



An Coimisiún um
Rialáil Cumarsáide
Commission for
Communications Regulation

Review of Non-Geographic Numbers

Submissions to Consultation 17/70

Submissions to Consultation 17/70

Reference: ComReg 18/65s

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An Coimisiún um Rialáil Cumarsáide
Commission for Communications Regulation

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Submissions Received from Respondents

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1: BT Ireland

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BT Communications Ireland “BT” Response to the ComReg Consultation: Review of Non-Geographic Numbers

Issue 1 – 12 October 2017

Introduction and Summary

BT welcomes this consultation which seeks to address the customer harm and market failures identified in the Non-Geographic Numbers (NGN) Market and we broadly agree with the proposals to remedy the market failures identified. ComReg is aware BT and other fixed line operators have raised issues over many years concerning the distorted operation of the wholesale NGN market (in particular for 1800, 1890 and 1850) which we believe has acted against fixed line operators and consequently is the source of high charges to Retail Service Providers and a factor contributing to the retail customer harm and market failures.

We welcome ComReg has recognised (as in clause 1.9 of the consultation, Information Note 17/53R and 6.2 of the DotEcon report) that retail remedies alone will not address the market failures. We welcome that DotEcon in its consultant’s report has correctly identified the wholesale issues although it acknowledges its mandate was to address the retail market and wholesale remedies are for further study.

Whilst it’s most helpful that the wholesale problems are recognised, a clear concern for us is whether ComReg would attempt to activate retail remedies prior to resolving the wholesale market failures and harm. We are concerned that a phased introduction would be highly detrimental for NGN services and would create a risk if ComReg found it impossible to mandate wholesale remedies due to appeals etc. (We note the 2005 ECAP where ComReg failed in its attempt to mandate proposed regulation for Mobile Origination Rates) and we also note that Eircom are currently challenging ComReg’s right to apply fines in the High Court. DotEcon also recognise the situation could worsen for the Retail Service Providers if the retail remedies were implemented without the wholesale remedies. See DotEcon report 17/70a clause 6.2 3rd Para as extracted below.

“If SP costs are excessive (and our evidence suggests these costs are stopping many businesses using these numbers), then intervention may be needed to address the underlying issues that lead to the high charges faced by SPs. It is also possible that retail remedies without corresponding wholesale remedies could even worsen the situation for SPs if originators seek to recover lost retail margins through higher wholesale charges.”
Italics added.

The problem we see is that reducing the end-user call pricing has no regulatory or controlled relationship to the already high wholesale mobile call origination rates which could be driven even higher to re-coupe lost end-user retail revenue. This could incentivise even more unreasonable wholesale market behaviours.

Hence whilst we welcome and support the proposals for the retail NGN issues, the implementation of a retail solution without an associated and simultaneous solution for the wholesale issues will likely make the current unacceptable wholesale market conditions worse. We are anxious to learn ComReg's proposed approach.

We consider our concerns are reflected in the text extracted from DotEcon's report Sections 6 Recommendations (last paragraph) which highlights they recognise that the retail problems will not be solved at the retail level alone.

"However, while retail remedies are necessary, they are not likely to be sufficient on their own, because our evidence is that costs to service providers are also too high, and this is a problem which needs to be addressed in the wholesale market." Italics added.

BT therefore concludes that the retail and wholesale harm and market failures must be resolved simultaneously as a package.

Response to Detailed Questions

Q. 1 Do you agree with ComReg's proposal to introduce the 'Geo-linked' NGN measure by replacing the current retail tariff General Authorisation conditions for '1850', '1890', '0818' and '076' NGNs with a new 'Geo-linked' retail tariff General Authorisation condition of use? Please explain the basis for your response in full and provide any supporting information.

Response 1

Part A – The need for Simultaneous Retail and Wholesale Remedies

As part of an overall package to solve the customer harm and market failures in this market, including serious wholesale market failures and harm to operators (including transit and terminating operators), we would agree with a new 'Geo-linked' retail tariff condition as part of a simultaneous and complete package of retail and wholesale remedies. We believe this would stimulate increased volume usage of the services which would help off-set the significant losses of revenue from the end-user pricing reductions being proposed.

However, we consider this can only be introduced simultaneously as part of a wholesale and retail package; otherwise there is a real danger wholesale mobile origination rates could increase (to recoup losses in end user revenue) to further distort the wholesale market with fixed line operators having to pass on very high wholesale charges to Retail Service Providers. We note ComReg has been unable to resolve this problem over many years and are concerned there is nothing in this consultation to suggest that has changed. We also note that DotEcon has also identified this risk and that the situation could worsen at Clause 6.2 of its paper.¹

Mobile operators that are active in mobile call origination and also hosting Service Providers (including through fixed line subsidiaries) are able to subsidise the Retail

¹ Report from DotEcon on non-geographic numbers in Ireland. ComReg document 17/70a.

Service Providers from the high wholesale origination rates they levy on the industry and thus have the capability to drive fixed line operators out of the market who are unable to provide a subsidy.

Why don't most fixed operator origination prices have an impact? The reason we believe is most calls to NGNs are originated on Mobile Phones and fixed operators increasing their origination prices has little impact on the overall volume and cost to the Retail Service Providers. We are not seeking for fixed line operators to be excluded from the remedies; this is simply to highlight how the harm works in practice.

We have gained considerable experience of the time it takes ComReg to process complex disputes and complaints (in reality at least two years) and by the time such are resolved the damage is done. ComReg are aware the wholesale regulatory issues² have been unsolved in this area for many years. Hence we believe ComReg only have one chance to get this right and wholesale and retail issues must be resolved at the same time as a single package.

We therefore believe that the wholesale and retail markets should be addressed simultaneously and as in our summary are anxious to learn ComReg's proposed approach.

Part B Addressing the 1800 Issue

It's disappointing that the survey showed that only 33% of mobile callers and 40% fixed line callers realised that 1800 Freephone services are free to the caller and we agree that customer pricing information and customer confidence to use these services needs to improve. We also believe many business/organisations [Retail Service Providers] do not offer Freephone numbers or have moved away from Freephone services due to the high cost to them. We believe this move away from offering 1800 services due to the high pricing to Retail Service Providers is effectively causing customer harm to end users in the form of reduced customer choice. The following extract of the consultation (taken from clause 1.6) highlights the problem.

"Evidence from SP interviews and the B&A Organisation Survey shows that SPs are unhappy with the cost to them for using NGNs to provide services to consumers. This is particularly the case for the '1800' NGN range, where the called party pays the entire cost of the call (in some cases SPs are charged as high as 34 cents per minute for receiving '1800' calls)." Italics added.

In conclusion the wholesale issues are causing significant harm to the retail sector and ComReg's objectives in the retail sector cannot be achieved without resolving the wholesale issues, in particular the wholesale originating pricing bottleneck.

Q. 2 Do you agree with ComReg's proposal to withdraw the '1850', '1890' and '076' NGNs following a 2 – 3 year transitional period? Please explain the basis for your response in full and provide any supporting information.

² See ComReg paper 17/53R which provides a chronology of wholesale regulatory concerns.

Response 2

We agree that the market needs only one “shared cost” non-geographic number, and observe that 0818 already generally meets the described requirements and also features an orthodox and uncomplicated wholesale treatment for transit and termination. We note that selecting the 0818 also has the potential to grow the market as it’s accessible from outside of Ireland which is not possible for the 1890 and 1850 ranges. We therefore support the choice of 0818 as the consolidated number for 1890, 1850 and 0181.

Practicality of the Migration

Subject to wholesale also being part of the solution, initially we would suggest no new supply of 1850 and 1890 from three months of the Decision as this allows orders in the pipeline to be completed and will quickly focus the industry to intrinsically grow the 0818 range. We agree that two to three years to phase out 1850 and 1890 should allow Service Providers to update their marketing and promotional material.

Proposals for 076

✂ We see a significant and rising usefulness for the 076 ranges but more in the corporate numbering area where we see advantages of 076 as follows:

- Number conservation – Corporate customers tend to use a lot of numbers, mainly within large blocks and given the increasing scarcity of geo-numbers and recent efforts by ComReg for operators to return geo blocks, we consider 076 can help relieve this pressure and to avoid expensive number change situations.
- Over the years BT has used its international presence to help ensure the 076 range is open for access from other countries and now that we no longer hearing of international 076 access problems it would be disappointing to close this range.
- The nomadic nature of 076 is also helpful in the business sector as evolving technology means that businesses are rapidly moving to VoIP type solutions and nomadic voice access via laptops etc. is widespread. These applications make it increasingly difficult to restrict business customers’ geographic number to a specific location or Minimum Number Area.
- We note that Gov’t services have made a significant investment in 076 with a non-standard approach to call routing, and it would be unhelpful to re-address that area with geo-numbers.
- We believe operation on the 076 range should be on an identical basis as the ComReg proposals for 0818.
- The retirement of 0890 and 1850 will also make it simpler to publicise the remaining numbers particularly if 1818 and 076 are using the same models.
- We believe the market can innovate further in the 076 range and this should be allowed to develop.

Q. 3 Do you agree with ComReg’s proposed NGN transparency measures? Please explain the basis for your response in full and provide any supporting information.

Response 3

We agree with the principle that customers should be aware of the costs of calling Non-Geo Numbers so that they can manage spend and consider alternative options for making the calls.

We also note that a core of the consultation is to link the calls to geographic call pricing and to largely include non-geo calls (Premium Rate out of Scope) within call bundles. We agree it's important in how the message is conveyed for non-geo calls so that the public has a high recognition of pricing. We understand from the consultation that non-geo should be included within the geo bundle – hence the issue is when there is no bundle. In this case the pricing should be clear to the customer and linked to the geo prices and there are existing rules in place to do that.

Enquires to this response should be addressed to john.odwyer@bt.com

2: Citizens Information Board

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ComReg Review of Non-Geographic Numbers (NGNs) *A Submission by the Citizens Information Board*

Introduction

The Citizens Information Board (CIB) is committed to ensuring that citizens can readily and easily access information and support from both our own range of services and from the widest possible range of State and other services. Many people are heavily reliant on telecommunications in order to exercise their rights as citizens and as consumers, and to access the services and facilities to which they are entitled. We very much welcome ComReg's review of the operation of Non-Geographic Numbering (NGN).

The CIB supports the provision of information, advice (including money and budgeting advice) and advocacy services to citizens on a wide range of public and social services. To do this, we provide direct funding and a range of supports to our delivery services - Citizens Information Services (CISs), the Citizens Information Phone Service (CIPS), the Money Advice and Budgeting Services (MABS), the National Advocacy Service for People with Disabilities (NAS) and the Sign Language Interpreting Service (SLIS) – who in turn provide services to the public. We also provide services directly to the public through our website, www.citizensinformation.ie and related micro-sites.

Citizens Information Services and NGNs

Telephone-based service provision continues to be an important element of how the needs of our clients are met. CISs, MABS and NAS, as well as the CIB's own offices, both nationally and locally, had until 2011 used Geographic Numbers. These changed in 2012 as a result of a move by CIB to a Wide Area Network (WAN) and to the 076 NGN.

The new telephone and data infrastructure was seen by the CIB at the time as providing a foundation for a range of new developments and for delivering greater effectiveness and efficiencies in the matter of telecommunications for all sections of the service. The new 076 numbers were also used by CIB as a branding/public information device aimed at increasing public awareness of its various supported services and at encouraging usage and access.

Difficulties reported by CIB delivery services in relation to the 076 NGN

Difficulties experienced by clients in respect of the 076 number, as reported by CIB delivery services, are worth noting since they are likely to be broadly illustrative of public perceptions and experience of NGNs. These perceptions and experiences, whether based on the factual situation or not, have a negative influence on people's behaviours and inhibit usage of the 076 service. The following are some of the main difficulties identified:

- 1) People ask regularly how much are they being charged or ask if there is a normal national rate telephone number that they can use.

- 2) The cost of the 076 varies according to the telecommunications provider -- some charge the national rate, some do not;
- 3) Clients report that when using the 076 number, their credit either runs out or they become anxious that it will run out – this means that services are under pressure to deal with the query quickly or to offer to ring the person back;
- 4) Many clients state that they do not know whether or not the 076 number is included in their telecommunications package or whether it is considered to be a landline number or not;
- 5) Some clients report additional charges on their bills for ringing the 076 number;
- 6) When CIB delivery services make a follow-up telephone call, some people do not answer because they do not know who is calling them, are fearful that it is some unsolicited product selling call or some scam or, in the case of MABS clients, a call from a lending institution to which they owe money;
- 7) When people do not know how much an 076 call is going to cost , they are afraid to ring the number and state that they would much prefer to ring a geographical number that they recognise – this may mean that people sometimes do not contact a service in the first instance or return follow-up calls from CIS or MABS;
- 8) The 076 option as the only telephone option available may inhibit people contacting a service for the above reasons.

Non Geographic Numbers: The overall experience of CIB delivery services

The experience of CIB delivery services are broadly similar to the ComReg research findings and can be summarised as follows:

- 1) There is a general reluctance on the part of the public to use NGNs based on a lack of familiarity with the specific costs relating to calling these numbers from either their landlines or mobile phones;
- 2) Many people feel much more comfortable calling a landline or mobile number with which they have familiarity rather than an NGN;
- 3) There is widespread suspicion on the part of the public that NGNs are expensive and typically involve a system which quickly uses up their mobile phone credit;
- 4) Many consumers do not differentiate between the different NGNs and do not know the cost of calling these numbers;

- 5) Some people report thinking that they were using a Freephone number and experiencing surprise and annoyance when they realise that they were paying a high tariff for the call;
- 6) NGNs are frequently not included in mobile phone packages and people end up paying significant additional costs;
- 7) Some telephone packages allow the customer to call regular landlines or mobile numbers free of charge but apply a charge for any NGN – people only become aware of this ‘after the event’;
- 8) There is a major problem for many people where no ‘landline’ number is provided in relation to contacting essential services, e.g., Revenue for the PAYE sector (all enquiries); Workplace Relations Commission, Residential Tenancies Board, the Central Registration Medical Card enquiry line and some sections of the Department of Employment and Social Protection (DEASP), SUSI, for 3rd Level Grant information;
- 9) Clients regularly report trying to contact various Government Departments using ‘Lo-call numbers’ only to find that being put on hold resulted in them losing the call because their mobile phone credit ran out;
- 10) Most utility providers provide only an 1850 number for people to provide a meter reading, query a bill, report a loss of service or an emergency;
- 11) Many people who are fully willing to and capable of conducting their own business on the phone come to CISs in order to avoid not only having the call cut-off/dropped while ‘on hold’ to an NGN but also because they have used up all their remaining credit.

Vulnerable groups

People who are financially vulnerable who need to live on a very tight budgets are particularly disadvantaged by the preponderance of NGNs, including, in particular, those whose only income is a social welfare payment or people experiencing over indebtedness.

CIB Response to ComReg Proposals

The results of ComReg’s research regarding consumer attitudes and perceptions of NGNs are a cause for concern. As already indicated, the feedback from CIB delivery services suggests that consumer attitudes to NGNs are somewhat negative and that the lack of transparency about costs discourages use of NGN numbers.

We concur strongly with ComReg's analysis of the particular challenges that the current NGN position poses for vulnerable groups of people. In particular, we note the following points:

- The fact that high retail charges for NGN calls could have a particularly negative impact on some more vulnerable consumers for whom NGNs provide important access to essential services (e.g. paying bills) or social services (e.g. healthcare, social welfare);
- The likelihood that such additional costs would disproportionately impact on lower income households and on those with limited alternative communications options;
- While rural consumers are more likely to require access to voice-based telephony services, they are more likely to avoid calls to NGNs;
- People living in a rural area, unfamiliar with computers or smartphones and not having an Internet connection, may be impacted upon negatively if the retail charge for contacting their bank or other basic service by phone is relatively high.

We note the finding referenced in the ComReg Report of the 2017 Roscommon Older People's Council report (which the CIB funded) that:

"Irish consumers are potentially paying up to €5 a time to phone so called "low cost" telephone numbers like those beginning 1890, 1850, 0818 and 0761 - even though an alternative number may also be available. Many organisations and businesses are encouraging their customers to ring their LoCall 1890, or 1850 Callsave, or 0818 National Call telephone numbers."

CIB shares the ComReg view that the *status quo* regarding NGNs results (or can result) in a number of negative impacts on consumers and their access to information and services.

- That the pricing arrangements for NGN calls lack transparency
- That charges for NGN calls are, in many instances, very high
- That Pay as You Go consumers are most likely to experience high call costs
- That consumers can be discouraged from calling NGN telephone numbers due to the reality of and/or perception of high costs
- That the range of NGN types contributes to a sense of confusion amongst consumers

CIB agrees with ComReg's proposal to introduce the 'Geo-linked' NGN measure by replacing the current retail tariff General Authorisation conditions for '1850', '1890', '0818' and '076' NGNs with a new 'Geo-linked' retail tariff General Authorisation condition of use. We believe that the proposed change is necessary in order to provide callers with a more reasonably and fairly priced system that will, in particular, act to the benefit of people who are most likely to be socially and financially vulnerable. We also feel that the proposed

change will, in addition, act to dispel consumer reluctance or negative attitudes to NGNs, and thereby encourage usage of telephone-based services.

While CIB supports the proposed reduction in the range of numbers as a positive measure for citizens and consumers, CIB notes that the transitioning out of 076 numbers adopted over the past five years will, from a public service organisation perspective, have significant cost implications.

CIB agrees with ComReg's proposed NGN transparency measures on the basis that consumers have a right to clear and transparent information regarding the costs and conditions attaching to all services that they use. In particular the requirement for providers to publish transparent, comparable, adequate and up-to-date information on applicable prices and tariffs in a clear, comprehensive and accessible form is crucial. Also central is the proposed requirement for providers to provide applicable tariff information to subscribers regarding any number or service subject to particular pricing conditions. A requirement that such information be provided immediately prior to connecting the call should be built in to the regulatory framework.

Key points

- CIB supports ComReg's proposals to retain the Freephone 1800 and link NGN numbers to geographic numbers for the purpose of pricing and to reduce the total number of NGN ranges following a 2–3 year transitional period.
- This transition period will be necessary for technical and public information purposes and the proposed transition period should be adequate.
- In the interim period, services requiring the use of NGNs should provide details of specific costs implications in relation to calls from both landlines and mobile networks.
- CIB agrees with ComReg's proposed NGN transparency measures – consumers have a basic right to clear and transparent information regarding the costs and conditions attaching to all services that they use.
- CIB urges that all telecommunications providers should be required to only charge NGN numbers at a national rate charge.
- Any new Geo-linked system will need to be proactively promoted by ComReg with clear and comprehensive information about tariffs.
- There should be a requirement on all telecommunication providers to provide specific details of what is and is not included in packages. ComReg could assist by publishing those details on its website.

3: Colt Technology Services Limited

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12 October 2017

Mr. Brendan O'Brien
Freepost
Commission for Communications Regulation
1 Dockland Central
Guild St
Dublin 1

Dear Brendan

Review of Non-Geographic Numbers (NGN) – ComReg 17/70

I refer to the above consultation and below set out Colt's non-confidential response.

Under the General Policy Direction No.1 relating to Competition and as set out in this consultation, ComReg shall "... implement remedies which counteract or remove barriers to market entry and shall support entry by new players to the market and entry into new sectors by existing players..." ComReg is expected to achieve this via a number of remedies, ensuring that:

- the applicable margin attributable to a product at the wholesale level is sufficient to promote and sustain competition;
- competition in the fixed-line and mobile markets;

The proposals set out in this consultation will not address the barriers highlighted above and as a result, the lack of competition of NGNs in Ireland will continue.

There is a fundamental issue at stake, in that ComReg has purposely segregated the wholesale market from the retail market, although both elements are intrinsically linked. ComReg rightly points out that many service providers have concerns regarding the retail charges which they pay for using NGNs and this is likely to stem from the bottleneck control of originating operators who are setting their respective wholesale prices. This is further elaborated by ComReg's consultant, DotEcon's analysis, which sets out:

- a. that the NGN platform is not working effectively to the detriment of consumers and service providers, and suggests that action is required at both the retail and wholesale level to address problems along the entire NGN supply chain.
- b. that wholesale measures may be needed to limit the extent to which originators can leverage their bottleneck control, and provide incentives for all parties in the supply chain to limit charges to those

required to cover costs. This would apply to excessive origination charges, particularly from mobile, and to the incentive to over-recover the costs of origination through double charging on shared-cost numbers (ie. from both the called and the calling party perspective).

- c. measures to intervene in the wholesale market are necessary and should be considered in parallel with the proposed remedies for the retail market.

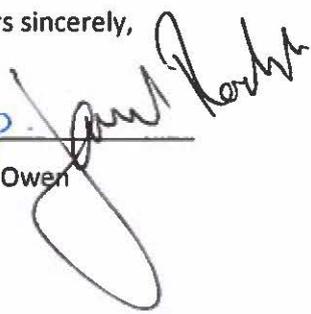
Accordingly, if ComReg continues with pursuing separate solutions for the wholesale and retail markets, this will deliver an inadequate solution and as a result, the use of NGNs will continue to decline. We seek that ComReg reflects on its current approach and move forward by bringing together the review of the wholesale and retail markets. Such an approach will benefit IE Plc.

Regarding the remainder of the consultation, we have a number of high level observations, these being:

1. It appears that there will be no linkage between the current numbers in the 1850, 1890 and 076 range and their transition into the 0818 range. A potential approach, is that a customer using an existing 1850 number, for example 1850 10 2000 could be allocated 0818 10 2000 (similar to the approach in place in the UK relating to the 0845 and 0345 number ranges). Adopting such an approach would minimise disruption to the minimum as compared to an approach where a completely new format of number is used.
2. There will be impacts to Colt's systems and processes in setting a geo-linked rate for all the NGN prefixes. A six month window for this is insufficient as Colt, and no doubt other operators, have a 12 month change plan, for which 2018 is already fixed. A 12 month lead time is therefore sought in order to have sufficient time to plan and implement any requirements.
3. The principle of transparency of information must be applauded, however ComReg is considering at least 11 specific options to achieve this and further options are also not ruled out. Although ComReg sets out that it is as yet undecided as to how many of these options it will adopt, it is imperative that ComReg takes a proportionate approach which will deliver the best outcome for consumers, businesses as well as service providers and operators more generally. ComReg should take the opportunity to engage further with the industry and consumer bodies to establish the appropriate transparency mechanisms.

Please do not hesitate to contact me if you would like to discuss the above further.

Yours sincerely,


Ceri Owen

4: Competition and Consumer Protection Commission

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Review of Non-Geographic Numbers

Submission of the Competition and Consumer Protection Commission to the Commission for Communications Regulation

- 1.1 The Competition and Consumer Protection Commission (CCPC) is pleased to respond to the Commission for Communication Regulation (ComReg) consultation document ‘Review of Non-Geographic Numbers’ (the Review).
- 1.2 We note the extensive consultation and research that has informed the options for reform contained in the Review and the consideration that ComReg have undertaken to reach their preliminary views on those options. We further note the preliminary view of ComReg in favour of a Preferred Option of a ‘Geo-linked’ tariff, consolidated Non-Geographic Number (NGN) class and measures to support transparency and consumer information outlined in Chapter 6 of the Review. The CCPC supports ComReg’s objectives in respect of the Preferred Option and we provide our reasons below.
- 1.3 It should be noted that the CCPC takes an interest in this matter both as a statutory agency charged with consumer protection and as a service provider which provides a helpline service using an NGN.
- 1.4 We welcome the clear identification in the Review of an evidence base, particularly relating to consumer detriment and the subsequent objectives identified to address that detriment. We note the findings in the report that a significant number of consumers do not know how NGN calls are charged under the various telephone subscription packages available and/or do not know the different designation of each of the five classes of NGNs. We further note the findings that a significant number of consumers do not know, or cannot reasonably estimate, the retail tariff for any NGN call in advance. We agree with the findings of the Review that if consumers do not know the designation of each class of NGN then the potential for consumer harm through the use of NGNs is much greater, and that the resultant reduced level of consumer utilisation of the NGN platform and consequential reduction in accessing of services provided by Service Providers (SPs) through NGNs is to the detriment of consumers and SPs. In general, better informed consumers provided with an easier to comprehend tariff

structure, and a consolidated NGN range, will be aided in making better decision in respect of using NGNs. As recognised in the Review this will be dependent on an effective information campaign to raise consumer awareness.

- 1.5 We note the proposals in the Preferred Option for a ‘Geo-linked’ tariff which would replace the current retail tariffs applying to the range of NGNs and the view of ComReg that it should lower prices for consumers in general as they increasingly avail of in-bundle NGN calls. We also note that ComReg’s view is held notwithstanding the potential for recovery by operators of lost revenue, on the basis that the amount of revenue to be recovered is sufficiently small as not to be anticipated to raise prices for consumers.
- 1.6 We additionally note the consideration in the Review of retail competition. We note the expectation in the Review that competition between originating operators will increase if NGN calls are ‘in-bundle’ with consumers better able to make informed choices based on more easily comprehensible call charges..
- 1.7 As stated above, through our provision of a consumer helpline the CCPC is a SP. The experience of the CCPC supports the findings of the Review. Having noted the research and evidence presented in the Review, and the potential for consumer detriment, the CCPC is planning to review its use of an NGN and our decision in that respect will be based on the outcome of the Review. An effective and broad ranging communications campaign will be important in addressing the identified gaps in consumer understanding. While it will be important for ComReg to take a lead in this regard, operators and SPs should be obliged to communicate the changes as clearly and consistently as possible. We believe that the proposal to phase in the consolidation of the NGN range over 2 – 3 years is a sensible approach which should improve the ability of consumers to identify and avail of NGNs of relevance to them.
- 1.8 We anticipate that SPs will require significant time to prepare for any increase in call volumes alongside the required cost of communicating any change in NGN to consumers. In regard to this we welcome the consideration in the Review of the potential for an increase in cost to service providers arising from the proposed changes. We note that a separate ComReg consultation will focus on the wholesale NGN call origination rates to include an assessment of any impact the Preferred Option may have on wholesale call origination rates.

1.9 We note the intention of ComReg to update the Regulatory Impact Assessments conducted as part of this Review exercise based on the feedback received during the consultation. On the assumption that the Preferred Option is implemented as described in the Review it will be important to evaluate the regulatory interventions post-implementation to assess their effectiveness against a clear set of criteria. It may be of assistance to ComReg to consult with SPs on the operation of their customer-facing phone lines in evaluating the impact of the reforms.

ENDS

5: Consumers' Association of Ireland

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The Consumers' Association of Ireland

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www.thecai.ie



Review of Non-Geographic Numbers

Document: ComReg 17/70

Submission of the Consumers' Association of Ireland

9th October 2017

Consultation Questions

Q. 1 Do you agree with ComReg’s proposal to introduce the ‘Geo-linked’ NGN measure by replacing the current retail tariff General Authorisation conditions for ‘1850’, ‘1890’, ‘0818’ and ‘076’ NGNs with a new ‘Geo-linked’ retail tariff General Authorisation condition of use?

Q. 2 Do you agree with ComReg’s proposal to withdraw the ‘1850’, ‘1890’ and ‘076’ NGNs following a 2 – 3 year transitional period?

Q. 3 Do you agree with ComReg’s proposed NGN transparency measures?

Consumers’ Association response:

We are responding in the affirmative to all three of the questions posed and in full agreement with the changes and proposals put forward within the consultation document.

There is significant consumer confusion with regard to the numbering systems currently in operation and with the detailed consultation document clearly outlining how consumers are unaware that there are costs or payments generating from or attaching to any of the numbers.

The proposed reduction in the numbers should bring immediate transparency, simplicity and clarity for all users.

The suggestion for bundling also makes sense in the context that consumers understand their ‘package’ and, generally, what it offers to them. The provider comparison tool on the ComReg website will support consumer choice and inform the consumer of the options and limitations for use of all numbers available.

We do consider however that the transitional period should be at a maximum of 2 years. We consider this to be ample time to allow the system to be restructured.

Consumers’ Association of Ireland
9th October 2017.

6: Mr. Dave McCabe

NON-CONFIDENTIAL

Brendan O'Brien

From: Dave McCabe
Sent: 30 September 2017 13:06
To: Market Framework Consult
Subject: Reference: Consultation 17/70 - Review of Non-Geographic Numbering"

I wish to make a simple submission

The primary issue with non geographic numbers is they are treated as premium calls by mobile phone networks. This results in significant excessive charges, in today's marketplace, where most consumers have bundle pricing and in effect free calls to geographic numbers

The simplest solution is to mandate that where a non geographic number is made available, a geographic number is always offered as well. This is often the case, where a business expects to receive international calls anyway.

The justification for "Lo-call" type numbers is now entirely defunct, with land line customers also availing of discounted STD calls or bundled products

Conreg needs to ensure that where non geographic numbers are used, that an alternative number is available that is treated as a STD call

regards

Dave McCabe

7: Eir Group

NON-CONFIDENTIAL

Eircom Group

**Response to ComReg Consultation:
Review of Non-Geographic Numbers**

ComReg Document 17/70



12th October 2017



eir response to ComReg 17/70

DOCUMENT CONTROL

Document name	Eircom Group response to ComReg Consultation Paper 17/70
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Executive Summary

1. eir welcomes the opportunity to respond to ComReg's Consultation in relation to its review of Non-Geographic Numbers (NGNs).
 - (i) eir considers that the point in time for the intervention required in the NGN market to stem the decline in the platform has already passed. While issues with the platform may have been perceived in the past, the decline in usage is likely part of a natural migration to geographic numbers (GNs) because geo-significance (the original rationale for NGNs) is no longer a barrier in the modern market. Consequently, ComReg should let the market evolve.
 - (ii) eir also considers that, in the face of a declining market, the proposed remedies will not protect those vulnerable users for whom the pricing of access to these services is a real issue. ComReg's approach fails to address the issues associated with service providers' (SPs) willingness to use 1800 numbers, which are more likely to be relevant to vulnerable members of society. eir is of the view that the proposed remedies may in fact exacerbate the issues already faced by the market.
 - (iii) eir is of the view that ComReg's current approach to intervention in this particular market suffers from sequencing issues. While the measures proposed in this consultation are aimed at addressing issues at the retail level, ComReg itself considers that retail remedies alone would be unlikely to address any market failure at the wholesale level. This would indicate that the wholesale market needs to be addressed first or at the very least in parallel.
 - (i) Were eir to accept the retail remedies as proposed, there is no guarantee at all that the corresponding wholesale remedies required for the proper functioning of the NGN platform would follow. In the absence of a proper market review, ComReg does not have the power to impose compulsory bundling of NGN minutes. The inclusion or otherwise of services in consumer bundles is a commercial decision for each individual operator. This is especially true in the context of competitive retail markets. While eir acknowledges that ComReg's numbering powers allow it to set tariffs and tariff principles that relate to the calculation of tariffs, they do not empower ComReg to prescribe what operators include in their bundles.
 - (iv) eir believes that the actual costs of implementing ComReg's preferred remedies are unlikely to outweigh the benefits, particularly in the context of a declining market. These costs will include costs for changes to billing systems and lost retail

revenues for operators, migration costs for SPs and communication costs for operators and ComReg.

- (v) eir is therefore of the view that should ComReg wish to proceed with the implementation of these particular proposals at the retail level, it should engage with stakeholders to develop a full understanding of the true costs and likely benefits that will be involved. Current best practice recognises that full cost-benefit analysis would arise where it would be proportionate and eir is of the view that such is the case here. eir considers that this holds even in the event that ComReg undertakes the required wholesale market review and considers that retail remedies are still necessary.
- (vi) eir submits that the timeframe of 6 months for the implementation of the 'Geo-linked' measure is not sufficient given the complexity of its billing systems. In addition at an industry level, eir is of the view that other operators may also require longer than the 6 month timeframe for implementation. Should ComReg decide to proceed with its proposals, eir is of the view that it would be more efficient and appropriate to combine the implementation period for the 'Geo-linked' and NGN consolidation measures allowing industry 2-3 years to implement both proposals.
- (vii) Finally, eir notes that the changes proposed by ComReg would result in numerous modifications to eir's terms and conditions with resulting implications under Regulation 14(4) of the Universal Service Regulations. This in turn would result in additional communication costs and call into question the viability of the proposed timeframe for implementation.

RESPONSE TO CONSULTATION QUERIES

Q. 1 Do you agree with ComReg’s proposal to introduce the ‘Geo-linked’ NGN measure by replacing the current retail tariff General Authorisation conditions for ‘1850’, ‘1890’, ‘0818’ and ‘076’ NGNs with a new ‘Geo-linked’ retail tariff General Authorisation condition of use? Please explain the basis for your response in full and provide any supporting information.

1. For the reasons set out below eir does not agree with ComReg’s proposal to introduce the ‘Geo-linked’ NGN measure by replacing the current retail tariff General Authorisation conditions for ‘1850’, ‘1890’, ‘0818’ and ‘076’ NGNs with a new ‘Geo-linked’ retail tariff General Authorisation condition of use. eir has a number of concerns relating to the current approach to addressing issues that may exist in the NGN market, particularly in the absence of a wholesale market review.
2. eir is also of the view that the changes proposed are not proportionate and will constitute an overly burdensome and costly obligation, which is questionable in the context of a declining market and the likelihood of the associated benefits that ComReg appears to envisage. Any measure imposed by ComReg must be suitable, necessary and proportionate. Having regard to the issues identified by ComReg in the consultation document, eir is of the view that there are more suitable and proportionate measures that can be imposed to address any perceived consumer harm.
3. eir also considers that given the need for changes to complex billing systems and contract changes, the timeframe of 6 months for the implementation of the ‘Geo-linked’ measure is not sufficient. In addition, at an industry level, eir is of the view that other operators may also require longer than the 6 month timeframe for implementation. Should ComReg decide to proceed with its proposals, eir is of the view that it would be more efficient and appropriate to combine the implementation period for the ‘Geo-linked’ and NGN consolidation measures allowing industry 2-3 years to implement both proposals.

Regulating retail markets in the absence of appropriate wholesale remedies

4. eir is of the view that ComReg's current approach to intervention in this market suffers from sequencing issues. While the measures proposed in this consultation are aimed at addressing issues at the retail level, ComReg itself considers that "*retail remedies alone would be unlikely to address any market failure at the wholesale level.*"
5. ComReg has stated that "*any issues identified at the wholesale level will be addressed in line with the approach outlined by ComReg in Information Notice 17/53R*" i.e. ComReg intends to conduct a separate assessment of wholesale charges for calls to NGNs but ComReg has also stated that it will consider any voluntary proposals in respect of operator charges for NGNs, provided these meet the needs of all stakeholders, particularly end users¹. However, in the absence of voluntary proposals, eir is of the view that ComReg would need to conduct a market review in order to intervene at the wholesale level, if such intervention is indeed necessary.
6. eir recognises the premise of regulatory oversight and the imposition of justified and proportionate remedies where sound economic and market analysis has been conducted and persistent competition problems have subsequently been identified. However, the market that ComReg is seeking to regulate by proxy is a subset of the retail markets for fixed and mobile call origination.
7. As these markets are not included in the 2014 Recommendation, ComReg is required to conduct a three criteria test for the purpose of identifying the NGN market in Ireland as being susceptible to ex ante regulation. ComReg would therefore be required to show that the following specific **cumulative** criteria apply;
 - (i) The presence of high and non-transitory structural, legal or regulatory barriers to entry
 - (ii) The market structure does not tend towards effective competition within the relevant time horizon, having regard to the state of infrastructure based and other competition behind the barriers to entry

¹ ComReg document 17/53, 'Information Notice – Wholesale Charges for Non Geographic Numbers', 14 June 2017. Available at: <https://www.comreg.ie/publication/information-notice-wholesale-charges-non-geographic-numbers/>

- (iii) Competition law alone is insufficient to adequately address the identified market failure(s)
8. This is in addition to the standard process of conducting a market review i.e. determining the product and geographic scope of the relevant market and assessing whether any firm or a number of firms hold a position of significant market power (SMP) in the market as defined for the purposes of the market review. ComReg would then be required to notify the EC of its findings and proposed measures.
9. eir also notes that the explanatory note² accompanying the European Commission's (EC) 2014 Recommendation³ on relevant product and service markets within the electronic communications sector susceptible to ex ante regulation (the 2014 Recommendation) states that when an NRA intends to regulate a market which is not listed in the 2014 Recommendation but which, in the light of specific national circumstances or where an instance of consumer harm has been identified "*the market to be analysed first is the one that is most upstream from the retail market in question in the vertical supply chain. NRAs should conduct a gradual analysis of the markets that are downstream from a regulated upstream input, until it reaches the stage of the retail market*". eir considers that the relevant wholesale markets are those for fixed and mobile call origination and as such ComReg would be required to first analyse these wholesale markets in advance of any intervention in the related retail markets.
10. It is neither proportionate nor appropriate to impose a remedy on a competitive retail market without being satisfied that this intervention is necessary and will be effective to the extent that the associated benefits will outweigh any unintended consequences. It is for that reason that any ex-ante intervention under the regulatory framework proceeds from an analysis of the relevant market. ComReg is proposing to impose a retail pricing remedy without having put itself into a position to be able to properly assess the effects of such an intervention.
11. Were eir to accept the retail remedies as proposed, there is no guarantee at all that the corresponding wholesale remedies required for the proper functioning of the NGN platform would follow. Additionally, if issues identified through the market review process

² <https://www.pts.se/upload/Regler/Explanatorynote-20141009.pdf>

³ <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014H0710&from=EN>

are corrected at the wholesale level it may be the case that retail intervention becomes unnecessary. The solution that ComReg envisages for the retail market is accordingly premature given that the corresponding wholesale review has not commenced, and may never commence. eir therefore believes that any review at the retail level needs to be put on hold until the wholesale review is conducted.

12. eir notes that ComReg's review does not include a Draft Decision but rather only includes a chapter on the proposed implementation of its preferred option. This would indicate that ComReg would have to consult again in any case. We note that ComReg's action plan (version available on the ComReg website on 11th October 2017) indicates a further consultation in Q1 2018 however that will be insufficient time to allow ComReg to undertake the necessary analysis in respect of the wholesale side of the market.
13. Even if the issue of sequencing were addressed by ComReg, eir remains of the view that there are a number of concerns related to the appropriateness and proportionality of ComReg's approach.
14. eir notes that ComReg is currently behind schedule on a number of items included in its work programme for 2017/2018, some of which have already been rolled over from its 2016/17 action plan. For example, ComReg has been slow in completing significant projects on spectrum allocation and next generation networks and is also now significantly behind in its programme of market analyses and in breach of its obligations under the Framework. eir notes that the Commission has sent a letter of formal notice to Ireland, to request that it carries out its analysis of relevant telecom markets without delay and informs the Commission within the timeframe set by EU law⁴.
15. There is a prevailing concern that ComReg's resources are not always directed at interventions which have the greatest impact on the development of the sector and that interventions currently do not seem to be prioritised towards the efficient delivery of infrastructure investment and encouraging innovation, which ultimately facilitate the best outcome for end-users.
16. eir remains unconvinced that this particular intervention in the retail market is of a more pressing nature than other work items and is of the view that ComReg should redirect

⁴ http://europa.eu/rapid/press-release_MEMO-17-3494_en.htm

internal and external resources at interventions, which have the greatest impact on the development of the sector and that are prioritised towards the efficient delivery of infrastructure investment and encouraging innovation, which ultimately facilitate the best outcome for end-users.

17. Indeed it is notable that ComReg's lengthy consultation fails to address the one potential societal issue with respect to the operation of NGNs which is the affordable access to services by vulnerable users. In this respect the 1800 range is relevant and some of the material presented by ComReg suggests that wholesale pricing arrangements may be deterring some service providers from offering services behind 1800.
18. With regard to chargeable NGNs it would seem from the material presented by ComReg that 90% of service providers have implemented arrangements which do not involve NGNs in any manner and the majority of the remainder who do use a NGN, also offer services over geographic and mobile alternatives. This is reflective of the fact that geographic significance in numbering is no longer relevant in the modern market. It also demonstrates that market mechanisms are not fundamentally broken and therefore regulatory intervention in a declining segment of the market is not proportionate.

Declining markets

19. In its response to ComReg's call for input on the wholesale retention charge associated with the provision of call origination for non-geographic numbers in 2014 (ComReg 14/23⁵), eir raised concerns that the pricing in place for mobile origination to NGNs had resulted in many Businesses moving away from these services and urged ComReg to take immediate corrective action to address market failure and the consequent consumer detriment. eir noted that the *"experience of Businesses using these services is that they have become excessively expensive to maintain with the result that the cost of servicing their customer contact numbers has become prohibitive in many cases. The outcome is Businesses are now questioning the viability of these services and are being forced to look to other lower-cost alternatives"*. It was eir's view at that time that unless the regime was corrected, the market for these services would not have a future.

⁵ ComReg Document No. 14/23 entitled 'Wholesale charges for non-geographic numbers' dated 20 March 2014.

20. Over the subsequent period and in the absence of timely market intervention, eir is of the view that this has indeed been the case and that further decline in the number of service providers (SPs) offering services over NGNs is inevitable. The market has for example seen large utilities progressing an agenda to migrate to geographic numbers over the past 6-9 months⁶. NGNs were introduced to meet a need for a non-geographic presence at a time when significant weight was associated by consumers with the geographic significance of telephone numbers. In the subsequent decades the retail market has evolved and consumer behaviour has changed. The material presented by ComReg confirms the demise of geographic significance. The behaviour demonstrated by SPs clearly demonstrates that there are no barriers to migrate to geographic numbers. To the extent that there are issues with the operation of chargeable NGNs the passage of time and market mechanics appear to be addressing them. There is no justification for the costly and disruptive approach proposed by ComReg.
21. As noted by DotEcon *“NGNs have some aspects of a two-sided market. By this, we mean that NGNs can be thought of as a ‘platform’ linking callers and SPs, where the size of the user base on one side of the platform affects the usefulness of the platform to the other side.”* Due to the two-sided nature of the market, both consumers’ and SPs’ preferences in relation to NGNs will influence each other, creating a form of feedback loop. The decline in the market has been exacerbated by the two-sided nature of the market i.e. as consumers call these numbers less, the value of NGNs to SPs decreases resulting in declining availability and in turn even less calls to these numbers and so on. Given changing consumer preferences and migration by SPs to geographic alternatives, eir considers that an accelerated pace of decline may even be possible and that ComReg’s proposal to consolidate the number of NGN ranges and the resulting increased migration will add to this feedback effect. It is also concerning that ComReg proposes to consolidate chargeable NGNs behind the 0818 number range which its own material illustrates is the least known of any of the ranges. The costs of consumer education will be higher under this option.
22. ComReg and DotEcon appear, however, to be of the view that the proposed remedies will break the cycle of this negative feedback loop and result in more SPs using NGNs and/or improved associated services leading to an increase in the number of callers using NGN services. eir considers that no tangible evidence has been provided in support of this

⁶ [X]

assessment. In fact ComReg's proposals are at odds with the material it presents. The market research suggests that both service providers and consumers have either lost faith with the use of NGNs or consider them to be irrelevant but ComReg proposes a series of disruptive and costly measures which it believes will re-invigorate the use of NGNs. As we have noted already the time for NGNs (with the possible exception of 1800) has passed.

23. DotEcon notes that *“around 10% of businesses in Ireland are providing services over NGNs. There is a general perception amongst businesses that the costs of using NGNs are high, both for the business and for its callers.”* However, eir also notes that among those survey respondents who are current NGN users, 3 in 4 also provide a landline number and a third provide a mobile number for customers to access the same service as the main NGN.
24. In addition *“call traffic to NGNs has fallen over the past five years. Between 2011 and 2015, the volume of calls to these numbers has fallen by 15%; over the same period, the total of all other voice calls has fallen by only 3.3%. Although the data included in DotEcon's analysis only covers the period from 2011 to 2015, this is a trend that eir has seen continue at an accelerating rate consistent with a natural migration.*
25. Figure 1 shows that over the last four quarters alone, calls from eir's network to NGNs have continued to decline. In fact, eir's internal data suggests that calls to NGNs have declined by [~~X~~] in this short period alone, compared to a 15% industry wide reduction over the five year period identified by ComReg and DotEcon in their analysis. This would suggest that the pace of decline has in fact accelerated in recent quarters as would be expected in line with recent migrations by a number of SPs to geographic alternatives. The decline in calls to NGNs from eir's network has been observed for calls from both fixed and mobile (See Figure 2).

Figure 1. Calls to NGNs originating on eir's network

[X]

Figure 2. Fixed and Mobile Calls to NGNs originating on eir's network

[X]

26. eir expects to see this trend continue for the foreseeable future. The decline in the total volume of calls to NGNs is likely as a result of both consumer preferences as well as migration by SPs from NGNs to geographical numbers or other platforms, illustrating the feedback effect present in the market.
27. Declining demand, and its implications for regulation, is an especially prevalent feature of telecommunications markets, which are characterised by technological development and accompanying innovation, as well as changing consumer preferences. Demand for certain services appears to be in a permanent state of decline. Such decline can be identified in the sense that it is not temporary but rather has been sustained over a number of years and is expected to continue and that it is not isolated to specific geographic areas.
28. The concern then becomes more about protecting potentially captive users without creating undue costs for other market participants and without imposing misdirected regulatory obligations.

Potential effects of ComReg's current proposals

29. ComReg considers that the proposed 'Geo-linked' NGN measure would likely result in more NGN calls being made over time because it should cause retail charges for NGN calls to fall significantly (mainly due to NGN calls being in-bundle at which point the marginal price of a call would be zero). ComReg contends that this view is supported by the results of the Consumer and Organisation Surveys.
30. However, the extent to which demand for NGN calls will increase is uncertain and will be dependent on a number of factors including the proportion of organisations that use these numbers. According to the research conducted by B&A on behalf of ComReg,

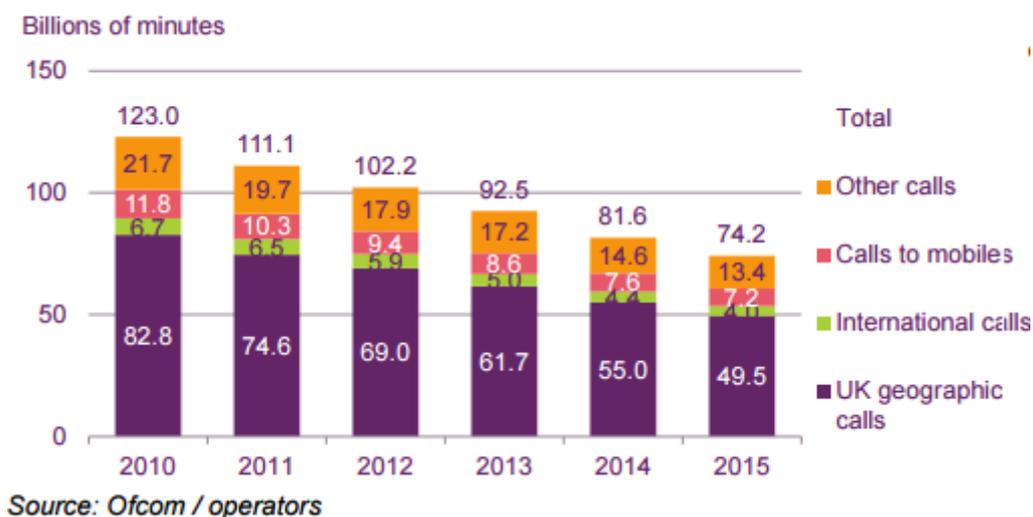
approximately 10% of organisations currently use NGNs. This also includes those SPs that use geographic and mobile numbers in addition to NGNs and B&A's research indicates that 81% of consumers aware of NGNs either prefer to access services via a geographic number or consider that there is no difference between using a geographic number or NGN to access the service.

31. In fact taking the example of the UK, Ofcom initiated a strategic review of non-geographic numbers in 2010 in response to concerns that consumers were confused about what these numbers meant and how much calls cost. As a result of its review Ofcom introduced the following remedies;

- (i) Setting a maximum retail price of zero for calls made by consumers to the 080 and 116 number ranges; and
- (ii) Introducing the unbundled tariff for calls made by consumers to the 084, 087, 09 and 118 number ranges.

32. eir notes that it does not appear that the introduction of these remedies has resulted in a significant effect on the volume of fixed calls to NGNs in the UK. According to Ofcom's 2016 UK Communications Market Report⁷, although the decline in fixed voice call volumes slowed in 2015, volumes still fell for all call types outlined below, with a rate of decline for 'Other calls' of 8.3% between 2014 and 2015 alone (See Figure 3).

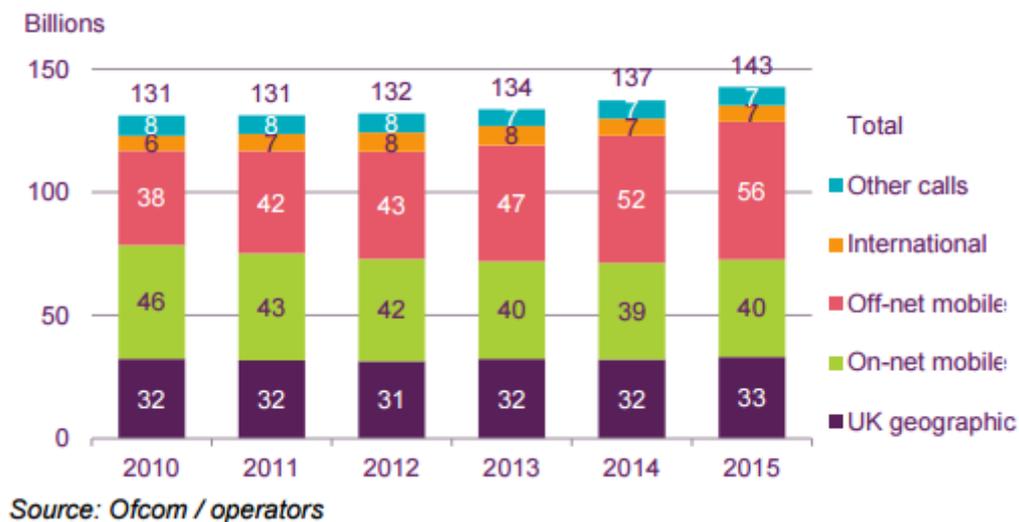
Figure 3. UK fixed voice call volumes, by type of call



⁷ https://www.ofcom.org.uk/_data/assets/pdf_file/0026/26648/uk_telecoms.pdf

33. In terms of mobile call volumes, outgoing call minutes for 'Other calls' declined between 2010 and 2012 and have remained relatively stable since. This is in the context of total mobile call minutes, which increased by five billion minutes (3.9%) to 143 billion minutes in 2015. Call volumes to UK geographic numbers, which are often used as a substitute for non-geographic numbers, also increased by 3.4% to 33 billion minutes in 2015 (See Figure 4).

Figure 4. Outgoing mobile call minutes, by type of call



34. In the Irish market, continuing migration to geographic and mobile numbers coupled with the unlikely outcome of migration back to these numbers, whether the transparency measures proposed actually serve to increase consumer understanding and the proportion of consumers that subscribe to bundles and whose bundle include geographic calls are all likely to place an upper limit on the extent to which the volume of calls to these numbers can in fact increase. Many Service Providers have already undertaken the effort to migrate successfully to geographic numbers and it is highly unlikely that they would undertake further effort to migrate to an NGN that no longer has relevance in the modern market.

35. High prices faced by SPs for receiving calls may further reduce their incentives to use NGNs further contributing to reduced call volumes. This leads to adverse feedbacks i.e. if fewer services continue to be provided over these numbers then regardless of retail

pricing, consumers are less likely to engage with the platform in terms of understanding what the various number classes mean and may call NGNs less often.

36. eir also considers that the potential revenue rebalancing that will likely ensue in the absence of wholesale remedies has been dismissed out of hand. Operators may decide to recover lost revenues at the wholesale level, particularly in the absence of wholesale regulation. Retail remedies without corresponding wholesale remedies could worsen the situation for SPs if operators seek to recover lost retail margins through higher wholesale charges.
37. Without prejudice to eir's position that ComReg cannot dictate what operators include in their bundles in this manner, eir submits that ComReg should reassess the appropriateness of imposing a remedy where there is an obligation on commercial providers to include a service in bundle, particularly in the context of retail markets that are effectively competitive and decisions as to what are included in-bundle are based on adding value for customers who subscribe to the service.
38. ComReg references its previous position that originating operators may be able to obtain a competitive advantage by including NGN calls in their customers' bundles of call minutes. This would appear to be contrary to underlying consumer preferences and eir is firmly of the view that in an effectively competitive retail market, were such a move to provide a competitive advantage, calls to all or most NGNs would already be included in bundle. Research indicates that the majority of consumers do not consider NGNs when choosing a bundle, a conclusion that is supported by the results of the B&A consumer survey, which found that *"just 5% of customers considered the inclusion of NGN minutes in different call packages when choosing provider/package for their fixed line"*
39. eir notes that this is measured on the basis of a subset of the sample i.e. those respondents who were actually aware whether or not NGN calls are included in their call package. The proportion of customers who actually take NGNs calls into consideration when choosing their bundle would therefore appear to in fact be lower. It can be assumed that those respondents who are not aware of the inclusion of NGN calls or otherwise in their bundle did not consider these services to be sufficiently important. Only 10 of a total of 1,023 respondents felt that the cost of calls to NGNs was important in influencing their decision in choosing their landline provider.

40. With regard to mobile customers *“6% of respondents stated that they considered the inclusion of NGN minutes in different mobile call packages when choosing the provider/package.”* Again this is calculated on the basis of those respondents who were aware whether or not NGN calls are included in their call package and eir assumes that this percentage is actually lower. Of the total 1,023 respondents 25 (less than 3%) felt that the cost of calls to NGNs was important in influencing their decision in choosing their mobile provider. This would suggest as noted by DotEcon that *“the price of NGN calls or their inclusion in bundles is not a competitive differentiator between operators”*.
41. eir is of the view that calls of real social value, such as those to helplines are already free-to-caller from both fixed and mobile, through the use of the 1800 range. However, nowhere in the consultation does ComReg seek to consider how the operation of this socially valuable range could be improved.

Billing costs

42. eir has a highly complex billing system with a number of different billing platforms, including legacy systems, dedicated to different customers across fixed and mobile and as such faces numerous technical constraints in implementing any changes to its billing systems. eir considers that implementing the ‘Geo-linked’ NGN measure will require significant changes to its billing system.
43. As a result eir estimates that the upfront costs associated with the proposal will be prohibitive and could be in the range of [X]. In addition eir considers that there would be additional annual costs associated with implementing the proposal.
44. eir notes that these figures are necessarily a provisional estimate but reflect the costs eir believes it would incur across all of its affected systems. These costs would of course be subject to fluctuation depending on the manner in which eir decides to implement ComReg’s proposals.
45. eir is therefore of the view that should ComReg wish to proceed with the implementation of these particular proposals at the retail level, it should engage with stakeholders to develop a full understanding of the true costs and likely benefits that will be involved.

Legal basis of ComReg's proposals

46. It is clear from the regulatory framework that ComReg's remit in terms of non-geographic numbers includes (i) the power to specify tariffs and tariff principles, and (ii) an obligation to promote the provision of clear information, in particular by requiring transparency of tariffs. However, ComReg appears to be overreaching in terms of what it has the power to do under the concept of "tariff principles".

47. At paragraph 1.7 of the consultation document, ComReg has stated that it is proposing to have two main categories of "retail tariff principles" as follows:

- *"Freephone" retail for '1800' NGNs (i.e. to retain the current tariff principle); and*
- *a retail tariff, for the other four classes of NGNs, which would be equivalent to GN calls (i.e. to 'geo-link' NGN calls to equivalent GN calls so that, for example, if a consumer's GN calls are included in their bundle of call minutes then that consumer's NGN calls must also be included in their bundle of call minutes).*

48. While the concept of "tariff principle" has not been clearly defined, it seems to us from a review of the relevant regulatory provisions that tariff principles relate specifically to the calculation of tariffs. This interpretation is supported by a report prepared for DG Connect on future electronic communications markets subject to ex-ante regulation which makes the following statement:

*SMP regulation is not the only possible route under the Framework. Some NRAs have taken advantage of their **powers to regulate tariff principles to require service providers to adhere to rules on how the retail charge is constructed**. Depending on how this is implemented, this could both improve transparency for consumers and reduce problems arising from discrimination.⁸ [Emphasis added]*

49. In the same report to DG Connect, in the section dealing with access to 'special rate' services such as NGNs, it also states the following:

⁸ Future electronic communications markets subject to ex-ante regulation, Final report, DG Connect, 18 September 2013, pages 30, 154 and 424

*The precise market definition would need care and might depend **both on national retail tariff principles and on which services are included within popular bundles.***⁹ [Emphasis added]

50. eir acknowledges that ComReg's numbering powers allow it to regulate what tariffs are imposed on consumers in terms of NGNs or the principles on which these tariffs should be calculated, as it has already done through conditions attached to the General Authorisation. However, in our view, ComReg is not entitled under its numbering powers to direct that operators include certain services in our bundles. This is a commercial decision for eir and indeed other operators and, as already stated in this document, such decisions are (and should be) based on consumer preferences. This position is also in line with the UK market where the measures more recently imposed in terms of NGN tariffs also make it clear that the decision as to whether to include those numbers in bundle is for the individual operator.
51. In ComReg's 2015 Numbering Conditions of Use, it did not impose a requirement on operators to include NGNs in-bundle, but it has strongly encouraged them to do so in the past stating that such would *"provide a competitive advantage, while also serving to preempt customer complaints"*¹⁰. However, ComReg itself has recognised in the specific context of calls to non-geographic numbers that *"the issue of bundling lies within the realm of an operator's commercial freedom. It therefore limits itself for the moment to encouraging operators to recognise the logic of treating non-geographic numbers (including 1850/1890) in this more inclusive way"*¹¹. eir is of the view that this rationale still holds and that no evidence has been provided by ComReg as to why its position has changed in the meantime. In fact, ComReg recognised at that time that *"should the usage of 1850/1890 numbers continue to give rise to complaints and these focus on bundling, as indeed some to date have done, ComReg will consider the need for extra transparency measures."* eir notes, that no mention was given to a potential move towards the compulsory bundling of NGN calls.

⁹ Future electronic communications markets subject to ex-ante regulation, Final report, DG Connect, 18 September 2013, page 154

¹⁰ ComReg D01/11

¹¹ ComReg 10/60

52. DotEcon in its report appears to be relying on a judgment of the European Court of Justice (ECJ) to support the view that ComReg can impose an obligation on operators as to what services it must include in customer bundles. However, we note that the questions put to the Court in that case¹² related to the following provisions:

1. *Providers of public telephone services or associated providers of public electronic communications networks which also control access to end-users shall guarantee that end-users are able to use services using non-geographic numbers within the European Union.*
2. *The obligation referred to in paragraph 1 in any case means that, in respect of calls to numbers from the sequences 0800, 084, 085, 087, 088, 0900, 0906, 0909, 116, 14 or 18, the providers of public telephone services and of public electronic communications networks referred to in paragraph 1 must apply tariffs or other charges which are comparable to the tariffs or other charges levied by those providers for calls to geographic numbers, and that they may levy a different tariff or different charge only if that is necessary in order to cover the additional costs related to the calls to those non-geographic numbers. It may be provided, by ministerial decree, that that obligation is to apply to other categories of providers or to other categories of non-geographic numbers.*

53. The case did not deal with any obligation to include NGNs within customer bundles. The case also confirmed that whether measures imposed by a national regulatory authority are necessary and proportionate based on the nature of the perceived problem is a national matter having regard to all relevant circumstances.

54. It appears to us that via this consultation ComReg may be attempting to circumvent the provisions of the European Commission's recommendation on markets susceptible to *ex ante* regulation¹³ by imposing obligations in a retail market without first addressing potential issues at the wholesale level.

55. We also submit that any measure imposed by ComReg must be suitable, necessary and proportionate. Having regard to the potential issues identified by ComReg in the

¹² Case C-85/14 *KPN BV v Autoriteit Consument en Markt (ACM)*

¹³ Commission Recommendation on relevant product and service markets within the electronic communications sector susceptible to *ex ante* regulation in accordance with Directive 2002/21/EC of the European Parliament and of the Council on a common regulatory framework for electronic communications networks and services (9.10.2014)

consultation document and the fact that this is a consistently declining market, there are more suitable and proportionate measures that can be imposed at the retail level to address any perceived consumer harm. In this regard, it is interesting that ComReg has stated in the consultation document that it has excluded PRS numbers from the consultation purely on the basis that PRS providers must display the cost of calling their services in all advertising. It seems to us therefore that a more proportionate response to this perceived consumer harm (and we do not believe that ComReg has provided sufficient evidence of any real consumer harm) would be to impose further obligations on operators in respect of the transparency of the NGN tariffs.

56. Finally, eir notes that BEREC's report on "Special Rate Services"¹⁴ also provides the following guidance to national regulatory authorities on the regulatory options available in circumstances where competition problems arise in the provision of calls to special rate services at national level:

In selecting an appropriate measure, the goal is to address the root problems through the least intervening measures. The goal of the regulatory framework is to solve the problems with only wholesale regulation when possible. [Emphasis added]

57. In light of the above, eir does not understand why ComReg is seeking to impose retail remedies in relation to NGNs without first looking at the wholesale market.
58. Any measure imposed by ComReg must be suitable, necessary and proportionate. Having regard to the specific issues identified by ComReg in the consultation document, there are more suitable and proportionate measures that can be imposed to address any perceived consumer harm. It seems to eir therefore that a more proportionate response to this perceived consumer harm (and eir does not believe that there is evidence of any real consumer harm) would be to impose obligations on operators in respect of the transparency of the NGN tariffs.

¹⁴ BEREC Report of Special Rate Services, BoR (12) 55

Q. 2 Do you agree with ComReg's proposal to withdraw the '1850', '1890' and '076' NGNs following a 2 – 3 year transitional period? Please explain the basis for your response in full and provide any supporting information.

59. eir does not agree. ComReg is proposing to reduce the five classes of NGN to two, so that consumers will more readily understand the cost of the calls they are making. While eir is of the view that a certain level of consolidation of the five NGN classes may be of benefit in terms of simplicity and for the purpose of increasing consumer understanding, there are a number of issues to consider in this regard.
60. As previously noted by eir, there is potential for the consolidation of the NGN classes to increase and/or accelerate migration from 1850, 1890 and 076 to geographic numbers contributing to further decline of the market. There is no guarantee that those SPs affected will choose to migrate to either 1800 or 0818 absent a review of wholesale pricing arrangements.
61. eir considers that given consumer preferences, existing migration trends and the fact that ComReg's proposal to include calls to NGNs in bundle will not address pricing issues for all customers, this is an extremely likely outcome. For SPs who have already migrated across non-geographic services in the past (e.g. many large Corporates who have previously migrated from 1800 to 1890 and 0818), this would be an additional migration, which would add no real value from a functional perspective and would only serve as an costly inconvenience for them to migrate again. This proposal would also force changes to marketing collateral which would generate unnecessary cost to SPs.
62. Consumers are already very familiar with the 1850 and 1890 ranges and increased consumer understanding is by no means a certain outcome. As the range that consumers are least familiar with, eir considers that in terms of consolidation, it may be of most benefit to withdraw the 076 range.

Migration costs

63. eir is of the view the withdrawal of the '1850', '1890' and '076' NGNs following a 2 – 3 year transition period and thus aggressively consolidating the NGN range would be disruptive and costly for SPs as they would have to manage the migration of services onto either of the remaining NGNs (1800 or 0818) or alternatively onto a geographic number.

64. eir considers that such migration costs will include replacement of stationery, replacement of advertising and promotional material, replacement of signage, telecommunications costs (e.g. operating dual number rangers for a transitional period) and administrative and other costs. In its Strategic Review of Non-Geographic Numbers, Ofcom estimated, following stakeholder engagement that the potential migration costs involved could range on average from £1,000 to £2,500¹⁵ or approximately €1,350 to €2,700¹⁶ per SP.
65. eir is of the view that this is indicative of the average costs per firm that SPs in Ireland which are utilising the 1850, 1890 and 076 ranges could face in the event that ComReg proceeds with its proposal of aggressively consolidating the NGN range. However, estimating the true industry level costs of this migration would require detailed analysis by ComReg.
66. Due to the provisional nature of these cost estimates and the lack of analysis by ComReg as to the potential costs involved for industry as a whole, eir urges ComReg to engage in further stakeholder engagement on this issue to ensure that the costs associated with its proposals will not outweigh the benefits.

Q. 3 Do you agree with ComReg's proposed NGN transparency measures? Please explain the basis for your response in full and provide any supporting information.

67. ComReg notes that its preferred option (the proposed 'Geo-Linked' pricing tariff and consolidation of the five NGN classes) may mitigate some of the problems created by poor transparency, however certain consumers (i.e. some pre-pay consumers) will continue to pay out of bundle rates (price per minute) and consumers with bundles may also at some point make calls to NGNs that are out of bundle (i.e. when they have used up their minutes). Given this, ComReg considers that specific transparency measures appear necessary.
68. eir considers that sufficient evidence related to transparency issues has not been provided by ComReg. It is unclear the extent to which perceived transparency issues are due to

¹⁵ https://www.ofcom.org.uk/data/assets/pdf_file/0021/62823/part_a_8_13.pdf

¹⁶ Based on historical exchange rates

consumer indifference as opposed to any perceived market failures. eir is also of the view that insufficient detail has been provided as to the timelines that would apply with regard to the proposed transparency measures or indeed which proposed measures will in fact be imposed.

69. ComReg has included a number of concerns around the NGN platform primarily related to transparency issues and a lack of consumer knowledge regarding the costs of calls to NGNs. eir notes that any transparency issues should be tackled by remedies directly related to transparency rather than a geo-linked pricing remedy, which as noted “*may mitigate some of the problems created by poor transparency*” [Emphasis added], particularly in the scenario where the proposed pricing remedies will not apply for all customers or all of the time, so in any event transparency measures would still be required.
70. ComReg’s proposals do not appear to be proportionate in terms of the perceived market failures, if indeed these are true market failures. It would appear that for most consumers the cost of calls to NGNs, their cognisance of the price, and the impact of the price on them is of little importance.

8: Electricity Supply Board Group

NON-CONFIDENTIAL



Energy for
generations

Telecom Services, ESB Networks

ESB Group response to ComReg's Consultation on Review of Non-Geographic Numbers (17/70)

12/10/2017



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1. INTRODUCTION

ESB Group welcomes the opportunity to respond to the Commission for Communications Regulation (ComReg) consultation in relation to its proposed Review of Non Geographic Numbers (17/70)

In spite of advances in alternative customer communications channels, customer contact by telephone remains the preferred method of contacting customer service functions. ESB Group does not anticipate that the primary method of contacting relevant customer service functions will change in the medium or long term. ESB Group is a vertically integrated electricity utility with a large number of customer service 18xx numbers. The majority of inbound NGN numbers are owned by Electric Ireland, an Energy Supplier and ESB Networks, the Low Voltage (LV) and Medium Voltage (MV) Network Operator.

ESB Networks and Electric Ireland have owned and maintained 1850 numbers for the past 20 years. Both business units have invested branding, PR and Telco subsidies in these numbers over this time. It is worth noting that both business units choose 1850 number due to the lower customer cost in contacting relevant customer service functions.

The ESB Networks Fault and Emergency contact number (1850 372 999) is an extremely important service of strategic importance to both ESB Networks and the general public. This number is critical to both the general public as well as other emergency service functions in emergency scenarios. The potential safety and public service implications of disruption to this number are significant.

Customer Service functions within ESB Group are committed to maintaining excellent levels of customer service at low costs to end customers. ESB Group would strongly favour the introduction of lower cost tariffs to customer. Our response strongly recommends the retention of the 1850 number range over 0818 numbers.

2. INTRODUCTION TO ESB GROUP OF COMPANIES

The following business units provide 1850 customer service functions to customers:

ESB Networks

ESB Networks Ltd. (ESB Networks), a regulated subsidiary within ESB Group, is the licensed operator of the electricity distribution system in the Republic of Ireland. ESB Networks is responsible for building, operating, maintaining and developing the electricity network and serving all electricity customers in the Republic of Ireland.

Electric Ireland

Electric Ireland Ltd. is a regulated supplier of Electricity and Gas to retail customers in the Republic of Ireland.

3. RESPONSE TO CONSULTATION

Q. 1 *Do you agree with ComReg's proposal to introduce the 'Geo-linked' NGN measure by replacing the current retail tariff General Authorisation conditions for '1850', '1890', '0818' and '076' NGNs with a new 'Geo-linked' retail tariff General Authorisation condition of use? Please explain the basis for your response in full and provide any supporting information.*

ESB Networks

ESB Networks agrees with any measure that lowers the cost to consumers to ring our customer service centres. We rely on customers to inform us of electricity emergency/dangerous situations as well as local faults on the electricity network. ESB Networks already publishes resilient "geographic" equivalent numbers that retain the resilient routing characteristics of our NGN 1850 numbers. These numbers are published to allow customers to contact ESB Networks using bundled minutes within call packages.

Electric Ireland

Electric Ireland agrees with all measures to reduce customers call charges when contacting us.

Q. 2 *Do you agree with ComReg's proposal to withdraw the '1850', '1890' and '076' NGNs following a 2 – 3 year transitional period? Please explain the basis for your response in full and provide any supporting information.*

ESB Networks

ESB Networks do not agree with the proposal to withdraw 1850 numbers. ESB Networks recommends that 1850 calls are mandated to be included in call package bundles.

ESB Networks do not agree with this proposal for the following reasons:

- The 1850 variant of NGN number has been far more customer friendly than 1890 or 0818 numbers, and has traditionally cost the owner of the number more in terms of telco service costs. As the most customer friendly number, this should be retained.
- The 1850 variant is more prevalent among customer service contact numbers, and is therefore the obvious number to be retained.
- There is also a disproportionate cost to ESB Networks in moving from 1850 to another NGN format.
 - o The number is published on a significant number of assets (Poles, vehicles, substations, LV active equipment). There are approximately two million poles carrying LV overhead electricity transmission lines. The majority of these are branded with the ESB Networks emergency contact number.
 - o From a safety perspective, a transition to a new number will pose challenges in ensuring all members of the public become familiar with the new number. This is a 24/7 emergency service and the number has been in

existence for approximately 20 years. The public safety impact of transitioning to a new number could be significant. A practical example of this is if customers cannot find or look up the new number to contact ESB Networks during a power outage or electricity emergency.

- The impact of customers not being able to ring ESB Networks to report network outages can impact on the stability and health of the electricity network, which is strategically important economically and socially to society as whole, and also to ESB.

Electric Ireland

Electric Ireland do not agree with the proposal to withdraw 1850 numbers. Electric Ireland also recommends that 1850 calls are mandated to be included in call package bundles.

The 1850 variant is customer friendly and has been in use for 20 years. The 1850 number is published on all digital and correspondence assets. The cost to amend letters, bills, marketing collateral and digital assets would be significant.

Q. 3 Do you agree with ComReg's proposed NGN transparency measures? Please explain the basis for your response in full and provide any supporting information.

ESB Networks:

As a customer friendly measure, ESB Networks agrees with the proposed NGN transparency measures. As an ACCA accredited contact centre, the ESB Networks NCCC (Networks Customer Contact Centre) welcomes any measure that reduces the cost of contacting us by telephone.

Electric Ireland:

As above for Electric Ireland

4. SUMMARY

The subsidiary companies within ESB Group are broadly in favour of the proposed changes, but strongly believe that the 1850 variant should be retained to minimise disruption on the public as well as customer service functions in organisations such as ESB Networks and Electric Ireland. The transition from 1850 to 0818 is not a logical option for the majority of customer service departments that utilise 1850 numbers.

ESB Group also recommends a longer transition period for any proposed changes (e.g. 5 years).

ENDS

9: Food Safety Authority of Ireland

NON-CONFIDENTIAL

ComReg Consultation 17/70 - Review of Non-Geographic Numbering

The Food Safety Authority of Ireland (FSAI) currently uses a non-geographic number for calls received to the FSAI Advice line (1890 33 66 77). As per the ComReg Consultation 17/70 - Review of Non-Geographic Numbering please find the FSAI's response to the proposals for consideration towards decision:

Q. 1 Do you agree with ComReg's proposal for a new 'Geo-linked' NGN measure which would replace the current retail tariff General Authorisation conditions for '1850', '1890', '0818' and '076' NGNs with a new 'Geo-linked' retail tariff General Authorisation condition of use? Please explain the basis for your response in full and provide any supporting information.

FSAI Response: Based on the research carried out by ComReg the FSAI would support the proposal for a new 'Geo-linked' NGN which would replace the current retail tariff. From the research paper the FSAI understands that the "Geo-linked" NGNs will allow customers to avail of financial efficiencies associated with individual call bundles and this in turn results in benefits for the customer.

There will be financial costs for current holders of '1850', '1890', '0818' and '076' NGNs to consider and absorb with the move to "Geo-linked" NGNs. These include advertising costs associated with the promotion of new "Geo-linked" numbers. There will also be technical costs for current holders of retail tariff NGN's to consider as telephone systems require reprogramming with the new organisational associated Geo-linked' NGN.

Taking the financial costs of promoting new "Geo-linked" numbers for organisations into consideration the FSAI would anticipate that ComReg will deliver a high level advertising campaign in advance of any changes to ensure amendments and awareness is communicated to the general public.

The FSAI notes ComReg 17/70 Section 6.13 – Information Campaign and supports the steps proposed to communicate awareness of the proposed measures.

Q. 2 Do you agree with ComReg's proposal to withdraw the '1850', '1890' and '076' NGNs following a 2 – 3 year transitional period? Please explain the basis for your response in full and provide any supporting information.

FSAI Response: The FSAI agrees with ComReg's proposal that a transitional period of 2-3 years is an acceptable transitional period to withdraw *the '1850', '1890' and '076' NGNs.*

Q. 3 Do you agree with ComReg's proposed NGN transparency measures? Please explain the basis for your response in full and provide any supporting information.

FSAI Response: The FSAI also supports ComReg's general proposal to keep two types of NGN's (1800 Freephone & 0818 Geo-linked pricing) only for simplification and transparency purposes for the customer.

The support for ComReg's proposed NGN transparency measures is caveated with the cost considerations as noted by the FSAI under Q1.

Submitted by:

Marc Kane (IT Manager) - on behalf of The Food Safety Authority of Ireland (FSAI).
September 2017.

10: Consumer [by email]

NON-CONFIDENTIAL

Reference: Consultation 17/70 - Review of Non-Geographic Numbering Response to ComReg consultation on 1850, 1890, 0818 and 076 non-geographic numbers

<https://www.comreg.ie/publication/review-non-geographic-numbers/>

Non-geographic numbers starting 1850, 1890, 0818 or 076 are used by many well-known businesses, banks, utilities and public services. Many of these services are vital to consumers and to the economy but exclusion of calls to these numbers from inclusive call allowances and call bundles has caused immense consumer harm. Where these numbers are used for post-sales enquiries and issues they may breach the spirit, if not indeed the letter, of the EU Consumer Rights Directive 2011/83/EU. It is good to see that this may now be solved by withdrawing these numbers and replacing them with a scheme where these calls become inclusive in allowances. However, there are a number of important points to consider.

Termination rate (Wholesale charges)

Provision of a non-geographic number may or may not involve a third-party telecoms provider. The provision of any sort of non-geographic number incurs additional costs for call-forwarding and other technical features that are not found on standard calls to ordinary landline or mobile numbers. These additional call-handling and call-forwarding costs can be loaded on to the called party or on to the caller through higher termination rates.

In the case of freephone numbers, the additional charges are paid by the called party. The called party also pays the caller's provider for the call. In the case of premium rate numbers, the caller pays their landline or mobile provider for the call. The caller also pays an additional sum, or "premium", to the benefit of the called party and their telecoms provider. This can pay for the non-geographic call-handling and call-forwarding charges and can also be used to pay out an additional sum to the called party in the form of "revenue share".

Presumably, the new non-geographic numbers scheme will see the caller's phone provider paying a small termination charge to the provider of the non-geographic number in much the same way as is already the case for calls to geographic or mobile numbers. However, if this charge is excessive, this could cause the caller's phone provider to either scale back the level of inclusive calls they can offer to their customers for the same price, or substantially increase the monthly charge for such call packages. This consumer detriment can be easily avoided by capping the wholesale charge for calls to these non-geographic numbers so that it is similar to that charged for calls to geographic numbers.

On calls to geographic numbers or standard mobile numbers, if the call is subsequently forwarded elsewhere, it is the called party that pays the additional call-forwarding charges - and rightly so. The proposal by ComReg for an equivalent allocation of revenue-neutral non-geographic numbers should follow that same principle: the additional call-handling and call-forwarding charges should be borne by the called party and not by the caller's phone provider.

Number migrations for existing services

Merging four disparate prefixes into one simple-to-remember number range seems, on the face of it, like a good idea but there are several issues to address.

As the 1850, 1890, 0818 and 076 ranges are used by very many well-known businesses, banks, utilities and public services, when they change their number - as they inevitably must - it is important that there is a well-defined, simple and easy to remember migration path from old to new number. A short period of parallel-running (perhaps a few months) would also seem to be in order.

The current proposal is to utilise the "0818 plus 6 digits" number range for the new service. As the 08 range is used mainly for mobile phones, this does not appear to be the right home for "non-geographic numbers that are inclusive in allowances or otherwise charged the same as calling a geographic number".

Additionally, I cannot see how 076 plus 7 digits, 0818 plus 6 digits, 1850 plus 6 digits and 1890 plus 6 digits can be merged in a simple manner into a single prefix (0818) that currently allows only 6-digit subscriber numbers. It seems that a prefix with 7-digit numbers would be needed and perhaps, given the 076 range has 7 digit numbers, two such codes would be needed. Many users of non-geographic numbers have chosen a memorable number. It is important that upon migration the final six digits remain the same as before.

Using 077 in addition to 076?

Perhaps it is 076 that should remain in place and an adjacent prefix (such as 075 or 077) be used for the new service, with this new prefix replacing 1850, 1890 and 0818?

076 xxx xxxx --> 076 xxx xxxx
1850 xx xxxx --> 077 **5**xx xxxx
0818 xx xxxx --> 077 **8**xx xxxx
1890 xx xxxx --> 077 **9**xx xxxx

This would enable a simple advertising campaign covering both the cost of calling 076/077 numbers and detailing the specific number migration paths where applicable. To avoid hijacking of new numbers by competitors or scammers, the matching new 077 numbers (those starting with 5, 8 or 9) should be made available only to the organisation currently or previously using the exactly matching old 1850, 1890 or 0818 number.

There is one further issue to solve. What to do about numbers starting 71 xxxx? There are two migration choices.

1850 71 xxxx --> 077 **571** xxxx 1850 71 xxxx --> 077 **715** xxxx
0818 71 xxxx --> 077 **871** xxxx OR 0818 71 xxxx --> 077 **718** xxxx
1890 71 xxxx --> 077 **971** xxxx 1890 71 xxxx --> 077 **719** xxxx

The latter has the 71 digits immediately after the prefix but is a slightly more complicated migration path.

Utilisation of the 076 and 077 ranges, with 7-digit numbers, for the new scheme would also ensure a large supply of available numbers for a very long period into the future. It would also mean the 08 range being more clearly defined as allocated to mobile phones.

While the 076 range may not be currently all that memorable, a solid public information campaign on the changes to non-geographic numbers could soon reverse that. Utilising a number range that is not 1850, 1890 or 0818 would enable their bad reputations to be left behind.

Using 081 ranges?

If ComReg is set on using an 08 range, perhaps the proposal could be modified to utilise more of the 081 range. However, the problem of how to merge the 076 range remains:

076 xxx xxxx --> 076 xxx xxxx
1850 xx xxxx --> 081 **5**xx xxxx
0818 xx xxxx --> 081 **8**xx xxxx
1890 xx xxxx --> 081 **9**xx xxxx

A migration path for numbers starting 71 xxxx would also need to be taken into account.

It is readily apparent that trying to shoehorn four old number ranges into either part of the 07 or 08 range may not be the best plan. This may in fact be just the right time to start utilising the 03 range (perhaps initially avoiding the 030, 033, 034 and 037 prefixes as similar numbers are already in use in the UK - albeit with an extra digit).

Using 03 ranges?

Using the 03 range would give the best opportunity to start afresh with a new number range with the completely new retail pricing regime, clear rules for termination rates and without transferring any of the consumer concerns currently attached to the existing 1850, 1890, 0818 and 076 ranges. Again, a set of simple migration paths from old to new number would need to be defined and publicised.

1850 xx xxxx --> 038 **5**xx xxxx
0818 xx xxxx --> 038 **8**xx xxxx
1890 xx xxxx --> 038 **9**xx xxxx
076 xxx xxxx --> 039 xxx xxxx

A migration path for numbers starting 71 xxxx would also need to be taken into account.

Reputation

From the perspective of consumers, the reputation of the 1850, 1890, 0818 and 076 ranges is shot to pieces. Starting afresh with an entirely new number range, such as 03, and with new rules for call termination rates and for retail pricing and so on, offers the best bet for improving consumer confidence in non-geographic numbers.

Freephone range

Continuation of the 1800 range for freephone services seems to be the best plan for at least the time being. This may need to be revisited if the stock of available subscriber numbers starts to run low.

If at some time in the future it is decided to move to the 080 range, avoiding 0800 and 0808 and using prefixes from 0801 to 0807 and 0809 would eliminate the potential for the mis-dialling of UK 0800 and 0808 numbers.

Premium rate ranges

Continuation of the various 15xx ranges for premium rate services seems to be the best plan.

Choices for replacing 1850, 1890, 0818 and 076

First choice: 038 and 039

Second choice: 076 and 077

Third choice: 076 and 081.

11:Irish Tax Institute

NON-CONFIDENTIAL



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Mr Brendan O' Brien
Commission for Communications Regulation (ComReg)
One Dockland Central,
Guild Street,
Dublin 1, D01 E4X0

Submitted to: marketframeworkconsult@comreg.ie

12 October 2017

Dear Mr. O' Brien

Reference: Consultation 17/70 – Review of Non-Geographic Numbers

The Irish Tax Institute is the leading representative and educational body for tax advisers in Ireland with over 5,000 members. Institute members assist thousands of Irish taxpayers to comply with their tax obligations and play an integral part in the effective administration of the Irish tax regime.

Our members are frequent users of 1890 Non-Geographic Numbers (NGN), as the Revenue Commissioners (Revenue) extensively use the 1890 platform to deliver their telephone service. Many of our members call Revenue's phonelines multiple times a day to deal with their clients' tax affairs. In fact, the 1890 Revenue telephone service is now one of the main communication channels with Revenue for tax advisers (and for taxpayers).

We welcome the opportunity to provide input on our members' perspective of the 1890 service. As such, we are responding to Question 1 in the Consultation Paper - ComReg's proposal to cap the cost of a call to an 1890 number at the equivalent cost of a call to a landline in the same geographic location.

This would also require 1890 calls to be included in “bundled minutes” on the same basis as calls to landlines.

On numerous occasions, members have raised with us the high cost of calling the Revenue 1890 phonelines and the exclusion of these numbers from the packages of “bundled minutes” sold by telecommunications companies. At busy times in the tax year, for example in advance of key deadlines for filing tax returns, the volume of calls to Revenue increases substantially. This in turn exponentially increases the cost of calls for our members, due to the length of time spent on hold waiting to get through to Revenue. At peak times, members can spend up to 30 minutes in the “queue” of callers. The costs can be even higher when ringing from a mobile number. As acknowledged in the Consultation Paper, calls from mobile phones to 1890 numbers can cost up to five-times the cost of a call from a fixed line.

As we understand it, the 1890 platform is the current platform that best delivers an effective telephone service for Revenue, given the large volume of calls received.¹ In 2016, Revenue received nearly 2.7 million phone calls.² In recent years, Revenue has considerably extended its use of 1890 numbers to provide a better quality and more responsive telephone service. The 1890 platform allows Revenue to analyse call volumes and better manage demand to reduce waiting times for callers, with a view to delivering a service consistent with Revenue’s Service Standards. The telephone service is a vital component of Revenue’s service to ensure tax queries are addressed in a timely and cost-effective manner.

The main reason for introducing 1890 numbers 20 years ago was to reduce the cost of telephone calls for consumers. In particular, it was intended that 1890 numbers would ensure that individuals contacting government departments or similar organisations by telephone from anywhere in Ireland would pay no more than the cost of a local call.

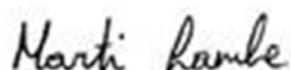
¹ Minister for Finance, Public Expenditure and Reform, Paschal Donohoe T.D in response to a Parliamentary Question on 11 September 2017

² Ibid

The Irish landscape has changed considerably since the introduction of the 1890 service, given the emergence of mobile phone services and market competition. However, consumers still need to be able to contact government offices and similar organisations at a reasonable cost and the 1890 service is not delivering on this requirement, due to the high costs of calling these numbers.

For the reasons outlined above, we support ComReg's proposal that the cost of calling an 1890 number should not exceed the equivalent cost of calling a landline in that geographic location and that 1890 numbers should be included in packages of "bundled minutes" on the same basis as other landlines.

Yours sincerely

A handwritten signature in black ink that reads "Martin Lambe".

Martin Lambe

Chief Executive

12: Mr. Mark Hely Hutchinson

NON-CONFIDENTIAL

SUBMISSION TO COMREG ON NGN NUMBERS

Reference: Consultation 17/70 - Review of Non-Geographic Numbering

Q. 1 Do you agree with ComReg's proposal for a new 'Geo-linked' NGN measure which would replace the current retail tariff General Authorisation conditions for '1850', '1890', '0818' and '076' NGNs with a new 'Geo-linked' retail tariff General Authorisation condition of use? Please explain the basis for your response in full and provide any supporting information.

Yes – I agree. There are too many freephone or low cost numbers at present and no normal consumer can be expected to understand what each will cost. So the reduction in the range of such numbers will be an advantage for all. Adding NGN numbers to “bundles” is also clearly in the interest of consumers.

Q. 2 Do you agree with ComReg's proposal to withdraw the '1850', '1890' and '076' NGNs following a 2 – 3 year transitional period? Please explain the basis for your response in full and provide any supporting information.

Yes – I agree. See reason above. The consultation document explains why a transition period is necessary and I accept that.

Q. 3 Do you agree with ComReg's proposed NGN transparency measures? Please explain the basis for your response in full and provide any supporting information.

Yes – I agree. The new arrangement will be much more user-friendly.

Submitted by:
Mark Hely Hutchinson

13: Office of the Government Chief Information Officer

NON-CONFIDENTIAL

Response to Comreg document 17/70 “Review of Non-Geographic Numbers”

The Office of the Government Chief Information Officer is a unit within the Department of Public Expenditure and Reform. The OGCIO has a broad remit which includes responsibility for supporting digital service delivery and innovation initiatives across the public service. A number of such initiatives relate to supporting the rollout of telephone services for services catering for both the public and internal functions of the civil/public service.

In response to the high cost of calling 1850/1890 NGNs the OGCIO, then known as CMOD, issued an advice note in 2011 highlighting the potential costs and suggesting the 076 NGN range as a possible alternative. The advice note published at that time is attached to this submission. At that point 076 NGNs were treated in a similar manner to GNs and included in most bundles. Since that advice note issued the 076 NGNs have been adopted by a significant number of organisations. For example:

- Citizens Information Board
 - Citizens Information Centres
 - Citizens Information Phone Service
 - Money Advice and Budgeting Service (MABS)
 - National Advocacy Service for People with Disabilities.
- Taxi Regulator
- HSE
- Teagasc
- Department of Agriculture, Food and the Marine
- Department of Public Expenditure and Reform
- Peoplepoint HR Shared Service
- Payroll Shared Service Centre
- SUSI education grant service
- Used for integration with Tetra digital radio service for emergency services.
- National Shared Service Office
- Office of Government Procurement

These above organisations use the 076 NGNs for both customer facing service lines and for direct dial extensions to staff.

Rationalisation of NGN ranges from five to two (recommendation 2). Needs to be accessible internationally as 0818 and 076 are today. The regulatory options as set out in 5.5.3 give a range of possible solutions. The OGCIO would urge Comreg to maintain the 076 number range as it allows SPs to maintain a “neutral” geographic stance as well as maintain the ability to receive international calls.

Q. 1 Do you agree with ComReg's proposal for a new 'Geo-linked' NGN measure which would replace the current retail tariff General Authorisation conditions for '1850', '1890', '0818' and '076' NGNs with a new 'Geo-linked' retail tariff General Authorisation condition of use? Please explain the basis for your response in full and provide any supporting information.

The OGCIO fully agrees with the proposal to implement a 'Geo-linked' NGN measure. The experience of the OGCIO in implementing the 076 NGN range has shown that the categorisation of calls as "out of bundle" causes considerable confusion and expense for consumers.

The OGCIO was allocated the 076 1XX XXX range by Comreg and terminates these calls to public service bodies via the Government Networks infrastructure. We terminate 076 1XX XXX numbers at no cost with peered carriers and are willing to peer with any carrier who wishes to do so via private interconnects. We agreed to this termination on the understanding that calls to this number range are treated in the same manner as GNs, in particular their inclusion in any GN call bundles that may be offered to subscribers.

The OGCIO is not aware of any fundamental difference in how carriers route or terminate calls to NGNs that explains the significantly higher call costs as per section 5.42 or the treatment of such calls as out of bundle.

The Payroll Shared Service Centre, which handles payroll processing and pension payments for the civil service, has received regular complaints about high call costs from customers who were surprised that the call was not included in bundle plans. The PSSC is just one of the bodies to receive regular complaints on this matter.

Q. 2 Do you agree with ComReg's proposal to withdraw the '1850', '1890' and '076' NGNs following a 2 – 3 year transitional period? Please explain the basis for your response in full and provide any supporting information.

The OGCIO does not agree with the withdrawal of the 076 NGN number range. The intention of the 076 number range was to cater for the same requirements served by GNs. In particular, this range was to be used to allow for general calls to recipients with the sole difference being that the call would ultimately be delivered over IP. The OGCIO has successfully rolled out a significant number of 076 numbers in this manner over the Government Networks IP backbone. As a service provider with divisions operating across the state the ability to have a number range that is not tied to a geographic area is a key requirement. By way of an example the following section appears on the PSSC web site:

"The PSSC operates from three locations (Galway, Killarney and Tullamore) and is staffed and managed by Civil Servants. There is one management structure across the PSSC with the Head of the PSSC responsible for the three locations. Each location operates the same processes with the same technology."

Callers to the main PSSC line (0761 00 2702) have no expectation of where the call will be answered. This also applies when a caller rings an individual extension. This ability allows the PSSC to seamlessly move functions and individual staff between locations and even organisations without impacting on services.

As noted in the report the deployment of 076 numbers has been carried out in a manner similar to GNs with blocks of numbers being assigned to organisations for general use rather than the "case by case" allocation of the other NGN blocks. Making a transition from 076 to the 0818 range may not

be practical given the large number of 100 and 1,000 blocks that would be required. A transition to GNs could also be problematic when seeking the same blocks of numbers.

Q. 3 Do you agree with ComReg's proposed NGN transparency measures? Please explain the basis for your response in full and provide any supporting information. The OGCI0 has no objection to the transparency measures as outlined in the review.



To: All ICT and Telecommunications Managers / Officials

Advisory Note regarding the Cost of 18XX Numbers & Alternative Solutions

1. Cost Issues with 1800/1850/1890 Numbers

18XX numbers (i.e., 1800, 1850 and 1890) were initially implemented as LoCall numbers from fixed lines and allowed customers to make calls either free of charge or at local call rates, regardless of location in the country. Eventually, over time, quite a number of public bodies implemented 18XX numbers as their primary contact method. These numbers were implemented at a time when mobile phone usage was not ubiquitous and accordingly were not designed (in commercial terms) to accommodate calls from mobile phones. Consequently, calls to 18XX numbers from mobile calls are particularly expensive – full details are provided at Annex 1. Despite numerous attempts by CMOD over the past years, mobile carriers have not addressed the matter. This is now a cause for concern as it is resulting in high costs for public bodies and customers and is resulting in a considerable number of complaints.

To deal with this, CMOD has developed two alternative solutions that will reduce the costs to both public bodies and customers, *viz.*

- (a) the use of 0761 numbers for phone calls
- (b) the use of Skype (type) solutions for Web-based calls

2. 0761 Numbers

CMOD has obtained a block of 200,000 numbers from Comreg for use by public bodies. These are from the 076 number range (the range is 0761 000 000 - 0761 199 999) which has been designated as a non-geographic landline service. This is in the same category as geographic landline numbers (e.g. 01 for Dublin, 021 for Cork, etc.). This means that they will be charged as a national number from all landlines and mobiles and that they will be included in any bundle of minutes offered by operators. A number of public bodies have now begun using 0761 numbers to help reduce their telephony costs. An example is set out at Annex 2.

Any public body that has implemented the CMOD recommended approach to telephony can use these numbers and the service can be commissioned in a short period of time by contacting Government Networks (gn@gov.ie).

3. Skype (type) Solutions

CMOD has successfully concluded trials in securely routing calls into Government from the Skype network. As Skype is an open and untrusted network on the Internet it is not possible to establish a direct network connection with it for security reasons. CMOD terminates these calls on a device outside Government Networks and uses a separate private phone line to route these calls onto Government Networks. These calls can then be mapped onto the 0761 number range described at 2 above and delivered on to a public body.

Skype charges for this service based on the number of channels (simultaneous calls) available. The cost is €4.95 per channel per month regardless of the number of calls on that channel. This service is available to any customer who has a Skype account and all calls will be free to them. Links can be placed on the websites of public bodies to allow users to click to call.

The €4.95 monthly fee is a quarter of the price of a single PSTN line (which provides a single channel). Generally public bodies will purchase a PRA to handle calls. A PRA is a bundle of 30 channels and costs approx. €3,300 per annum (each install of a PRA also costs approx. €3,300). 30 channels using the Skype connection will cost €1,782 per annum.

To facilitate the roll out of this service CMOD is funding the Skype connection as a centrally paid shared service. Should usage of this service over time require additional connections to Skype it may become necessary to allocate the costs across public bodies commensurate with their usage.

Any public body that has implemented the CMOD recommended approach to telephony can use this service, which can be commissioned in a short period of time by contacting Government Networks (gn@gov.ie).

While this type of solution is only available using Skype at present, CMOD is offering to do similarly with other VoIP providers subject to interest and agreement of terms and conditions.

4. Conclusion

The cost of 18XX numbers has become prohibitive for public bodies and customers using mobile telephony. CMOD has implemented two alternative and complementary approaches as set out at 2 and 3 above. CMOD recommends that all public bodies migrate their 18XX services to one or both of these approaches as soon as possible to defray their own costs and those of their customers.

Annex 1

Costs of 18XX Numbers and Calls

1. 1800 numbers are free to the person making the call and are billed to the recipient.
 - No cost to caller.
 - When a mobile user calls in, public bodies are billed between 24c and 41.9c per minute (depending on the mobile network used by the caller). Public bodies are billed 7.74c per minute when a landline user calls in. Each 1800 number costs €12.50 per month in rental.

2. 1850 numbers are charged at a fixed rate to the person making the call regardless of its duration and are billed based on duration to the recipient of the call.
 - For the caller these call charges can vary with each operator. It ranges from 30 to 35c per call.
 - When a mobile user calls in public bodies are billed between 22.7c and 24.1 c per minute (depending on the mobile network used by the caller). Public bodies are billed 5.84c per minute when a landline user calls in. Each 1850 number costs €12.50 per month in rental.

3. 1890 numbers incur a cost to the caller and the recipient based on the duration of the call.
 - For the caller this ranges from 15c to 35c per minute per call.
 - When a mobile user calls in public bodies are billed between 7.62c and 44.2 c per minute (depending on the mobile network used by the caller). Public bodies are billed 5.49c per minute when a landline user calls in. Each 1890 number costs €12.50 per month in rental.

4. Mobile and fixed operators do not include 1850 or 1890 numbers in the "bundles" offered to consumers so any included minutes that may be available on a package cannot be used to phone 1850 or 1890 numbers.

5. A further problem is that the per-minute rate charged by mobile operators to 1850 and 1890 numbers is far higher than the per-minute rate charged to ring a national fixed number. 1800 numbers are not affected by these issues and remain free of charge to the caller. However, they do represent a high cost to any public body providing them as they are billed for every call they receive.

Annex 2

Example of Migration to 0761

The National Transportation Authority (NTA) used to operate two 1890 numbers – one for consumers and one for the motor industry. Based on traffic analysis the cost for the NTA of receiving calls through the 1890 numbers was in excess of €15,000 per annum. The cost to callers for this service was estimated to be in excess of €55,000 per annum. Switching to 0761 numbers has essentially negated the NTA's own cost and gives savings to its customers because calls to the NTA should, in the main, be cheaper, and should be available within the customers' "bundle" deals.

14: Office Of The Revenue Commissioners

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Cathaoirleach
Chairman

CRMS: 100463-17

12 October 2017

Mr. Brendan O'Brien,
Commission for Communications Regulation,
1 Dockland Central,
Guild St,
Dublin 1.
D01 E4X0

Dear Mr. O'Brien,

I refer to the Review of Non-Geographic Numbers by the Commission for Communications Regulation (ComReg) and the invitation for submissions and views from interested parties.

Revenue provides an extensive 1890 based service to our customers and is very pleased to provide the attached submission in response to this consultation.

This issue is extremely important to Revenue and the 1890 service is critically important in the provision of quality, countrywide customer service.

Yours sincerely,


Niall Cody,
Chairman.

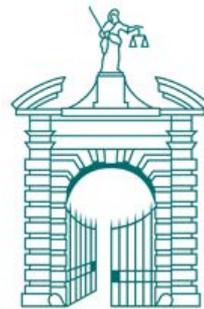
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Revenue



Cáin agus Custaim na hÉireann
Irish Tax and Customs

Non-Geographic Numbers (NGNs)

Revenue Submission to ComReg

12th Oct 2017

Introduction

Revenue welcomes the opportunity to respond to the Commission for Communications Regulation (ComReg) on the review of Non-Geographic Numbers (NGNs).

The survey results outlined in the Consultation document are very interesting and highlight the confusion, frustration and lack of transparency being experienced by customers of NGN services.

Revenue operates a range of 1890 services to support our large and diverse customer base. This includes approximately 2.6 million PAYE taxpayers and 900,000 business/self-employed customers with the numbers growing steadily. The initial services were implemented in 2005 for PAYE customers and employer queries and our range of services has extended since then to cover other services such as Local Property Tax and Customs (see appendix A).

While many of our customers are availing of our online services, successive customer surveys carried out by us have shown that the phone is still a preferred channel of choice for many of our customers. This is due to the diverse customer base and the complex nature of tax and Customs queries. Customers call us to understand their compliance obligations and to claim their entitlements and the 1890 service is a critically important element in the provision of quality customer service countrywide.

Revenue handled almost 2.5m 1890 calls in 2016¹ and the average duration of calls is between 6 and 10 minutes depending on the call complexity. These calls related directly to the assessment, collection and payment of Gross Exchequer receipts of some €65.6bn and to refunds of over €17bn made to customers. The service we provide on 1890 is not only critical to the proper administration of tax and Customs but ultimately to the proper functioning of all public services in the State.

The introduction of lo-call numbers for customers was based on the sound principle of guaranteeing fairness and preventing large bills arising for customers calling Revenue from every part of the country. This is an essential element in minimising customer compliance costs and in providing a fair and accessible public service, both of which are key components of Government public policy.

Revenue is very concerned that as the telephone market and telephone technology has evolved, large segments of our customer base are now encountering additional, significant expense by using our 1890 services in order to get the help and support required to enable them comply with their tax and duty obligations. These costs have resulted in many complaints and dissatisfaction amongst our customers. Revenue shares these legitimate concerns and appreciates the opportunity to input to the debate on addressing the charging structure for these specific NGNs.

As well as 1890 forming a key part of our Customer Engagement Strategy the necessary availability, scalability and operational flexibility afforded by 1890 are not currently achievable using any other telephony mechanism. 1890 provides a single contact number for customers and is a de facto

¹ Revenue Annual Report 2016

standard for call centres/customer service operations reducing technical complexity, confusion and advertising issues.

This Revenue submission will address each of the questions raised in the consultation document on non-geographic numbers prepared by ComReg dated 16th August 2017.

The following Revenue officials are available for any further follow-up required or to clarify any information as part of this consultation process;

Business/Customer Service issues - Ms. Kathleen Redmond, 01-4244211 (kredmond@revenue.ie),

ICT/Technical issues - Mr. Vincent Duffy, 01-8972957 (vinduffy@revenue.ie).

Do you agree with ComReg's proposal to introduce the 'Geo-linked' NGN measure by replacing the current retail tariff General Authorisation conditions for '1850', '1890', '0818' and '076' NGNs with a new 'Geo-linked' retail tariff General Authorisation condition of use?

Revenue is fully supportive of the proposal to implement 'Geo-linked' NGN replacing the current retail tariff for '1850', '1890', '0818' and '076' NGNs.

Revenue set up 1890 services in 2005, in good faith as a low call option for customers. These services allow customers to contact Revenue and receive assistance to help them comply with their tax obligations and claim their entitlements. Our aim is to keep compliance costs to a minimum.

Revenue requires a LoCall 1890 service or similar to be treated as a truly LoCall service for our customers by all Telco operators. Revenue is of the view that Telco operators should add 1890 based services to the standard bundles or treat such numbers as a specific type of local/national call to allow existing bundles to make use of these services. Therefore Revenue fully agrees that the retail charge that should apply to a caller for calling any of these NGN numbers [1850/1890/0818/076] at a particular point in time shall not exceed the retail charge that would apply to that same caller for calling a Geographic Number at that same point in time.

It is also preferable that the same flat rate charge per call to apply to calls from mobiles and landlines.

This proposal meets this Revenue requirement and will minimise compliance costs on customers.

1. Do you agree with ComReg's proposal to withdraw the '1850', '1890' and '076' NGNs following a 2 – 3 year transitional period?

Revenue is not convinced that this is a necessary step if the issues above are addressed. While the proposal for a phased transition to a new number is achievable, it is Revenue's view that such a move will generate confusion, unnecessary contacts and marketing/cost challenges.

The main issue to be addressed in the context of NGNs is the customer cost issue. Once this is resolved there is no major benefit for customers or service providers to undertake such a migration.

In the coming years, Revenue is planning an upgrade to the Session Initiation Protocol (SIP) on our inbound and outbound channels to/from the carriers. This is a more efficient cost effective method of delivering voice services to the organisation. This allows for the delivery of inbound calls via IP directly onto our network from the Telecoms cloud. It will also allow Revenue to advertise a geographic number which should allow standard mobile cost bundles to be used,

removing the current 1890 cost issue. This is on the assumption that the various operators do not regard such a service in the same vein as 1890 and regard the SIP number as a NGN. However, the impact of moving away from the 1890 service from a marketing, advertising and customer familiarity perspective needs to be further examined by Revenue.

From a marketing perspective, it would suit Revenue to be able to re-use the 1890 numbers for such a service.

2. Do you agree with ComReg's proposed NGN transparency measures?

Revenue fully supports much greater transparency for customers with regard to retail costs of using NGNs and views this as an essential output from this consultation process.

The implementation of the proposed 'Geo-linked' NGN to replace the current retail tariff will greatly simplify the transparency of cost model for many customers. Essentially, this approach will allow customers to no longer be concerned with the issue as their bundle will cover calls to NGNs seamlessly.

However, Revenue agrees that there will always be some customers that will need to pay out of bundle rates due to the nature of their bundle at a point in time e.g. no free minutes left. It is essential that the costs applicable to "out of bundle" calls should not exceed the retail charge for any "out-of-bundle" call to a Geographic Number made by that same caller.

Revenue is also of the view that a consistent pricing structure for "out of bundle" NGN calls across Telcos would be preferable and provide further clarity.

Revenue is against using the costs charged for NGNs as a product/service differentiator by Telcos.

There is another important point to make regarding Revenue's use of and reliance on the 1890 NGN. This is directly related to Section 4.2 of the consultation document dealing with the key findings from the Organisation Survey.

Aside from cost savings for customers, 1890 LoCall also provides some very important and critical capabilities to Revenue. These capabilities make any move away from 1890 or similar LoCall service problematic from an organisational perspective and would impact on Revenue's key role of providing a quality customer service.

- I. The numbers support a "virtual" call centre operation allowing extra support staff from Revenue offices throughout Ireland to be drawn-in to deal with any surges in demand. It provides a highly scalable and stable fixed line connection – this is not feasible with a normal dedicated number.

- II. Such services are also fully load balanced and provide intelligent call routing with no single point of failure – so inbound calls can be routed from any Exchange to either Revenue data centre and from there across our VoIP network to our customer agents. This level of resilience is not possible with a dedicated number. It is also possible to have multiple carriers (Eircom, BT, Smart, etc.) providing the LoCall service again increasing resilience and availability.
- III. The service also provides a level of control to handle the inbound calls which enable a targeted response to demand, thereby improving the customer experience and customer service. It provides a single contact number for customers and is a de facto standard for call centres/customer service operations reducing technical complexity, confusion and advertising issues.
- IV. It helps reduce Revenue’s operational costs (Revenue receives volume discounts) and facilitates centralised billing.
- V. The service also provides the ability to measure response times and service levels. This is essential for management purposes and transparency of Revenue’s own service levels.

Appendix A - 1890 Telephone Services provided by Revenue

Service	1890 Number	Call Volumes 2016
BMW PAYE	1890 777 425	257,757
BMW Business Taxes	1890 216 216	37,397
Dublin PAYE	1890 333 425	494,653
Dublin Business Taxes	1890 236 336	60,388
ESE PAYE	1890 444 425	324,218
ESE Business Taxes	1890 240 424	49,197
SW PAYE	1890 222 425	249,782
SW Business Taxes	1890 368 378	36,349
Large Cases Division	1890 605 090	13,414
Collector General	1890 203 070	} 241,901
Credit/Debit Card Payment	1890 273 747	
Direct Debit Helpline	1890 338 448	
Collector General – TRS	1890 463 626	
Collector General – (Nenagh)	1890 666 333	
P35 (Nenagh)	1890 254 565	
VAT Repayments Registered	1890 252 625	
VAT Repayments Unregistered	1890 252 449	
ROS Helpdesk	1890 201 106	174,854
ROS Payments Support	1890 226 336	118,376
Customs Nenagh	1890 626 364	} 12,972
AEP/e-Customs Helpdesk	1890 204 304	
Central Repayments Office	1890 606 061	35,595
Stamp Duty - Dublin Castle	1890 482 582	12,393
National Excise Licence Office	1890 500 400	17,563
CAT Helpline	1890 201 104	Included in Business tax figures
LPT (Ennis)	1890 200 255	347,689
Forms and Leaflets	1890 306 706	19,055

15: Sky Ireland Limited

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SKY IRELAND'S RESPONSE TO COMREG'S CONSULTATION 17/70: REVIEW OF NON-GEOGRAPHIC NUMBERING

INTRODUCTION

This is the response by Sky Ireland ("**Sky**") to ComReg's consultation 17/70 "A review of Non-Geographic Numbers" (the "**Consultation**").

Sky broadly agrees with ComReg's analysis that there would be benefit in simplifying and improving the structure of non-geographic numbering prices ("**NGN**").

However Sky considers that the proposal by ComReg to introduce 'Geo-linked' NGN pricing measures is not supported by the evidence put forward in the Regulatory Impact Assessment and is founded on a misapprehension that NGN numbers are expensive. It is also Sky's view that the economic viability of unlimited bundles offered by undertakings will be threatened if a measure is implemented in the manner suggest within the Consultation. Rather perversely by linking NGN to 'in bundle' GNs this will have no impact on fixed-line and mobile operators without any inclusive minutes in their talk bundles (such as pre-pay plans which were identified as being the most expensive means of calling NGN numbers).

It is Sky's view that a real opportunity has been missed by ComReg in not using this Project to include Premium Rate Services (PRS) and Directory Enquiries (DQ) services as part of this review. We note that paragraph 2.4 of the Consultation provides that as PRS numbers can only be used to provide a PRS and that PRS providers must display the cost of calling their services in all advertising, PRS numbers do not fall within the scope of the Project. DQ numbers are also outside the scope of this Project. However the NGN Consultation has sought to deal with retail pricing as well as transparency obligations so we do not follow the rationale offered by ComReg for only addressing NGN number classes.

We have responded to each question below using the numbering in the Consultation. If you require any further information please do not hesitate to contact David Kelly of Sky Ireland.

SKY IRELAND RESPONSES TO THE QUESTIONS

1 Do you agree with ComReg's proposal to introduce the "Geo-linked" NGN measure by replacing the current retail tariff General Authorisation conditions for '1850', '1890', '0818' and '076' NGNs with a new 'Geo-linked' retail tariff General Authorisation condition of use? Please explain the basis for your response in full and provide any supporting information.

- 1.1. Sky agrees with the desirability of having an NGN number range priced at geographic number range rates but disagrees with method of calculating same which has been proposed by ComReg. The current multiple number ranges rated at geographic rates are unnecessary and simplifying them to just one range – 0818 – will be beneficial. It is Sky's view that the decision to introduce "Geo-linked" pricing is a good move in the interests of consumers and will drive usage of Non Geographic Numbers. However Sky considers that NGN calls should be no more expensive at the point in time than 'out of bundle' GN calls as opposed to 'in bundle' calls as

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suggested by ComReg in the Consultation.

1.2. Sky has come to that conclusion for the following reasons:

1.2.1. Lack of clarity from Service Providers –

1.2.1.1. The focus of the Consultation appears to be on the obligation of fixed-line and mobile operators to communicate their retail tariffs for NGN calls more clearly however it is our view that service providers also have an obligation in this regard which has not been addressed as part of the Consultation.

1.2.1.2. On 13 June 2014 the European Union (Consumer Information, Cancellation and Other Rights) Regulations 2013 (S.I. No. 484/2013) (the Regulations) came into force. Regulation 27(1) provides that where a trader operates a telephone line for consumers to contact them about a contract entered into with the trader, the consumer “must not be bound to pay more than the basic rate” for such telephone calls. This means that traders must make available at least one basic rate number for consumers. The term “basic rate” is defined in Regulation 27(6) as including the Non-Geographic Numbers which are subject to this Consultation. The consequence of including Non-Geographic Numbers within the definition of “basic rate” numbers is that traders are not required to inform consumers of the call rates associated with these numbers in accordance with Regulation 7 in the case of off-premises contracts, Regulation 8 in the case of off-premises contracts for repairs or maintenance within the scope of that Regulation and Regulation 10 in the case of distance contracts. It seems clear that the inclusion of Non-Geographic numbers within the definition of “basic rate” numbers has contributed to the lack of transparency. In the absence of an obligation on Service Providers to disclose call rates to their customers the lack of transparency in relation to numbers is understandable.

1.2.2. Transparency versus a perception that costs are high –

1.2.2.1. In Sky’s view there is a contradictory theme throughout the results of the B&A Consumer and Organisation Survey findings. The Consultation argues on the one hand that a significant number of consumers (i) do not know how NGN calls are charged and (ii) do not know, or cannot reasonably estimate, the retail tariff for any NGN call in advance (See paragraphs 4.1(b) and (c) of the Consultation). The Consultation goes on to provide in Paragraph 4.1(d) that relatively high NGN retail prices deter a significant number of consumers from calling NGNs and/or cause a significant number of consumers to call NGNs only when absolutely necessary. We fail to see how a significant number of customers can be unaware of the costs but still have knowledge that those costs are high. ComReg presents a range of evidence from surveys and interviews with consumers that it purports substantiate a significant consumer problem. Our reading of that evidence is different. Sky concludes that for most consumers the cost of NGN calls, their cognisance of the price, and the impact of the price to them is of little importance.

1.2.2.2. The evidence would suggest that there is indeed a perception that costs for calls to NGN numbers are high but this is merely a perception and is not based on actual knowledge of costs. It is a leap to then suggest that costs are high when it is clear that there is no awareness of actual costs. It cannot be the case that customers are unaware of the costs of calls NGN numbers yet still know that those costs are high. In this regard we note the following:

1.2.2.2.1. Slide 8 of the B&A Consumer Survey finds that of those who knew if NGN calls are included as free minutes/calls in their call packages, only 5% of landline users and 6% of mobile users had considered the inclusion of NGNs calls in call packages when choosing their provider/package. If the inclusion of NGN numbers within a bundle is not of concern for consumers then this evidence clearly doesn’t support the suggestion that customers are concerned about the costs of NGN numbers and runs

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contrary to the approach being suggested under the Consultation (i.e. to link to in bundle GN).

- 1.2.2.2. Slide 8 of the B&A Consumer Survey also provides that those surveyed who had received bills or had reviewed additional charges for calls to NGNs only 25% were surprised at the expense of NGNs calls. This does not appear to support the suggestion that high NGN retail prices deter "a significant number of consumers".
 - 1.2.2.3. The estimates costs of calls to NGN numbers (described on Slide 9 of the B&A Consumer Survey) are over ten times the actual cost of calls to those numbers. In Sky's view this clearly shows that the perception that NGN numbers are expensive is a perception only and is not grounded in facts.
 - 1.2.2.4. According to Slide 21 of the B&A Consumer Survey 39% of mobile users surveyed were Vodafone customers. We note from Page 49 of the DotEcon report that calls to 0818 numbers made by Vodafone's mobile bill pay customers are first deducted from their inclusive minutes (as per the ComReg proposal in the Consultation). Evidence is not presented that Vodafone mobile customers had a different perception to other users. We presume it would have been presented if it existed. In addition 076 numbers are the most common NGN class to be included in-bundles by operators yet there is no appreciable difference in perception between 076 numbers and other NGN classes.
 - 1.2.2.5. Slide 46 of the B&A Consumer Survey suggests that roughly the same number of consumers feel that these numbers are expensive as those that do not think they are expensive, don't know whether they are expensive or don't particularly care about the cost.
 - 1.2.2.6. It should also be noted that on Slide 47 the perception in relation to Freephone numbers is that these numbers are also expensive. These numbers are of course free of charge which clearly indicates that there is merely a perception which is not supported by actual knowledge about the costs of calls to such numbers.
 - 1.2.2.7. Slides 56 and 60 of the B&A Consumer Survey evidence the fact that of those customers who were aware of NGN pricing 85% did not consider their inclusion within bundle as being important when choosing a phone call package. Notwithstanding the fact that 85% of those surveyed didn't consider NGN pricing to be a significant issue ComReg has adopted a position in the Consultation that it is a significant issue.
 - 1.2.2.8. Slide 76 of the B&A Consumer Survey finds that a significant portion of those surveyed felt that NGNs are more expensive than calling a landline number or mobile number. The fact is that calls to mobile numbers are often more expensive than calls to NGN numbers which again supports the fact that this is merely a perception.
 - 1.2.2.9. At Page 11 of the DotEcon report evidence is presented that just 14% of surveyed consumers were confident in being able to report the costs of calls to at least some of these NGN classes. If only 14% of users are aware of the costs then it cannot be the case that "that relatively high NGN retail prices deter a significant number of consumers from calling NGNs". Only 14% know the costs so only those customers can properly be considered for the purpose of deciding if they were deterred.
- 1.2.2.3. On the basis of the above evidence we would suggest that a lack of transparency is leading to a perception that costs for calls to NGN numbers are expensive but we would argue that this is not evidence in itself that those costs are in fact high.
 - 1.2.2.4. It would in Sky's view be sufficient to impose obligations on Fixed Line Operators and Mobile Operators as well as Service Providers to increase awareness of the costs of calls to NGN together with a capping at the 'out of bundle' rates for calls to GN numbers.

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1.2.3. Impact on the Economic Viability of Call Bundles

- 1.2.3.1. The pricing approach suggested by ComReg is that if a GN call is included in the caller's bundle of call minutes then any NGN call made by that caller must also be included in the same bundle of call minutes. Fixed-line operators and mobile operators routinely offer their subscribers call allowances. Bundles – which normally include a certain amount of call minutes, text and data for which no incremental charge is applied – are an important aspect of retail competition. Operators compete for subscribers by drawing attention to their latest bundles. Operators must pay the termination charges of calls to NGN numbers even when these calls are not individually paid for by the caller.
- 1.2.3.2. The economic viability of such call allowances could be compromised if callers were to use their inclusive or 'free' minutes to earn money, or other benefits-in-kind, offered by other Service Providers for calling NGN numbers. Fixed-line operators and mobile operators may, therefore, face pressure to make their call allowances less generous or inclusive, or to withdraw them altogether. They may also respond by raising their prices. Such developments may therefore reduce the current level of service to consumers generally, without offsetting benefits, and also undermine the contribution to retail competition made by call allowances.
- 1.2.3.3. It is Sky's view that increased transparency in relation to the costs of calls to NGN number classes will also undoubtedly lead to an increase in the number of calls to these number classes. In addition this increased consumer confidence will lead to an increase in the number of service providers using NGN as a contact option. This will also put pressure on the viability of such bundles and the impact of that change in behaviour cannot be properly assessed at this juncture. Rather perversely by linking NGN to 'in bundle' GNs this will have no impact on fixed-line and mobile operators without any inclusive minutes in their talk bundles (such as pre-pay plans which were identified as being the most expensive means of calling NGN numbers).
- 1.2.3.4. Since Sky's entry into the marketplace we have seen a marked shift towards 'unlimited' talk bundles which include unlimited calls to GN numbers. The DotEcon report provides on Page 41 that Calls 'in-bundle' relate to a bundle that includes a set number of calls and possibly SMS/data for a headline fee. The report does not appear to have considered a position where fixed-line operators and mobile operators included unlimited GN calls within their bundle. Such operators are precluded from changing the allowance (due to restrictions under Regulation 14 of S.I. No. 337/2011 - European Communities (Electronic Communications Networks and Services) (Universal Service and Users' Rights) Regulations 2011 and as such these bundles will be disproportionately disadvantaged as a result of the suggested approach.
- 1.2.3.5. Furthermore, if Service Providers were to incentivise consumers to call NGN numbers by offering them money or benefits-in-kind, then this may lead to a significant inflation of traffic in the network but where such traffic is not being used for genuine communications services. Such conduct may consequently compromise the ability of public electronic communications networks to provide reliable communications services and may increase the cost of maintaining capacity on networks.
- 1.2.3.6. The DotEcon report provides on page 28 that competition cannot be expected to constrain NGN prices to any great extent and, if anything, is likely to incentivise operators to raise these as a soft revenue source. Whilst there is no evidence to suggest that operators have behaved in this manner we would suggest that any concerns in relation to competition can be achieved by capping prices at GN 'out of bundle' call rates.
- 1.2.4. In light of the concerns raised above we would ask ComReg to reconsider its proposed

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approach to NGN number pricing being "Linked to GN". We would recommend that a cap is introduced that would cap NGN pricing at the equivalent of out of bundle GN number charges which in our view would have the same impact without putting pressure on fixed-line and mobile operators.

2. Do you agree with ComReg's proposal to withdraw the '1850', '1890' and '076' NGNs following a 2 - 3 year transitional period? Please explain the basis for your response in full and provide any supporting information.

2.1. While not agreeing with ComReg's proposal to for geo-linked pricing, Sky does acknowledge there may be some benefit in improved price transparency, largely through simplification. Price simplification will also have the benefit to Sky and our customers of reducing the voluminous pricing tables in our customer Tariff Guide.

2.2. While generally supporting a simplification of the number range use as detailed above, Sky does not see the need or benefit of closing number ranges and forcing migration of customers off existing numbers. If there was some alternate use envisaged for a number range where there were currently few numbers in use, then that might support the eviction of current users given an appropriately long notice period, but only after full consultation supported by a cost benefit analysis. It would seem more appropriate to allow existing numbers to continue to be used however if ComReg is intent on closing particular number ranges then 2-3 years for transition would seem appropriate.

3. Do you agree with ComReg's proposed NGN transparency measures? Please explain the basis for your response in full and provide any supporting information.

3.1. Sky agrees with ComReg's overarching goal that consumers of publicly available electronic communications services are entitled to a high level of protection in their dealings with suppliers of such services and to maximise benefit in terms of the choice, price, and quality.

3.2. As pointed out above, Sky believes that the manner in which the European Union (Consumer Information, Cancellation and Other Rights) Regulations 2013 (S.I. No. 484/2013) was implemented has absolved service providers from any responsibility for communicating the underlying tariffs to customers. Given that service providers will be communicating the underlying NGN in their marketing material we believe that they are best placed to communicate pricing to end users. In circumstances where a retail price cap was introduced this would allow the service provider to communicate the retail pricing with certainty.

3.3. ComReg has made a number of proposals in relation to the communication of the proposed changes to the tariff structure and the structure of and rules applying to the non-geographic call ranges, including recorded voice announcements alerting callers to the costs of calling NGNs prior to call connection.

3.4. We consider that further detail as to ComReg's proposals is needed to respond fully and we welcome further consultation on the implementation of any proposed changes. Our preliminary views are set out below.

3.5. Sky considers that a ComReg led and funded national information campaign (as opposed to industry led and funded) is an effective way of raising awareness of any changes to the charging and structure of non-geographic numbers, in particular as a means of giving consumers an overview of all the ranges and the pricing characteristics of each range. However, Sky considers that the existing regulatory requirements already provide a framework under which pricing information is provided for non-geographic numbers where necessary.

3.6. Sky is not persuaded that the evidence of consumer harm presented so far justifies wholesale changes to communications providers' obligations. Sky has particular concerns with the

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following proposals:

- **Unified branding and presentation of NGNs in advertising;** ComReg's preliminary proposal is for the presentation of advertisements of non-geographic numbers to include colour coding to represent the tariff characteristics applying to the number range. Sky considers that such an obligation on advertisers to include colour coding goes beyond the maximum harmonisation requirements of the Directive on Consumer Rights and unnecessarily impinges on advertisers creative use of advertising space. Furthermore, the number range itself informs consumers of the relevant tariff characteristics of the number. At most, the use of any such colour coding should be optional.
- **Communication of the Access Code:** Sky is concerned that the proposal referred to in paragraphs 6.11(d) of the Consultation have the potential to be unnecessarily prescriptive and go beyond what is required to address any perceived consumer detriment in light of existing regulation.

Ends

16: Three Ireland (Hutchison) Limited

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Review of Non-Geographic Numbers

Response from Three

ComReg Document 17/70



Three.ie

1. Introduction

As we move deeper into the “Digital Economy”, it’s no harm to periodically stand back and review some of the traditional products and services to see if they still fulfil their original purpose. It is clear that ComReg has put some effort into the current review of non-Geographic Numbering (NGN), and in particular the consumer and service provider research has been revealing and informative. It has shown that there is a very poor appreciation of the purpose of NGNs outside of the communications industry. The extent of the confusion that exists is surprising in many cases, and perhaps the most stark example of this is the perception among many consumers that callers pay for calls to 1800 and that service providers earn revenue from these calls. It shows that now is a good time to review the whole structure and purpose of NGN numbers to consider whether they continue to fulfil a purpose in their current form, and if changes can be made to improve this.

There are five types of NGN number range covered by this review, and ComReg’s research shows general confusion among consumers regarding the different purpose of all of these number ranges. To some extent, this may be contributing to a general unwillingness on the part of consumers to use NGNs, but it might also be the case that the industry and consumers have “moved-on” and NGNs are no longer of the same importance than would have been the case 10 or 15 years ago.

Whatever the reason, it is worth trying to streamline the NGN platform now so that they have a simple straightforward purpose which is transparent to customers. This must be achieved without causing disruption though. Three is firmly of the view that ComReg should address the issues that are core to the NGN services themselves before making any disruptive intervention. Three believes there might well be a case to streamline the different NGN ranges such that those that remain fulfil a distinct purpose. In addition some changes should be made to increase the transparency of purpose and price for those NGN ranges that remain. ComReg needs to be careful in the implementation of the transition to any new arrangement, otherwise it would be damaging to both NGN and other services.

ComReg has proposed to intervene in the retail market by specifying retail pricing restrictions that would apply to originating retail operators for calls to NGNs. Three believes this would be a disproportionate intervention in the retail markets for mobile and fixed calls. This degree of intervention is in effect a restriction of the freedom of originating service providers to create retail offerings for their customers, to innovate, and to respond to competition in the retail market. We do not believe that the necessary benefit has been shown to justify this intervention, and on the contrary the market research shows that it is not justified. As a result this proposed intervention is contrary to the regulatory framework.

In addition to retail market intervention, ComReg is also contemplating wholesale price regulation for NGN calls. Again, Three believes this would be a

disproportionate intervention that would run contrary to the regulatory framework. The imposition of this price control can only be implemented following a proper market analysis under the regulatory framework. In any case, the use of LRIC price regulation would be inappropriate in this case, as NGN calls are substitutes for geographic calls. ComReg's wholesale and retail proposals combined would in effect mean that originating operators would be subject to end to end regulation: retail price control, wholesale price control, and no choice as to whether to carry the calls or not.

Three suggests that ComReg should consider an alternative option that could lead in the long-term to more streamlined and transparent NGN services, while minimising the disruption of the transition. This is described further below in section 4, however, in summary it would involve the introduction of two new number ranges:

- 0800 free to the caller; and
- 0810 paid by caller (a different number might be more suitable, e.g. 0828)

These could be introduced initially in parallel with the existing 5 number ranges but with a cutover. This would see no new numbers being assigned for the existing ranges from a defined date when the new number ranges are in use, then withdrawal of the old numbers altogether following a parallel running period with the whole process taking 3-5 years.

This new numbering would allow international access to NGNs, provide a "fresh start" to brand the new number ranges, and give space to manage the disruption of decommissioning the current NGNs. It also allows services to migrate over naturally where there is a case for their continuation, i.e. if there really is a future for the NGN service then it will be migrated and will continue under the new numbers.

2. Background

It has been almost 30 years since NGNs were first introduced in Ireland. The communications industry has completely changed during that time, with the introduction of mobile and VoIP technologies, competition in the market for voice services, the coming of social media, on-line, and OTT as a core means of contact. During the early growth years for NGNs, geographic calls could only be terminated within limited geographic areas determined by the architecture of the Telecom Eireann network. For most subscribers their tariff for making phone calls was distance related - with local calls, trunk calls, and a higher charge for calls above a 56Km distance.

In those days, NGNs had a clear and recognisable purpose – they allowed the termination of calls in any geographic area, and they also allowed the caller to avoid paying the trunk call rate. In addition, the introduction of the 1800 and 1850 number

ranges allowed the service provider to select a “Golden Number” and promote it as their main point of contact. Together, these features facilitated the growing use of call-centres for customer service.

The changing technology and structure of the communications market has meant that the conditions under which NGNs were introduced have now all but disappeared, and it is now time to question whether NGNs still fulfil a recognisable function. The tariff structure for fixed line calls is now flat, and more voice calls are now made daily on mobile networks than on fixed. Mobile services by their nature are non-geographic so the geographic tariff structure for calls has never applied to mobile. In addition to this, there are now multiple different NGN number ranges available, with varying pricing requirements, which seems to add more by way of confusion than it does benefits by giving more choice.

It is also useful to reflect on the changing nature of contact-centres at this time. On-line contact and social media has become an important channel in recent years and this trend seems likely to continue. A recent research report by Deloitte for the Contact Centre Managers Association¹ has identified this trend and the emergence of “data exclusives”. They found that these individuals have not stopped communicating, but rather are replacing traditional voice calls with a combination of messaging, voice and video services. In response, Deloitte found that contact centres are “investing in new technologies such as web chat, video chat, virtual assistants, and collaborative browsing”. This trend is identified in ComReg’s consumer research, which found that this channel has grown to be the second most popular, ahead of fixed phone calls (17/70b, P25).

This shift away from the voice channel by contact centres would go some way to explaining why there might be a decline in NGN volumes, together with a decline in the importance of their original purpose. While NGNs themselves haven’t changed much in recent years, the world in which they operate has changed around them. The role that NGNs play for consumers and service providers has diminished and ComReg’s research shows that many consumers no longer understand what purpose they serve.

ComReg’s research shows the extent to which consumers are confused about the price to call NGNs, so much so that many believe they pay to make a 1800 call. The majority of consumers only use NGNs because no other number is available², and most consumers would also prefer to call a geographic number or a mobile number to access services³. It would seem that NGNs are losing their purpose as new means of accessing voice services have emerged, and even voice services

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https://www.ccma.ie/upload/benchmarking/files/1490195530_1489594444_IE_Cons_CCMA_TalentManagementReport2.pdf

² Consumer Study, page 81

³ Consumer Study, page 82

themselves are being displaced by other new channels reflecting changing technology and changing consumer preferences. If NGNs are to continue, then a simplified structure will be required which is properly communicated to consumers and that fulfils a demand.

3. Review of ComReg's Research

ComReg's research has been revealing, and among other things has highlighted how NGNs have lost their purpose. From the consumer report we learn that:

- There has been a total failure to convey the current pricing structure to consumers and most have an incorrect view of the price for calling NGNs;
 - 86% do not know how much a NGN call costs (P8, P67);
 - only 33% know that 1800 calls are free from mobile (40% from landlines) (P7), overall 37% believe the caller pays for 1800 calls (P78);
 - 30% believe the called organisation makes money from 1800 calls (P7), and 30% think calls to 1800 are expensive (P47);
 - the actual estimated cost of calls to NGNs is several times greater than the reality;
 - the tariff difference between 1850, and 1890 is totally opaque to consumers with only 1% more identifying it correctly than those identifying it incorrectly (P44, P45);
- Generally, most consumers seem to be indifferent to the price of calling NGNs, and 59% either pay no attention or have no recollection of the cost (P63);
- Where consumers have sought to find out the tariff for NGN calls, they have managed to find it (P72), and Dotecon also found that the relevant information is available on mobile and fixed operator web-sites.
- most consumers only dial NGNs because they do not know an alternative number to use (P6, P31, P81);
- most consumers (68%) avoid dialling NGNs altogether (P12);
- most consumers would rather use a geographic number or mobile number to call organisations than a NGN. Only 10% prefer NGN vs 89% who prefer a different number or don't care (P82);
- Consumers do not consider the inclusion of NGN calls in their calls bundle is important (Fixed 85% +10% don't know, Mobile 85% + 9% don't know) (P56, P 60);

Overall, the survey demonstrates that at best consumers have little interest in NGNs, and in practice they misunderstand the purpose and price charged for calls to these numbers. It seems that consumers would rather be provided with a geographic or mobile number to call organisations.

From ComReg's Service Provider research we learn that:

- only a minority of organisations (10%) actually use NGNs (P6), and of those a majority (~88%) also provide a geographic or mobile number for contact (P8, P44);
- only 3% of organisations have ceased using NGNs, and the main reason given for doing so is because they decided that a geographic or mobile number was just as suitable for their purpose (P25);
- most organisations (82%) who do not use NGNs believe they are not necessary (P7);
- for organisations who do not use NGNs, the cost (either for the organisation or the caller) is not a significant reason, coming as the 5th and 6th most common reason respectively (P33);
- organisations generally have a poor understanding of the price for their callers to use NGNs (P10, P49);
- the majority (77%) of organisations who use NGNs give no guidance to customers on the cost of calling NGNs, even though ~75% think it is not difficult to do so (P57);
- organisations have a poor understanding of the cost to receive a NGN call (P61) and 2/3 of organisations who use NGNs cannot estimate the cost to receive NGN calls (P12);
- 1800 is the most popular by a small margin (P6), and 61% of organisations say they use 1800 to give free access (P29); 1890 also seems to be popular (P 27);
- Most organisations would not even consider switching to a number that was included in-bundle from a landline or mobile (P40);
- Noticeably, a majority of organisations would not even consider using NGNs in future if the cost to callers or the cost to the organisation was reduced (P66).

The research reveals that NGNs are not important for most organisations and overall, most organisations would prefer not to use a NGN. The price/cost of NGNs is not a significant issue for the organisations, and they seem to have a poor understanding of the cost of NGNs, both for the customer to call and for the organisation to receive. Most do not provide guidance to their callers on the cost to call NGNs, even though the majority think this would not be difficult to do. It is interesting to note that the majority of organisations would not even consider using NGNs in future if the costs were reduced. This would seem to undermine Dotecon's thesis that there would be an increase in calls if this was the case.

Overall, the consumer and service provider research shows that there is no “pent-up” demand for NGN services, either among consumers or service providers. NGNs seem to suffer from a poor image, and transparency of pricing is an issue for both calling and called parties. 1800 seems to be the only number range for which a clear requirement emerges (to give free access). Surprisingly, given the above facts, service providers give no guidance to their callers on the cost of NGNs, despite believing it would not be difficult to do so.

The cost to call or receive NGN calls has not emerged from the research as a factor causing these numbers to be less popular, either for caller or recipient. For most consumers and organisations, it has emerged that they have non-cost reasons for preferring to use an alternative number for voice contact.

The research supports the view that NGNs are a substitute for geographic or mobile numbers, with consumers in particular seeing geographic numbers as a viable alternative means to contact organisations. The research does not support the thesis that there is existing or on-going consumer harm arising from the actual price of calls to NGNs. No evidence whatsoever has emerged that consumers make less contact with organisations for reasons of cost associated with NGNs. In fact, geographic numbers emerge as a viable alternative to NGNs, regardless of cost considerations.

With the growth of on-line contact, the emergence of new technology like mobile and social media, it would appear that the importance of NGNs has been diluted from what would have been the expectation 15 or 20 years ago. The proliferation of different number ranges, together with poor transparency of tariffs and tariff differences mean that consumers are generally confused and apathetic about the purpose which they serve.

4. ComReg’s Proposals

In the consultation, ComReg has proposed to take a number of actions in relation to NGNs, which in total would see a reduction in the number of NGN ranges from 5 to 2, with just 2 caller tariff types (free to call and geo-linked). The geo-linking of retail tariffs is proposed regardless of the final number of different NGN types. ComReg has also flagged its intention to consult regarding wholesale pricing for NGN calls.

The consumer and service provider research has shown that the world has “moved on” since NGNs were first introduced. They would now seem to have diminished in importance, and there is a lack of understanding of their purpose among consumers. The research seems to show that there is still a requirement for service providers to have a number range that is free to the caller, but there seems to be little further requirement for NGNs. There is also perhaps enough demand to support a second

number range which is paid for by the caller, and which has no specific geographic location.

The proliferation of different number ranges with different pricing seems to be “blurring” the key characteristic of the 1800 number range at the moment – that it is free to the caller. For this reason, Three agrees that a rationalisation of the different types of NGNs available might facilitate in making the purpose of the remaining NGNs more transparent. We would caution however that the move to “close down” existing numbers and force migration could be disruptive and costly if not managed correctly.

Number Rationalisation

If ComReg is to proceed with closing down of 1850, 1890, and 076, then adequate notice needs to be given to service providers to prepare for the change, including changing all relevant promotional and advertising material, stationery, etc. The process and timing of each stage of the changeover needs to be laid out in detail, including how parallel running will work, for how long, and what happens after that. Experience of previous number changes would show that:

- The process will need to ensure that service providers are made aware of the changeover and the reason for doing it before beginning the process of implementation;
- service providers will need reasonable time to prepare for the changeover – they need to know that a high % of their callers are familiar with their new number and can call it before the changeover takes place;
- parallel running of the old and new number will be required for a period while some customers are aware of the new number, but some are not;
- The process should include an information phase followed by a period when no new numbers are assigned from the NGNs that are to be retired. New numbers will need to be made available to service providers in the continuing NGNs to replace existing numbers. This could commence at the same time as the cessation of new assignments from the retiring NGNs or before.
- Recorded announcements directing callers to the new number may need to remain in place for some time. Unlike other number changes, in this case there would not be a single number to replace each old one, so it will not be possible to have a generic network-level announcement telling the caller how to “convert” from old to new.

While Three agrees that there is a lack of transparency regarding the function of NGNs at the moment, and that it would be easier to rectify this in a situation where there are only 2 different types of NGN, we have some concerns that ComReg has underestimated the process involved, and the potential for disruption during the changeover. ComReg should now examine this further, however we are of the view

that 3 years is the minimum period within which this could be achieved while minimising disruption.

Transparency

Perhaps the most surprising information to emerge from ComReg's research is that consumers are at best indifferent to NGNs and most would prefer to use a geographic or mobile number to call organisations. The extent of misunderstanding regarding the price for calls to NGNs is also revealing. This is particularly the case for 1800 where its key characteristic is that it is free. To some extent this lack of transparency, together with the proliferation of different NGN types may be contributing to the negative consumer sentiment reflected in the survey.

It is particularly surprising that most service providers do not provide information to their callers regarding the price for calling NGNs, despite the fact that most believe it would not be difficult to do so. Perhaps this is because it was not thought to be necessary, but the case for 1800 seems to be a fairly stark example. There has been a critical failure on the part of service providers (including those in the communications sector) to convey the fact that they are providing 1800 as a free to call number.

Given that the key feature of the 1800 numbers is that they are free to call, and that this is a fairly simple concept to convey, ComReg should seek to introduce measures that would promote the identification of these numbers as "Free". This might include referring to the fact that the number is free in all promotional material, advertising, etc. Even if it's not possible to make this a mandatory requirement, it should be possible to include it as a guideline for best practice, and it is only necessary to reach a "critical mass" for this to become the convention. This is a simple non-disruptive intervention that would remedy some of the current negative sentiment regarding NGNs.

For other NGNs it might be a little more difficult to improve pricing awareness, however it can be expected that this would be easier to achieve in the case where there is a single paid-for NGN rather than multiple (with multiple prices). We note that in general consumers have been able to find out the price they pay for calling NGNs when they have sought this information. We also note that Dotecon has found that call originators (fixed and mobile) make tariff information available. Nevertheless Three is willing to work with ComReg on initiatives that would facilitate the availability of this information.

ComReg should also consider what measures it can introduce to encourage service providers to provide geographic numbers in addition to NGNs where possible. This would at least mean that consumers could freely choose which number to call, which is important considering that most callers only use NGNs because they do not know an alternative number, and that most would prefer to call a geographic number.

We note that ComReg has raised the possibility of using a recorded announcement to give the call price information at the beginning of the call. We have not examined this in detail, however it would likely be difficult to implement given that the price will depend on the caller's tariff, and their bundle consumption at the time of the call. Real-time information on consumption, tariff, and allowance would need to be available at the start of each call, and we don't know if this is feasible. Three is of the view that such an announcement would lead to a negative customer experience and would be annoying to callers. As a result, we believe it would be counter-productive.

Retail Price Control

Three disagrees with ComReg's proposal to impose retail price regulation on originating operators for calls to NGNs. It is accepted that the key feature of the 1800 NGN is that calls are free, and there would seem to be little purpose in having this number range if that was not the case, however we also note that no originating operator does charge for calls to 1800, so no action is required.

For other NGNs, ComReg has proposed to impose a retail price control in the form of a requirement that the retail price for calls to NGNs should be linked to the price of geographic calls. Three disagrees with this proposed intervention which is a restriction on the freedom of operators in a competitive market to determine their retail price structure. This restriction is not warranted, and does not address any specifically identified reason for any market failure either in ComReg's research or by Dotecon. This proposal is not compliant with the requirements of the regulatory framework.

ComReg's consumer research has not identified that the retail price to callers is in any way acting as a disincentive to consumers using NGNs. In fact, the research shows that most consumers are indifferent to the price of calling NGNs. The research also shows that the vast majority of consumers do not consider the inclusion of NGN calls in their calls bundle is important. It is difficult in this circumstance to see what specific problem would be solved by the proposal.

In developing the proposal, ComReg has not taken into consideration that NGN calls are in fact substitutes for geographic calls. It is not the case that the amount of contact between callers and service providers is suppressed or reduced because of the current retail price for NGN calls, and no evidence of this has emerged from either the consumer or service provider research. In this circumstance it is incorrect to state that there is a consumer detriment that would be solved by the proposed intervention.

The review carried out in this case has not considered the competitive circumstances in the markets for call origination. No service provider holds significant market power or equivalent in the call origination market. Substitutes and alternatives are available to callers who can choose to use alternative access services or service providers

(fixed/mobile), and they can also chose NGNs or geographic numbers to contact service providers using voice calls. The transparency measures proposed above would help to ensure that callers always have the choice of whether to use a NGN or geographic number.

The review carried out has also failed to consider the introduction and evolution of “bundles”, particularly in the retail market for mobile services. Bundles were introduced as a tool to gain customers in a competitive mobile market. Most operators have several bundles or types of bundles addressing different market segments with different inclusions depending on the minimum payment and the target customer segment. They have evolved and changed over time in response to changing market demands, particularly by the inclusion of data and data related value added services in recent years. They are a key tool for customer acquisition in the competitive retail markets, the content of which is carefully considered for each market segment. Any intervention to control or regulate the content of bundles restricts the originating operator’s freedom to compete in the retail market for call origination.

Most bundles have a certain value included, but also have out of bundle rates that apply when this has been consumed. While it certainly is the case that the value available to callers in-bundle has increased in recent years, this is in response to consumer requirements in a competitive market. The out-of-bundle rates continue to apply as before though, and it seems they have not changed in relation to NGNs. There is no evidence that any originating operator has charged above its out-of-bundle rate for NGN calls, or that they have increased the retail price for NGN calls. So the proposed retail price control measure is not being taken in response to any retail price increase in recent years.

Any adjustment to existing bundles would most likely adjust the revenue earned by originating operators from existing tariff plans. As a consequence those operators would need to re-adjust their retail tariffs and bundles, not in response to customer demand, but because of a regulatory intervention to remedy a perceived failure of NGNs. Mobile operators in particular do not have the freedom to rapidly impose tariff changes without consequence. Customers often buy a bundle that includes a subsidised handset and requires a minimum term commitment, the termination of which imposes significant cost on operators. The consequences or cost of this have not been taken into consideration by ComReg in its review.

Three specifically requests that ComReg clarifies its position in relation to the application of Regulation 14 of the Universal Service Regulations⁴ in the event that a change of retail contract is required as a consequence of the proposed intervention. Three also requests that ComReg clarifies if this was taken into account in the Regulatory Impact Assessment.

⁴ European Communities (Electronic Communications Networks and Services) (Universal Service and Users’ Rights) Regulations 2011.

ComReg's proposal to regulate the retail price for NGN calls other than 1800 is not compliant with the requirements of the Authorisation Regulations⁵. Those Regulations set out the boundaries within which restrictions can be imposed on an undertaking in a General Authorisation, including the requirement that any such conditions are proportionate.

No actual consumer detriment has been shown from the research or the analysis of same. No measure of the detriment has been calculated and neither has the cost or the benefit of the proposed measure been quantified. The analysis ignores the fact that NGN calls are a substitute for geographic calls, and that no service provider has indicated that they receive less contact from their customers than would be the case if calls were included in-bundle. The consumer and service provider research shows that the linking of NGN tariffs to geographic tariffs is not a preference for either. The proposed measure has not been shown to be a proportionate remedy to any failure in the market, and fails to meet the requirements of the Authorisation Regulations.

Non-uniform Geographic Tariffs

There is a weakness in ComReg's proposal that could cause confusion in future, namely what specific geographic tariff should NGNs be linked to. At present, most operators have price plans that include a single out-of-bundle rate for geographic calls. This will not necessarily always be the case, and it can be envisaged that bundles may include free or reduced price calls to a group of nominated numbers, or to a nominated geographic area code. It is also possible that consumers would be given the option to select some geographic areas that could be included in-bundle, while the rest remain out of bundle. ComReg should clarify how the proposed geo-linking would work in these cases.

Intervention Not Warranted For Retiring NGNs

Without prejudice to Three's views that ComReg's proposed intervention is incorrect and has not been justified, this would particularly be the case for any NGNs that are to be retired. If ComReg proceeds to withdraw 1850, 1890, and 076, then it would be counter-productive to consider implementing retail price restrictions for these NGNs while they are in retirement. In the first place, it would be disproportionate to impose this restriction on network operators/call originators when the relevant NGNs will cease to operate shortly after the change would be implemented. In addition, if the future of NGNs is to have 1800 as Freephone, and 0818 as the paid-for NGN, then it would facilitate and incentivise service providers to migrate out of the retiring NGNs if the new regime applies only to the NGNs that will be retained in the long-term.

⁵ European Communities (European Communities (Electronic Communications Networks and Services) (Authorisation) Regulations 2011.

Other Measures - Transparency

Overall, Three is of the view that there are other measures that ComReg should consider before imposing restrictions on call originators. The primary issue identified in ComReg's research is that there is a lack of understanding of the function of the various NGNs, and also a lack of understanding of the cost to call these numbers. While the rationalisation to two NGNs will make it easier to convey their purpose to consumers, ComReg should also consider what transparency measures can be introduced, e.g. if promotions that mention 1800 always said it was "Freephone", this would obviously promote understanding of its key feature. In addition, if service providers were to list a geographic number as an alternative to NGNs (where practical), this would ensure that consumers have a choice of whether to use the NGN or not.

Alternative Numbering

ComReg should also consider whether it would be better to make a "clean break" from the existing NGNs altogether. Dotecon seems to have dismissed this without giving it proper consideration. This could be achieved by the introduction of two entirely new NGNs to provide Freephone and charged calls, e.g:

- 0800 for free to call
- 0810 for charged NGN.

The choice for Freephone would seem to be limited, with "800" being commonly associated with free to call, however there are some options available for the charged NGN.

While it is acknowledged that there seem to be too many NGNs in operation already, and that in the short term this would add to the number, this would only be during the transition. It would give service providers the opportunity to start fresh with NGNs that are untainted by the confusion surrounding the current NGNs. The particular NGNs listed above would also have the advantage that they could both be assessable from outside the country. It would also facilitate capacity management in the Dublin (01) area as eventually the +353 18X number ranges would be recovered and available for re-allocation.

Again, in this case, it would make sense to have make no intervention in relation to the retiring NGNs (all current NGNs) so as to incentivise the migration to the new regime. Logically, there would be a period of parallel running where no new numbers are assigned from the retiring NGNs, followed by withdrawal. Similar difficulties regarding recorded announcements as previously mentioned would apply in this case.

Impact Assessment and ComReg's Objectives

Three is of the view that the Regulatory Impact assessment is inadequate for the decision proposed. ComReg seems to have only considered one solution to the price transparency issue – to impose the retail price restriction or not. No cost/benefit analysis has been carried out, and there is no quantification of the impact of the proposal. In its report, Dotecon seems to have incorrectly concluded that there is suppression of contact with service providers at present leading to consumer detriment, and also that the proposed solution is to geo-link the price of calls to NGNs which will lead to more calls being made and create a consumer surplus. This theory ignores the fact that NGN calls are substitutes for other calls. It also seems to have missed the fact that most consumers prefer to use geographic numbers and that they would not prefer to use NGNs even if the price was reduced. It is difficult to see how Dotecon's theory is supported by the facts available.

In its RIA, ComReg seems to have accepted that it is preferable to make a change to sustain NGNs. No cost-benefit analysis or other quantification has been carried out though. If a CBA was carried out, Three believes it would have shown the fragility of Dotecon's opinion that geo-linking would create a surplus.

It might just be the case that NGNs are past their heyday, and that some decline in calls is inevitable as consumers move to other channels. ComReg should have taken this into consideration in its RIA, otherwise it appears that ComReg had simply picked its solution, and focussed on the considerations that go with this.

5. Wholesale Price Regulation

We note that ComReg has not yet put forward its proposals regarding wholesale regulation, however has flagged the intention to do so. Three will respond to that consultation when published, however in the meantime we make the following preliminary comments.

1. Termination of calls to 0818

Assuming ComReg implements the proposed rationalisation of NGNs, there will be just two in operation - 1800, which is a call origination wholesale model, and 0818 which is a termination model. Assuming minimal traffic is lost when the transition is implemented this will mean the traffic to 0818 will increase considerably, and may account for around 50% of total NGN traffic.

The current wholesale tariff for termination of calls to 0818 is not subject to regulation, and tariffs are several times greater than that for geographic termination. There is no alternative means to terminate a call to 0818 other than to deliver it to the terminating operator – they hold significant market power in the

market for termination of calls to their numbers, just as a fixed operator does for termination of calls to geographic numbers. If ComReg was to implement all of its proposed retail measures this would mean that terminating operators would be free and incentivised to increase the price for termination of 0818 calls. Originating operators on the other hand would not be free to increase retail prices to reflect the wholesale increases so the price increase would have no feedback to consumer behaviour, but would merely increase losses made by originating operators.

Any wholesale review of NGNs by ComReg should include consideration of price control in the market for termination of calls to 0818 numbers.

2. Framework Regulations and Article 7 Procedure

We note that the Framework Regulations⁶ specify the procedure that ComReg must follow when proposing to impose ex-ante regulation. It may be that there is more than a single market that would need to be analysed in this process, and it is likely that some of these markets are not included in the Relevant Markets Recommendation⁷ as markets that are susceptible to ex-ante regulation. In particular, it is noted that call origination on individual mobile networks is not a relevant market included in the Annex to the Relevant Markets Recommendation.

ComReg is required to ensure that the three criteria listed in the recommendation are met, and must consult in relation to the proposed market definition. ComReg is also required to follow the Article 7 notification procedure before it can impose any remedies.

3. Regulatory Certainty

ComReg's wholesale and retail proposals combined would in effect mean that originating operators would be subject to end to end regulation: retail price control, wholesale price control, and no choice as to whether to carry the calls or not. ComReg needs to bring forward the full set of proposals for operators to consider the whole impact. To do otherwise just creates uncertainty.

ComReg should also note that in circumstances where retail price control is in place, together with wholesale price control, ComReg is de-facto imposing regulated wholesale call origination. In particular, for Freephone this could be used as a "carrier selection" mechanism from all originating networks.

4. Cost Model

⁶ European Communities (Electronic Communications Networks and Services) (Framework) Regulations 2011

⁷ COMMISSION RECOMMENDATION of 9.10.2014 on relevant product and service markets within the electronic communications sector susceptible to *ex ante* regulation in accordance with Directive 2002/21/EC of the European Parliament and of the Council on a common regulatory framework for electronic communications networks and services

Dotecon suggests that call termination modelling is a useful proxy for NGN call origination, and that it would be appropriate to use a long run incremental cost model to determine the appropriate price. This is erroneous, as NGN traffic is not incremental, but is a substitute for other call types (mostly geographic). NGN call origination is revenue replacing traffic and it is not appropriate to use a LRIC cost model.

Q. 1 Do you agree with ComReg's proposal to introduce the 'Geo-linked' NGN measure by replacing the current retail tariff General Authorisation conditions for '1850', '1890', '0818' and '076' NGNs with a new 'Geo-linked' retail tariff General Authorisation condition of use? Please explain the basis for your response in full and provide any supporting information.

As explained further above in sections 3 and 4, Three does not agree with ComReg's proposal. This would be an unwarranted intervention in the freedom of originating operators to determine their pricing in a competitive market. The market research shows that the majority of consumers do not consider this to be important; they overestimate the cost of calling NGNs at present; and they are indifferent to the price to call NGNs. It has not been demonstrated that this proposal would remedy any consumer detriment, and as such it is incompatible with the regulatory framework. There is also a weakness in this proposal as it assumes that there will always be a single geographic tariff to link to.

While there is general confusion among consumers in relation to the purpose and price of calling NGNs, the solution to this problem lies within the structure and promotion of NGN.

Q. 2 Do you agree with ComReg's proposal to withdraw the '1850', '1890' and '076' NGNs following a 2 – 3 year transitional period? Please explain the basis for your response in full and provide any supporting information.

Three caustiously agrees that the rationalisation to two NGNs should facilitate the promotion of the remaining two with a clear purpose and identity. We would caution that ComReg might have underestimated the changeover process that will be required and that 3 years is the minimum required. Without prejudice to Three's response to question 1, we believe it would be disproportionate and counter-productive to attempt to geo-link the retail price for retiring NGNs.

We are of the view that Dotecon has dismissed the "clean-break" solution without serious consideration, and that ComReg should now examine that option.

Q. 3 Do you agree with ComReg's proposed NGN transparency measures? Please explain the basis for your response in full and provide any supporting information.

Three agrees that some transparency measures are required, and generally supports ComReg's proposals. This addresses the main issue identified in ComReg's market research – confusion of purpose and loss of identity of NGNs.

In addition, Three recommends an initiative that would encourage service providers to mention that 1800 is free to call in their promotional materials, and to always provide a geographic number in addition to a NGN where possible.

End.

17: Verizon Ireland Limited

NON-CONFIDENTIAL



Verizon response to ComReg’s Review of Non-Geographic Numbers consultation

Introduction

1. Verizon Enterprise Solutions (“Verizon”) welcomes the opportunity to respond to ComReg’s Non-Geographic Numbers (“NGN”) consultation 17/70 (the “Consultation”).
2. Verizon is the global IT solutions partner to business and government. As part of Verizon Communications – a company with nearly \$131 billion in annual revenue – Verizon serves 98 per cent of the Fortune 500. Verizon caters to large and medium businesses and government agencies and is connecting systems, machines, ideas and people around the world for altogether better outcomes.
3. Please note the views expressed in this response are specific to the Irish market environment and regulatory regime and should not be taken as expressing Verizon’s views in other jurisdictions where the regulatory and market environments could differ from that in Ireland.
4. We must express our strong disappointment that the focus of the Consultation is not on the wholesale regime, where we see sustained and on-going market failure which is destroying stakeholder confidence across the value chain. ComReg should start with this wholesale market as its focus, as without urgent change at the wholesale level it will threaten the continued viability of the NGN regime at the retail level.
5. Verizon and many other industry stakeholders have raised this concern repeatedly with ComReg yet to date we have seen no concrete progress to address and resolve it. Indeed we have seen multiple Calls for Inputs and Information Notices have been issued over the years – as evidenced on page 2 of the 14 June notice:

Additional Information

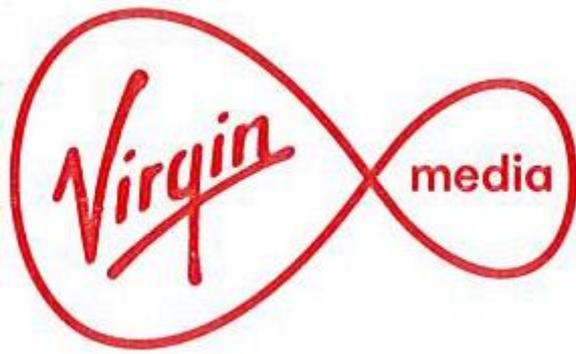
Document No:	14/08
Date:	29 January 2014
Document No:	14/23
Date:	20 March 2014
Document No:	14/25
Date:	28 March 2014
Document No:	14/130
Date:	5 December 2014
Document No:	15/40
Date:	8 May 2015

6. On 14 June 2017 ComReg issued an information notice where it pledged to “start a project” to look at intra-operator charges for calls to NGNs.¹ It has taken years to reach the point where ComReg is prepared to commit publicly to investigate this market. However since that time we have seen no update or communication to explain what is happening or what action will be taken.
7. We note that passing reference is made by ComReg to the issues at the wholesale level, and DotEcon gives a more detailed summary of the concerns in its own report, providing an overview of the issues plus suggested means to address and resolve them. We cannot understand why ComReg has not seen fit to act on these critical issues much sooner, given that they are affecting all players in the value chain, especially service providers and consumers. As yet we have no visibility on when ComReg will address this and how long it will take to reach conclusions to remedy the situation.
8. We would strongly urge ComReg to set out and commit to a clear timetable to resolve the issues which exist at a wholesale level in relation to mobile origination payments levied for calls to non-geographic numbers.

¹ <https://www.comreg.ie/publication/information-notice-wholesale-charges-non-geographic-numbers/>

18: Virgin Media Ireland Limited

NON-CONFIDENTIAL



Virgin Media response to:

Consultation: Review of Non-Geographic Numbers

ComReg 17/70

12 October 2017

Summary

Virgin Media Ireland Limited (**‘Virgin Media’**) welcomes the opportunity to respond to ComReg’s Consultation (**‘the Consultation’**) on its Review of Non-Geographic Services (**‘ComReg 17/70’**).

Virgin Media has responded to some of ComReg’s specific questions in the next section. The main themes of this response are as follows:

- 1. Virgin Media is supportive of ComReg’s review of non-geographic services.** We agree that there is room to improve the functioning of these services.
- 2. A full assessment of non-geographic services requires retail and wholesale levels to be reviewed together.** Determining how best to tackle the issues identified by ComReg in the Consultation requires a more complete picture. It may be the case that the underlying causes of these issues are at the wholesale level, and interventions at that level would be a more effective remedy than those that are proposed in this Consultation.
- 3. ComReg should refrain from geo-linking retail tariffs for calls to non-geographic numbers until such time that wholesale charges have been brought in line.** There are additional costs associated with the provision of non-geographic numbers (**‘NGN’**) that do not arise in the provision of geographic numbers. Operators need to be able to recover these costs from those customers that make calls to NGN – linking retail NGN tariffs to geographic rates would prevent them from doing so.
- 4. Any decision around the withdrawal of 1850, 1890 and 076 should be delayed until a later date.** Since ComReg has not yet implemented *any* measures to improve the functioning of the NGN platform, it is premature for ComReg to say whether this more heavy-handed action will be necessary down the track.

Virgin Media supports ComReg’s review of NGN in Ireland. The services provided over these numbers are valuable to our residential customers and mobile customers who make calls to these numbers, as well as to our business customers who provide them. We therefore agree that the exercise is worthwhile. We also agree with many of the observations presented by ComReg in this Consultation.

However, we disagree with the approach taken by ComReg - in particular, with ComReg’s proposal to start with an assessment of issues that have arisen in the functioning of NGN at the retail level, and then at a later date to assess the wholesale level.¹ As a result, the Consultation provides an incomplete picture of the functioning of the NGN platform.

Virgin Media’s view is that the retail and wholesale levels, and indeed the prices, are inextricably linked, and that these should be reviewed simultaneously. The market for non-geographic calls is complex. There can be multiple parties involved, with payment flows going in various directions. For reasons that are explained in this response, we believe that the proposals made by ComReg in the Consultation cannot be fully assessed without taking account of interactions and payment-flows at the wholesale level.

¹ Paragraph 11.4 of the Consultation

Virgin Media therefore considers that, before making any changes, ComReg should analyse the wholesale level and retail level together within a single review of NGN. Having done that, ComReg will be better placed to design appropriate remedies aimed at addressing the issues identified.²

Response to Consultation Questions

Q.1 Do you agree with ComReg’s proposal for a new ‘Geo-linked’ NGN measure which would replace the current retail tariff General Authorisation conditions for ‘1850’, ‘1890’, ‘0818’ and ‘076’ NGNs with a new ‘Geo-linked’ retail tariff General Authorisation condition of use?

As already noted, Virgin Media considers that the retail and wholesale levels, and indeed the various prices and wholesale charges, are inextricably linked, and should be reviewed simultaneously. It may be the case that the proposed geo-link would not be required if wholesale charges e.g. termination rates were aligned at the wholesale level. In that scenario operators may include NGN calls within their bundle of geographic minutes for commercial reasons, thus alleviating the need for retail price regulation.

In any case, ComReg should refrain from linking retail tariffs for calls to NGNs to those of geographic calls until such time that wholesale charges have also been brought in line.

Virgin Media applies different retail rates for calls to NGN, relative to geographic numbers, because we incur additional wholesale charges when our customers make a call to an NGN. For example, for 1890 calls, fixed operators incur the following additional charges:³

1890 Charges for Fixed Operators

Service type	Cent per minute		
	Peak	Off-peak	Weekend
Fixed operator	4.39	1.15	1.20

A similar scenario applies for retail calls to Universal Access numbers, where we also apply different rates compared with our geographic call rate. We incur the following additional wholesale charges when our customers make a call to a Universal Access Number:⁴

Terminating Charges for Universal Access

Service type	Cent per minute		
	Peak	Off-peak	Weekend
All Operators	4.62	2.58	2.04

In both of the cases set out above these charges are significantly higher than the standard rate applied for termination of a geographic call. As long higher wholesale charges apply for calls to NGN, operators must be able to recover these wholesale charges through retail tariffs.

² As an alternative, ComReg could instead start with an assessment of the wholesale market and introduce any required measures at that level, before considering whether retail intervening is necessary. This approach would be consistent with ComReg’s standard approach to market analysis.

³ Information provided in Table 205 of the STRPL at http://www.eircomwholesale.ie/Reference_Offers/.

⁴ Information provided in Table 202 of the STRPL

Imposing a restriction on retail tariffs, whereby they must be pegged to geographic tariffs, under these conditions would be disproportionate and would undermine an operator's ability to recover these costs.

If ComReg were to link the NGN retail tariff to the geographic call tariff, the cost to operators of providing a 'bundle of minutes' may increase.⁵ This could result in operators attempting to recover the cost by either increasing the retail price of packs that included bundled call minutes, or by reducing the number of minutes included in the pack. Neither of which would be a good outcome for the majority of customers.

It is therefore important for ComReg to first consider whether there is a more direct way of addressing ComReg's concerns in relation to NGN.

Q.2 Do you agree with ComReg's proposal to withdraw the '1850', '1890' and '076' NGNs following a 2 – 3 year transitional period?

ComReg notes in paragraph 1.7 of the Consultation that:

...introducing a new retail tariff principle alone may not be enough to best ensure the efficient and effective functioning of the NGN platform for both consumers and SPs.

On that basis ComReg has proposed to withdraw 1850, 1890 and 076 over a 2-3 year period.

Virgin Media acknowledges that, according to ComReg's analysis, there appears to be evidence of some confusion amongst consumers and SPs regarding both the charging structure and the cost of calling NGN. However, since ComReg has not yet implemented *any* measures to improve the functioning of the NGN platform, it is premature for ComReg to say whether this more heavy-handed action will be necessary down the track. It may be the case that measures implemented by ComReg at the wholesale and/or retail level in the interim are successful in addressing ComReg's concerns, and that no further changes are required in 2-3 years. In which case, Virgin Media should not make any decision now around the withdrawal of 1850, 1890 and 076.

Any decision to withdraw these number ranges should not be taken lightly. 1850 and 1890 number ranges are important to many Irish businesses, as they offer different options for connecting with their customers. They are often part of a business's branding, and recognisable to its customers. These numbers used regularly, and therefore valued, by some consumers.

Even if it turned out that rationalisation were required down the track, it is likely that a less extensive rationalisation, such as consolidation of the Shared Cost NGNs (1890 and 1850), would likely be sufficient.

Q.3 Do you agree with ComReg's proposed NGN transparency measures?

Virgin Media notes that ComReg has proposed two additional transparency requirements that would apply to operators:

⁵ This risk would be exacerbated by the anticipated increase in demand for NGN calls that would likely arise in the instance where customers were able to make NGN calls free of charge.

- a. To publish transparent, comparable, adequate and up-to-date information on applicable prices and tariffs in a clear, comprehensive and accessible form; and
- b. To provide applicable tariff information to subscribers regarding any number or service subject to particular pricing conditions. For individual categories of services, ComReg may require such information to be provided immediately prior to connecting the call.

Virgin Media agrees that the provision of clear and unambiguous information on call costs is beneficial to operators, service providers and customers. That is why Virgin Media already sets out its call rates on its website in a clear, comprehensive and accessible form.

In the context of ComReg's proposals to introduce new requirements, it is important to note that a lack of awareness on the part of customers does not itself represent evidence of a lack of availability and clarity of call rates by operators. It may be that many customers do not retain the information about NGN call rates because they make calls to these numbers infrequently. It may also be the case that customers, when making these calls, do not seek out the call rates. ComReg should therefore be mindful not to overlay new regulatory requirements based on a flawed assumption that the information is not available.

In relation to Virgin Media's second proposal. Virgin Media's call rates, including for NGN calls, are set out on our website. Customers wishing to seek out this information are free to do so. Given that the information is already available to customers, additional obligations of this nature may not be proportionate. However, Virgin Media is open to discussing any specific proposals that ComReg may have in this regard.

19: Vodafone Ireland Limited

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Vodafone Response to ComReg document:

Review of Non-Geographic Numbers

Reference: ComReg 17/70

Executive Summary

Vodafone welcome the opportunity to respond to ComReg's document Review of Non-Geographic Numbers ('NGN').

Having reviewed ComReg's research and Review document Vodafone disagree strongly with ComReg's proposed action in management of NGN numbers.

In the consultation document (ComReg Doc No. 17/70) ComReg identify their primary concern regarding the NGN platform as being related to the fact that "operators are not communicating their retail tariffs for NGN calls" and "consumers do not know how NGN calls are charged"

In considering appropriate actions required to solve these perceived issues Comreg focus on a view that Originating Operators are the bottleneck in communications between customers and Service providers; and that factors under the control of the originating operator, namely pricing and awareness act as disincentive to customers in the use of NGN numbers.

This is clearly not the case as customers can now use multiple ways to communicate with service providers of which NGN is only one method - and that no bottleneck exists in this communication.

The use of NGN numbers is naturally declining –later in our response we quote from IBM research which found that 72% of millennials "believe a phone call is not the best way to resolve their customer service issue".

It is also clear from ComReg's document that Vodafone and other Originating Operators have clear financial incentives to compete against many other contact channels that exist between customer and service provider.

It is our view that ComReg have misread the retail market. Furthermore, the proposed remedy is excessive. It increases costs for originating operators, for service providers and potentially for customers potentially for customers. It does not take into account the actions taken repeatedly in a competitive market by operators to enhance the scope of their bundles by putting the call types that customers rely on most into their monthly price plan allowances. The market has reacted to customer demands.

It is our view that remedy is neither reasonable, justified, or proportionate to the problem identified. ComReg's proposed solution will implement a price control in the retail market without remedies being in place in the wholesale market. This will in some cases force Originating Operators to sell services below cost and also cause significant market distortion in the overall market as this change will unevenly disadvantage some players in the market.

The market for NGN numbers is naturally declining, because customers and Service Providers offer a range of alternatives for communication and because of some of the earlier drivers for their introduction, such as high in-country Geographic call charges, have essentially disappeared. The major disruption that ComReg propose to the market will drive service providers out of the NGN market completely and that will in practice remove choice from customers and businesses. It is also significant that If customers end up using NGN numbers less frequently then the transparency measures proposed by ComReg will fail.

The key issue identified in the DotEcon report is the lack of awareness of calls costs amongst the survey sample. Increasing transparency should be the focus of the proposed remedies not a costly restructuring of the number ranges and the imposition of unnecessary, unjustified and disproportionate price controls.

Response to specific questions in ComReg

Document 17/70:

1.1 Q. 1 Do you agree with ComReg's proposal for a new 'Geo-linked' NGN measure which would replace the current retail tariff General Authorisation conditions for '1850', '1890', '0818' and '076' NGNs with a new 'Geo-linked' retail tariff General Authorisation condition of use? Please explain the basis for your response in full and provide any supporting information.

Vodafone do not agree with ComReg's proposal for the reasons outlined below:

Businesses moving towards a broader range of channels:

The NGN market is declining – Service Providers now prefer to offer a range of contact channels including alternative non-voice methods of communicating with customers, many of which are considered more effective channels for customer support, such as email, social networks (twitter, Facebook), forums and message boards, live chat, self-service knowledge bases, online support tools etc.

Customers want this: recent IBM research¹ identified that younger people no longer choose to use voice services to address their customer care issues.

Quoting from this research:

“A recent [customer service study](#)² revealed that 72% of Millennials believe a phone call is not the best way to resolve their customer service issue. These tech-savvy Millennials prefer to solve their own customer service issues, turning to self-service solutions including FAQs, forums and online chat or bot services”

¹<https://www.ibm.com/blogs/watson/2017/04/10-reasons-ai-powered-automated-customer-service-future/>

²http://help.desk.com/millennials-report-providing-customer-service-for-todays-consumers?cm_mc_uid=40768956783415075524080&cm_mc_sid_50200000=1507552408&cm_mc_sid_52640000=1507552408

The market is delivering services that customers require. There is a real danger that ComReg's proposed action could then have unintended destructive effects on the NGN market

Rather than provide a new service for customers in a revised NGN regime it is likely that ComReg's major proposed regime will cause Service Providers to remove NGN as a method of customer contact and invest instead in new online solutions

This outcome would be bad for customers as they will have fewer options to contact service providers. This outcome would also be socially divisive as the new communication methods may be less available or less attractive to older customers.

Without prejudice to the position outlined, if ComReg did decide to proceed with the proposed solutions then it is our view that ComReg's consultants have significantly underestimated the cost and timescales involved for Service Provider companies to make the changes required to support the new NGN regime. It is unlikely that the companies surveyed carried out full analysis of the Network and IT costs involved in implementing a new number system. Typically, companies will have to negotiate with telecoms providers to complete contracts for new numbers, prepare internal material and brand review before they can begin the cycle of replacement of stationary, signage, web site development, vehicle repainting etc.

ComReg's use of averages for time required to replace stationary etc. does not provide an appropriate figure for time to change the number plan. Many companies will not wish to make the significant investment needed to use the new proposed NGN system and will want to allow the current numbers to lapse over a longer time period.

To remove whole number ranges from the market we urge a minimum cycle of at least 5 -7 years would be more appropriate to allow Service Providers and Customers to adjust to this major change.

ComReg's time plan proposal has also failed to take into account the contracts that exist between Service Providers and their Telecommunications provider. These contracts typically run for a two-year period. This should provide a guideline that any change in charges should be introduced with a two-year notice period to all parties.

Negative effect on customers:

Vodafone believe that the net effect of ComReg's proposal will be bad for end customers.

- They will lose choice of ways to contact service providers.
- Enforced Number changes will lead to further confusion
- ComReg are removing an element of competition in the market.
- Originating Operators and service providers will incur additional costs which may lead to increased costs for consumers.

In making its proposal ComReg relies heavily on the BGA customer research pointing out customers lack of clarity on charges for NGA etc. However, these customers are also unclear of the costs of calls to 1800 numbers and of calls to other Geo and no-geo calls. A further change, particularly at short notice will only add to the confusion.

As discussed above the NGN market is declining –it is likely that ComReg's major disruption of the market may cause Service Providers to remove NGN as a method of customer contact. The net outcome may then be bad for customers as they will have fewer options to contact service providers.

If fewer Service Providers are using NGN numbers, then transparency measures will not have the desired positive effect. Customers will only occasionally see the proposed transparency messages and will not become familiar with the material.

Competition

It is important to note that ComReg's proposal will also remove an element of competition between Operators. ComReg's research already show that there is already a difference between the retail charges that different operators levy on these NGN calls and differences in the inclusion of different NGN calls in bundles. For example, Vodafone include '0818' calls in its bundled minutes for its bill-pay customers - other mobile operators do not.

ComReg's proposal will then act against its remit to encourage competition by removing this element of competition between operators. ComReg's analysis has identified a lack of customers understanding of the price difference between operators - not a lack of actual competition on prices - why else would Vodafone charge less than other for some call types?

In addition to consumer protection, one of ComReg's core objectives in discharging its regulatory function is to promote competition. The critical issue that ComReg are attempting to resolve is one of transparency with respect to NGN charges. It is more appropriate for ComReg to engage with operators for insights on how transparency and understanding of charges can be enhanced without a radical change to numbering and tariff structure.

As the issue that ComReg are trying to solve is one of transparency with respect to pricing the action being proposed, which removes competition is not justified, reasonable, or proportionate.

Waterbed and Cross-Subsidy.

ComReg's report acknowledges that its proposal can result in a waterbed effect where the current NGN revenue could impact the overall price plan cost. Even if the percentage increase in charges is as low as ComReg estimate the effect will still be unfair on customers who do not regularly call these numbers as cost is being transferred from another group who have decided to use NGN services.

In recent years their considerable value has been added to call allowances within operator price plans (such as on-net calls, cross net calls, unlimited allowances, free voicemail etc.). This is as a direct result of competition in the market and mobile operators also now offer the ability for customers to use their allowances for calls when roaming in the EU.

In light of the potential for further impacts as a result of the new Communications Code it is not appropriate for ComReg to take action at this time without considering the total impact of aggregate changes on operators who are investing in networks and services in Ireland.

The Implementation process proposed is seriously flawed

It is Vodafone's understanding that ComReg plan to review the wholesale market for NGN services. It is our view that the wholesale review must precede any proposed changes to the retail market.

ComReg should follow the clear precedents that have been set and which provide a better model of how change should be implemented:

- Ofcom changes to the number management of NGN numbers in in the UK
- The Europe wide changes in the Roaming changes

In both these cases the wholesale regime was reviewed and amended in advance of imposing any change in the retail market.

Without change to the wholesale regime we can identify call cases generated by ComReg's proposal where the Originating charge will not cover the Transit charge that are currently in the market.

We outline two examples in Appendix 1 of call cases from Vodafone's fixed services customers where we as Originating Operators will not be able to recover our costs. ComReg's analysis of the money flows in the Transit and Settlement market does not adequately address calls from fixed lines. In our example:

- Where fixed customers call 1850 the settlement payment from Vodafone will be [REDACTED] at peak times.
- Where the same customer calls a National Geo Number the payment to eir is [REDACTED]

Call bundles for fixed customers have been designed to cover the typical eir Geo costs and each call to NGN number included in these bundles will be loss making. ComReg's proposed solution in these cases is clearly not reasonable or proportionate.

The risks associated with the introduction of a retail only remedy are clearly identified in the DotEcon report – see the following quotes:

"It is also possible that retail remedies without corresponding wholesale remedies could even worsen the situation for SPs if originators seek to recover lost retail margins through higher wholesale charges. . . .

For these reasons, we recommended that measures to intervene in the wholesale market are considered in parallel with our proposed remedies for the retail market."

Comreg 17/70a. P126

Timing of inclusion of costs in-bundle:

Contracts in place with Service Providers for 0818 and other NGN numbers typically run for periods of two years. The proposals from ComReg do not take into account the contractual complexities that would need to be addressed. There would be a requirement for all customer contracts to be re-negotiated – taking into account the new charging regime and customer impacts.

Similarly, there are other interconnect and transit contracts in place that will need to be re-negotiated to take account of any outcome of ComReg's review process.

Notwithstanding the Vodafone view that this action is completely unwarranted it is clear that there has been limited consideration given to the details on contracts and the proposal that calls would include in bundle within six months is entirely disproportionate and unreasonable.

Competition with OTT and other services

ComReg's research identified that Originating Operators make profits from customers calls to NGN numbers. Obviously Originating Operators then lose this profit if customers use alternative ways of contacting the Services Providers. It is clear that operators have the necessary motivation to encourage customers to make additional calls on these NGN numbers. There is adequate competition between voice calls to NGN and the alternative OTT communicating methods, which are not regulated. Vodafone again assert that ComReg should be focussed on addressing the transparency issues identified in the report as opposed to imposition of radical changes to tariff structured and numbering.

Proportionate.

ComReg have identified transparency as the key problem in operation of NGN calls. We refer to section 1.5 of 17/70 which describes ComReg's preliminary concerns; 3 out of the 4 points raised discuss customers' knowledge of NGN charges.

This clearly should point ComReg to a solution which would solve the transparency problem. Indeed, in page 238 of DotEcon's document a solution is identified in Switzerland where a message is played at the beginning of calls:

"BAKOM introduced a rule obliging service providers to play a tariff announcement ahead of calls to 'Corporate Networks' in all instances where the tariff is not the same as for calls to geographic numbers." 17/70a page F5 page 237

This solution addresses the transparency problem 'head-on'. Instead of considering this example Comreg have instead proposed a solution based largely on significant change in the NGN number ranges and changes in retail pricing even though the research points to consumers not being as concerned by this.

"the survey findings suggest that, by themselves, prices of calls to NGNs are not a significant factor in consumers' choice of provider, ". (ibid p102)

ComReg have not explained why they believe it is justified or proportionate to solve a transparency problem by implementing retail price control, given that ComReg's proposal will cause significant disruption in the market and introduce unnecessary costs for services providers.

<p>Q. 2 Do you agree with ComReg's proposal to withdraw the '1850', '1890' and '076' NGNs following a 2 – 3-year transitional period?</p>

Vodafone do not agree with this proposal

In relation to the numbers that are planned for withdrawal, ComReg have highlighted that the concern is that customers do not understand the charging associated with NGN services. It is Vodafone's view that clear pricing information should be available for customers and we make the pricing detail for all numbering types but a radical change to the numbering scheme is not warranted.

In general customers understand that 1850 and 1890 are NGN numbers – and if the principle concern that ComReg consider needs to be addressed is pricing clarity then ComReg should engage industry to find a solution without launching a significant change which in our view will give rise to unintended consequences.

Even with future publicity Customers are unlikely to become familiar with the fact that that 0818 is an NGN number: it is too similar to the current mobile ranges 087, 085, 083 etc. Alternative presentation of the digits will not solve that issue.

We also suggest that there is no good reason to withdraw 076. This number is used extensively by government and corporate services. Quoting from DotEcon:

“ However, the wide range of existing uses for this number also mean that the costs of shifting away from this range may be greater and this could be an argument in favour of retaining 076. ”

Time Scales:

Notwithstanding the Vodafone view that this change is not warranted we would suggest a the very minimum that a period of five-years would be appropriate for the removal of any number range. We believe that many Service Providers will choose to leave the NGN market if ComReg’s proposals are implemented unchanged.

These Service Providers will then not wish to spend additional money on replacement of marketing material, promotion of new NGN materials etc. In a declining market it would cause least disruption and least cost for service providers to allow a longer period for alternatives to be put in place.

ComReg have not tested their proposed solution with consumers - we believe that the smaller number of SP who will use these NGN will result in less customer’s information in practice and more confusion.

. 3 Do you agree with ComReg’s proposed NGN transparency measures?
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We agree in principle with giving more clarity to customers on charges and would suggest that initially the focus should be placed on transparency enhancements and the assessment of outcomes in order to minimising disruption to the market.

NGN is a declining market. This is clearly identified on ComReg’s documentation. The reasons for this decline are not as simple as presented in ComReg’s document. Service Providers are choosing to offer alternative communication channels to their customers - these services are typically cheaper to operate than answering voice calls.

Comreg 1770a. Figure 13: Origination call volumes by NGN



The significant disruption that ComReg propose to the NGN market will certainly cause many service providers to review their use of these numbers and we anticipate that many service providers will leave the NGN market and may restrict the contact options available to consumers. If less people are using the NGN services less often than the proposed transparency measures will fail as people will be less familiar rather that more familiar with the cost of these cases.

Appendix 1 Call and revenue from Vodafone Fixed Service Customers.

