



Internet Telephony Services Providers' Association

ITSPA response to Ofcom's consultation on Geographic telephone numbers

About ITSPA

The Internet Telephony Services Providers' Association (ITSPA) is the UK VoIP industry's trade body, representing 60 UK businesses involved with the supply of VoIP and Unified Communication services to industry and residential customers within the UK. ITSPA pays close attention to the development of VoIP regulatory frameworks on a worldwide basis in order to ensure that the UK internet telephony industry is as competitive as it can be within international markets.

Individual members may respond separately to this consultation.

A full list of ITSPA members can be found at <http://www.itspa.org.uk/>

Summary of ITSPA's Position

ITSPA members welcome the opportunity to input into the Ofcom consultation surrounding geographic telephone numbers. ITSPA acknowledges the challenges that both Ofcom and the industry face in terms of number conservation. The membership agrees that it is important to safeguard sufficient availability of number ranges in all areas, in order to provide the necessary services to consumers and to ensure a competitive telecoms market. Geographic numbers clearly remain a valued service to consumers and ITSPA agrees that any changes to the current system should involve as little disruption as possible.

In reviewing Ofcom's proposals, ITSPA agrees with a number of the solutions that have been proposed, however have a clear concern regarding the proposal to charge for geographic numbers.



Internet Telephony Services Providers' Association

Local Dialling and Overlay Codes:

Ofcom have outlined that "localised measures that address localised shortages are likely to be an appropriate response to number shortage"¹. ITSPA members would agree with this principle and would advocate the closing of local dialling and the adoption of overlay codes (if necessary) as the most suitable and least troublesome way of increasing the number supply.

Changes to the Administrative Process:

In addition, ITSPA members would agree with Ofcom's proposed changes to its administration of geographic number ranges. We believe that a strengthening of the numbering application process, with further evidence gathering would enable Ofcom to make a more informed decision about whether to allocate number ranges to Communication Providers (CPs).

Reservation step:

In principle, ITSPA accepts the proposal to introduce a time-limited reservation step, prior to allocation of geographic numbers for certain applications. ITSPA agrees with Ofcom's proposal that this should only apply to CPs who have not demonstrated operational readiness to put the requested numbers into use. The reservation timescales certainly need to be properly discussed with industry, as this proposal does have the potential to harm new entrants into the market. Establishing interconnection agreements for new entrants can be a laborious process (it can take over a year) and this could have ramifications for new CPs with a time limit on their number range application. Likewise, it may affect how existing operators deal with new requests for interconnection.

Another area for Ofcom to consider is the process of establishing and removing phone numbers from service. This poses a significant administrative overhead to operators and often takes more than 3 months. Provided the process is thought through properly between industry and the regulator, the basic concept of a time-limited reservation step would be a possible and useful way of ensuring the effective use of number ranges.

¹ Ofcom Consultation: Geographic Telephone Numbers 2010, p86



Internet Telephony Services Providers' Association

Smaller number ranges:

ITSPA members would welcome the option of allocating number ranges below 1,000 number blocks. Many members do not require the 10,000 number blocks or even the 1,000 number blocks in some areas. The delays in NGN deployment have certainly made this option more difficult and members accept that there are some legacy network constraints that currently exist. Members accept that there are also administrative concerns which need to be resolved. However, ITSPA would encourage Ofcom to push for the allocation of geographic numbers in blocks of 100 where possible.

Charging of Geographic Numbers:

In principle, ITSPA is fundamentally opposed to the concept of charging for geographic numbers. The membership believes that there are other less onerous options to ensure that the UK maintains an adequate supply of number ranges. The other proposals outlined by Ofcom are sensible suggestions and we believe will help resolve the current problems especially when combined with future NGN deployment. We do not believe that a charging model (even within specific areas where numbers are scarce) is required or in the long term interest of the industry. Other countries have introduced a charging system for various reasons and this can range from pure revenue raising purposes to number conservation. ITSPA believes that there is no sufficient evidence to suggest that charging has significantly affected operators behavior in requesting number ranges.

A charging model would primarily impact on the smaller providers within the industry as well as new entrants in the market. Many smaller operators do not require the large number blocks provided by Ofcom. To charge on a per number basis would be extremely harmful to many CPs, especially if they are unable to hand back number ranges of less than 1,000 number blocks. Charging for geographic numbers would fundamentally change many of the business models for smaller CPs. The likelihood would be that it would reduce the amount of competition in the market, act as a disincentive for new entrants and increase consumer prices. ITSPA would question whether these consequences are in the long term interests of both consumers and the industry. With range holders being able to recover the costs for any charging system, the onus is solely on the smaller CPs to pay.



Internet Telephony Services Providers' Association

Sub-allocating Numbers:

ITSPA understands the reasoning surrounding Ofcom's desire to encourage sub-allocation of geographic numbers. It certainly would assist in the full use of geographic number ranges and for certain CPs (particularly start-up CPs) and resellers this is a suitable option both now and going forward. However, for many CPs who provide a telephony service to customers, they wish to control their own number ranges. It gives them far more flexibility with issues such as number porting and provides them with greater independence in terms of commercial agreements (e.g termination rates). Whilst ITSPA would agree that sub-allocation is a useful component in ensuring number ranges are effectively resourced, there is concern that a charging model could push providers into a sub-allocation process, against their will. This would fundamentally change the operating structure for many providers.

ITSPA is concerned that the charging proposals combined with an Ofcom drive to sub-allocation will have a disproportionate effect on smaller providers and damage both competition and innovation. If smaller number ranges are not provided (or only a in a limited cases) it leaves smaller CPs in a difficult financial position under a charging model. They either have to pay for the whole number range or go down the sub-allocation route, which provides significantly less control over their operations. These are substantial concerns for the membership which could have major implications for a number of companies and the market as a whole.

Pre-allocation of ported numbers.

ITSPA would suggest that there is a case to support better use of numbers via the pre-allocated porting process which was originally designed to support companies who took a block of numbers and subsequently had a further block reserved for expansion, all of which could be ported if and when changing suppliers. Where a CP has blocks of numbers which cannot be returned to Ofcom, there is the possibility that a more active use of pre-allocated porting will more efficiently utilise number ranges. This would prevent numbers being stranded by CP's who do not require large allocations. However, it would require the porting process to be more efficient than today to enable ease of transfer within reasonable timescales.



Internet Telephony Services Providers' Association

Consultation Questions:

Question 1: Do you have any comments on the objectives and approach to this review of geographic number management? Do you agree with the policy principles that we consider should inform the review?

The principles outlined were:

- *we will take steps now to ensure the availability of geographic numbers for consumers in a manner that maintains their continuity and meaning, and causes consumers the least disruption and cost;*
- *we will ensure that sufficient numbers are available so that scarcity of numbering resource does not create barriers to entry or service provision. Our management of numbers will be neutral in the treatment of CPs;*
- *tariff transparency should be retained, so that a caller pays what he/she expects to pay for a call to a geographic number; and*
- *our policy approach will not hasten the erosion of location significance but will recognise (and not stifle) the effect of network and service evolution on that significance.*

ITSPA accepts these principles, however we feel that the charging proposals will have the potential to create barriers for entry and is not necessarily neutral in its treatment of CPs.

Question 2: Do you agree that we should not consider further at this stage options that would change existing numbers?

ITSPA agrees that Ofcom should not consider changing existing numbers at this stage.

Question 3: Do you agree that local solutions are appropriate based on our current forecasts of anticipated requirement of more numbers?

ITSPA would agree with this principle. Resources of geographic numbers are problematic in specific areas of the UK and it would be appropriate to focus on the local solutions in order to resolve the problems in that area.



Internet Telephony Services Providers' Association

Question 4: Do you agree with our assessment of the options for providing new supplies of numbers in four-digit code areas, as presented in Section 4 and in Annex 3?

Yes.

Question 5: Do you agree that closing local dialling followed, if necessary, by the introduction of an overlay code should be the preferred option for providing new supplies of numbers in four-digit areas that may need them? Please give reasons for your answers, and provide evidence where possible.

ITSPA members would agree with the closing of local dialling. It would not only help resolve the scarcity of number ranges in these areas but would also have the least impact on consumers. ITSPA also agrees that an overlay code should only be considered if the supply of local numbers fall below a set "trigger level". That level needs to be discussed with local CPs and Ofcom. ITSPA believes that both these options combined are the most efficient and least costly way of resolving the ability to provide local numbers. ITSPA feel these solutions will provide the necessary capacity required in the problematic number areas for the near future. The transition to NGN networks, whilst slower than predicted will further help to alleviate this problems going forward. ITSPA does not believe it is necessary to go any further at this stage.

Question 6 Are there any other number supply measures that we should consider for four-digit areas?

ITSPA members have no further suggestions.

Question 7 Do you agree that we should merge five-digit codes with four-digit codes to create new supplies in five-digit code areas that need them? Do you have any comment on our assessment of the impacts of the options we have considered? If so, please provide relevant evidence where possible.

ITSPA agrees with Ofcom's proposal regarding the merger of five-digit codes with four digit code areas.

Question 8 Are there any other numbers supply measures that we should consider for five-digit areas?

ITSPA members have no further suggestions.



Internet Telephony Services Providers' Association

Question 9 Do you agree with our considerations and preliminary conclusions on how new supplies of numbers should be provided where they are required?

Yes.

Question 10 Do you have any comments on how the implementation of number supply measures should be planned?

ITSPA members understand that at first there maybe some confusion regarding the closure of local dialling. ITSPA believes that Ofcom should lead on a communications strategy, which trade associations and CPs can align with to help inform consumers about the changes. A suitable advertisement campaign combined with the application of a network announcement (to inform those who have misdialled) would help resolve many of the short term issues.

Question 11: How long do you consider that CPs would need to plan the implementation of the preferred options for four- and five-digit areas?

This is likely to be a CP specific issue and so Ofcom would have to discuss in more detail with individual providers. It would vary significantly if one CP had deployed (or was in the process of deploying) its NGN in comparison to other providers still operating on the TDM network.

Question 12: If you are a CP, what costs do you consider that your company would incur if the preferred options for four- and five-digit areas were implemented?

Opinions on implementation will also vary amongst members and so it would be worth discussing with individual CPS.

Question 13 Do you think that we should reserve a limited amount of numbers for allocation in blocks of 100 numbers in area codes where it is feasible to do so?

ITSPA agrees that Ofcom should reserve a limited amount of numbers for allocation in blocks of 100 numbers. ITSPA members would advocate that Ofcom try to open up as many ranges as possible to this size of number ranges. We recognise the challenges that some operators have with their legacy networks; however we would encourage Ofcom to help in resolving some of these constraints. The process does need to be discussed in details to ensure these number ranges are made readily available, without extra cost. In an NGN world, small number ranges will become the norm, which will drive up efficiency in the number allocation system. Whilst



Internet Telephony Services Providers' Association

ITSPA accepts that there is a delay in this process, Ofcom should encourage the development of smaller number ranges as a means to improving the current system.

Question 14 What criteria, if any, in addition to a 'first-come first-served' basis should be used for allocating such blocks of 100 numbers to providers?

ITSPA agree with the 'first-come first-served' process.

Question 15 Should the geographic extent of such allocations be limited to the seven areas likely to run out of numbers for allocation before 2015? (i.e. Blackpool (01253); Bournemouth (01202); Bradford (01274); Brighton (01273); Derby (01332); Langholm (013873) and Middlesbrough (01642))

No. Whilst ITSPA agrees that these areas maybe prioritised to resolve their impending problems, Ofcom should encourage a wider development of 100 number block allocations.

Question 16 Do you consider that there are any technical obstacles currently to the effective sharing of number blocks by CPs and to sub-allocation? How could we usefully address those obstacles?

ITSPA believes that number sharing and sub-allocation is certainly possible and used currently today. For specific companies this model is workable and a useful way of operating. Whilst in certain instances there are benefits in sub-allocation, ITSPA believe that individual CPs should still be entitled to control their own number ranges. There is a danger that a proposed charging model could force CPs into a sub-allocation. Sub-allocation would certainly benefit range holders but could potentially constrain smaller CPs who wish to have more independence in how they operate.

Question 17 What are your views on the concept, practicalities and implications of introducing a reservation system for geographic numbers?

ITSPA members accept that a reservation system would be a useful way of ensuring CPs are operationally ready to use the number ranges they are requesting. This should only apply to new operators who have no track record in providing communication services. The timescales for the reservation period have to be discussed carefully by Ofcom and industry. For new entrants, the time to gain interconnect agreements between other CPs can be a lengthy process and one that often involves delay. There are also problems surrounding both establishing and removing



Internet Telephony Services Providers' Association

numbers from service. Provided Ofcom are mindful of the operational problems that currently occur and are able to discuss viable solutions with industry, a reservation system would help to ensure that CPs are using numbers more effectively.

Question 18 Do you have any comments on our proposed scope of additional audits?

As indicated in our summary, ITSPA members feel that changes to the administrative process which Ofcom have suggested would be a beneficial way of conserving numbers. ITSPA feels that a review and analysis of the current state of play would be a useful starting point and would agree that regular auditing would help achieve a more efficient usage of numbering. ITSPA agrees that there is a balance to be had in terms of the requirements on CPs. This balance needs to be struck in order to ensure a more efficient administrative process whilst not overburdening CPs. However there is agreement that in discussion with industry, a workable set of processes can be found.

Questions 19: Do you agree with the high level objectives proposed for the charging regime?

ITSPA does not agree that a charging regime should be introduced at this stage. The members believe the suggestions are unnecessary, disproportionate and potentially damaging to specific sections of the industry. ITSPA would ask Ofcom to outline further evidence from other countries which indicates that charging actually has an impact in practice to help number conservation. ITSPA would welcome further dialogue with Ofcom on this issue in the near future.

Question 20 Do you envisage that sub-allocation would increase if number charging is introduced? Do you have any comments on our analysis of barriers to successful use of sub-allocation?

ITSPA members foresee that sub-allocation may well increase if a number charging system was introduced. However ITSPA remains sceptical as to whether that would be of benefit to the industry and in turn consumers. The charging scheme could potentially force CPs into sub-allocation against their own will, thus removing the ability of many operators to provide the services that they wish. This in turn could remove potential services, pricing structures and harm innovation.



Internet Telephony Services Providers' Association

Question 21 Do you agree with our view on how charges could be set? If not, please propose an alternative approach with supporting evidence.

ITSPA disagrees with the principal of charging for number ranges to conserve geographic numbers. The members do not feel that this is required at this stage and feel that there other options (included within this proposal) to fully investigate before even considering a pilot charging scheme.

Questions 22 -25

ITSPA does not have a position on these questions as it disagrees with the general principal of charging. ITSPA members would very much like to discuss this important issue with Ofcom in the near future.

Question 26 Do you agree that we should not pursue a policy of charging for golden geographic numbers? If you do not agree, please provide your reasoning.

As ITSPA is opposed to the charging principle, we also disagree with the concept of charging for golden geographic numbers.