issues of general interest.

A6.6 There will be a person within Ofcom who 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. This individual (who we call the consultation champion) will also be the main person to contact with views on the way we run our consultations.

A6.7 If we are not able to follow one of these principles, we will explain why. This may be because a particular issue is urgent. If we need to reduce the amount of time we have set aside for a consultation, we will let those concerned know beforehand that this is a 'red flag consultation' which needs their urgent attention.

After the consultation

A6.8 We will look at each response carefully and with an open mind. We will give reasons for our decisions and will give an account of how the views of those concerned helped shape those decisions.

Annex 7

Consultation response cover sheet

A7.1 In the interests of transparency, we will publish all consultation responses in full on our website, www.ofcom.org.uk, unless a respondent specifies that all or part of their response is confidential. We will also refer to the contents of a response when explaining our decision, without disclosing the specific information that you wish to remain confidential.

A7.2 We have produced a cover sheet for responses (see below) and would be very grateful if you could send one with your response. This will speed up our processing of responses, and help to maintain confidentiality by allowing you to state very clearly what you don't want to be published. We will keep your completed cover sheets confidential.

A7.3 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 cover sheet in a way that allows Ofcom to publish their responses upon receipt, rather than waiting until the consultation period has ended.

A7.4 We strongly prefer to receive responses in the form of a Microsoft Word attachment to an email. Our website therefore includes an electronic copy of this cover sheet, which you can download from the 'Consultations' section of our website.

A7.5 Please put any confidential parts of your response in a separate annex to your response, so that they are clearly identified. 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

DETAILS

Consultation title: Implementing decisions from Ofcom's Numbering Review

To (Ofcom contact): Neil Nasralla

Name of respondent:

Representing (self or organisation/s):

Address (if not received by email):

CONFIDENTIALITY

What do you want Ofcom to keep confidential?

Nothing	☐	Name/contact details/job title	☐
Whole response	☐	Organisation	☐
Part of the response	☐	If there is no separate annex, which parts?	

If you want part of your response, your name or your organisation to be confidential, 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. It can be published in full on Ofcom's website, unless otherwise specified on this cover sheet, and I authorise Ofcom to make use of the information in this response to meet its legal requirements. 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 8

Consultation questions

Question 1 Which of Ofcom's two options for a price ceiling for 070 numbers - above which a free pre-call tariff announcement would be required to inform the customer of the maximum price that could be charged - do you prefer, and why:

a) a standard price ceiling of 20p per minute or per call from all originating providers ; or
b) a customer-specific price ceiling of no more than the maximum that a customer would pay, on a per minute or per call basis, to call a customer on a mobile network from that originating provider?

Question 2 Is the proposed implementation date of around February 2007 reasonable to implement either of the two price ceiling options? Will either of the price ceiling options be more complex or require more implementation time than the other?

Question 3 Do you agree with the proposed designation of 071 to 075 inclusive as mobile services, and the corresponding amendment to the application form to include 075?

Question 4 Do you have any comments on Ofcom's guidance on the categories of end user eligible for 0300 numbers? Can you suggest any other categories of public service and not-for profit bodies that should be included in the guidance?

Question 5 Do you have any other comments on the specific changes that Ofcom is proposing on the Numbering Plan and application forms?

Annex 9

Glossary

Area Codes: The area code is that part of the telephone number that specifies the local telephone exchange to which a subscriber is attached. Telephone numbering plans assign area codes to local exchanges to enable the routing of calls between subscribers attached to different local exchanges.

AXE 10 Switches: A PSTN exchange, which can be used in local, transit or international configurations.

Barring: Enables a user to restrict or bar certain or all types of calls to and from their phone, e.g., calls to premium rate numbers, outgoing calls, outgoing international calls. Barring is activated with a personal code.

CLI: Calling Line Identity is an identifier that allows a subscriber to determine the telephone number of the party who has called or is currently calling them. The Calling Line Identity is sent from the calling subscriber to the called subscriber during call initiation.

Closed Numbering Scheme: in this document, this term refers to a scheme where there is no local geographic number dialling (i.e., where the full number must be dialled at all times irrespective of caller and called party proximity)

Communications Act 2003: This established Ofcom, set out its duties, and the powers which Ofcom has to discharge those duties.

CP: Communications Provider: a Person who provides an Electronic Communications Network or Electronic Communications Service.

DDI: Direct Dial-In is a feature offered by telephone companies for use with a customer's PBX system, whereby the communications provider allocates a range of numbers to the PBX. A call to a number allocated to a PBX is routed directly to the called party's telephone extension number without the need for the intervention of a switchboard operator.

ECN/ECS: Electronic Communications Networks/Services.

ENUM: T**E**lephone **NUM**ber Mapping (**ENUM**) is a mechanism, used in conjunction with the Domain Name System to enable the translation between E.164 telephone numbers and Universal Resource Identifiers, which are used as identifiers within IP networks, including the Internet.

European Directive: European Directive is the (mutually binding) collective decision made by the member states, acting through their national Government Ministers in the Council of the European Union and the Parliament.

Geographic Number: A telephone number from the national Numbering Plan where part of its digit structure contains geographic significance used for routing calls to the physical location of the network termination point of the subscriber to whom the number has been assigned.

ICSTIS: The Independent Committee for the Supervision of Standards of the Telephone Information Services is the industry-funded regulatory body for all premium rate charged telecommunications services.

ITSPA: Internet Telephony Services Providers' Association represents network operators, service providers and other businesses involved with the supply of VoIP services to business and residential customers within the United Kingdom.

MVNO: Mobile Virtual Network Operator is a mobile service provider that does not own its own spectrum and usually does not have its own network infrastructure. Instead, MVNOs have business arrangements with mobile network operators to buy minutes of use (MOU) for sale to their own customers.

National Telephone Numbering Plan: Plan of the allocation and re-allocation of telephone numbers, originally specified by Oftel and made available for public inspection.

NRA - National Regulatory Authority: Body or bodies charged by an EC Member State with any regulatory tasks assigned in the EC 'Framework' Directive for electronic communications networks and services.

NGN - Next Generation Network: An IP-based electronic communications network which is able to provide electronic communications services and to make use of multiple broadband and quality of service-enabled transport technologies, and in which service-related functions are independent of underlying transport-related technologies

NICC: The Network Interoperabilty Consultative Committee is a pan-industry body that acts as a co-ordination forum in which key players in the telecommunications sector (communication providers, service providers, manufacturers, the regulator, etc) address and agree necessary technical arrangements for interconnection and interoperability for networks and services in the UK.

Non-geographic number: Numbers which are used to identify a type of service rather than a geographical location. These services are sometimes referred to as Specially-Tariffed Services and include Freephone, local rate, national rate and premium rate numbers. Mobile and Personal numbers are also non geographic numbers.

NTS: Number Translation Service, is the service of routing a telephone call with a non-geographic number to a hidden geographic or mobile number. NTS is commonly used to describe numbers beginning with 08, although technically this description also applies to numbers beginning with 09.

Number Portability: Number portability is a regulated facility which enables subscribers of publicly available telephone services (including mobile services) to change their service provider whilst keeping their existing telephone number.

Open Numbering Scheme: in this document, this term refers to a scheme where there is local geographic number dialling (i.e., where the Geographic Area Code can be omitted when dialling between numbers in the same Geographic Area).

Personal Numbering Service: Service based on number translation which enables a customer to be called using a single 'personal' telephone number but to receive those calls at virtually any telephone number in the UK.

PRS: A 'Premium Rate Service' that is paid for through the telephone bill of a Subscriber and is charged at above average rates (e.g., above rates for calls to 08 numbers). The revenue for the call, which comprises the price of the telephone call plus the content, product or service, is shared between the communications provider and the provider of the content, product or non-communication service whether directly or indirectly

PSTN: Public Switched Telephone Network is an electronic communications network comprised of the interconnection of the world's circuit-switched public telephone networks.

Ranges [Sub]: A number range is a set of contiguous numbers of a specified or unspecified size. For instance 09 is the designated range for premium rate numbers, and 0908 and 0909 are sub-ranges that can currently be used for premium rate sexual entertainment services.

SME: Small and Medium Enterprises.

System X: A PSTN switch used in a local configuration in the UK.

Tariff Ceiling: A tariff ceiling is the highest tariff chargeable for a given range of numbers.

UCI: Universal Communications Identifier is a single identifier for all personal communications, replacing the e-mail addresses, mobile numbers and all the other identifiers in use today.

URI: Universal Resource Identifer is an identifier consisting of a string of user readable alphanumeric characters used to identify resources within IP networks, including the Internet. The syntax of a URI is specific to its use.

Utilisation Rate: in numbering terms, this means numbers used divided by numbers available.

VoIP: Voice over Internet Protocol. A technology that allows users to make voice calls using Internet Protocol, over either the public Internet or private IP networks.

WiFi: Wireless-Fidelity is a set of product compatibility standards for wireless local area networks (WLAN) based on the IEEE 802.11 specifications.