COMMUNICATIONS ALLIANCE

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Australian Mobile Telecommunications Association (AMTA)

Position Paper

Numbering: Implications of Research into Consumer Issues (Consultation Paper 4)

July 2011

Introduction

Communications Alliance is the peak telecommunications industry body in Australia. Its membership is drawn from a wide cross-section of the communications industry, including service providers, vendors, consultants and suppliers. Its vision is to provide a unified voice for the telecommunications industry and to lead it into the next generation of converging networks, technologies and services. The prime mission of Communications Alliance is to promote the growth of the Australian communications industry and the protection of consumer interests by fostering the highest standards of business ethics and behaviour through industry self-governance. For more details about Communications Alliance, see http://www.commsalliance.com.au.

The Australian Mobile Telecommunications Association (AMTA) is the peak industry body representing Australia's mobile telecommunications industry. Its mission is to promote an environmentally, socially and economically responsible, successful and sustainable mobile telecommunications industry in Australia, with members including the mobile Carriage Service Providers (CSPs), handset manufacturers, network equipment suppliers, retail outlets and other suppliers to the industry. For more details about AMTA, see http://www.amta.org.au.

Overview

Communications Alliance and the Australian Mobile Telecommunications Association (Associations) and their members welcome the opportunity to offer their comments in response to the ACMA Consultation Paper 4, "Implications of Research into Consumer Issues" (Consultation Paper). The comments offered are high-level.

The Associations appreciate the research efforts undertaken by the ACMA for this Consultation Paper and the results do indeed provide valuable information for Industry. However, some of the conclusions drawn by the ACMA do not reflect the research findings outlined in Appendix A of the Consultation Paper. This could be a reflection of research findings that are, to some extent, inconsistent or not clearly able to be explained without further research into the issue. For example, while the research shows some lack of understanding about call costs, it also found that for most people the actual cost of each call they make is irrelevant to them as they are on a monthly plan that includes a value allowance or provides unlimited calls to certain call categories. Or perhaps they do not frequently call certain categories of numbers. However for some consumer segments of the population call costs information would be important (e.g. those on low income, noting that cost sensitivity would apply to all living expenses). The research and its findings did not make clear the extent of any problems for these groups who may be adversely affected by not having a clear understanding of call costs.

The Associations note that the next step in the consultation process is for the ACMA to release a directions paper. The Associations are seeking to participate in the ACMA's considerations of issues and any changes proposed to the Numbering Plan as the directions paper is drafted. As our members are regulated by the ACMA, they would prefer to be consulted on the directions paper prior to it being made available for wider public comment.

Responses to questions raised in the Consultation Paper

Question 1 – Are there any other pressures for change the ACMA should consider?

The Associations agree that technological innovations, convergence, service innovation, new and emerging business models, changes in consumer behaviour and the planned NBN place some pressure on the current numbering administration arrangements. The Consultation Paper (as in the previous Papers) goes into a considerable amount of detail on numerous issues around numbering. However, the Consultation Paper does not clearly lay out the outcomes it wants to achieve. As these matters are fully articulated and associated transition paths outlined the Industry is interested to look at such a transition path so that more certainty in the market could be provided for new entrants as well as for CSPs planning the management of a transition to an NBN environment.

Question 2 – Are the four general principles – efficiency, flexibility, resilience, and simplicity and transparency – the most significant aspects of number use that the ACMA should assess?

The Consultation Paper, as did its three predecessors, names the principles of efficiency, flexibility, resilience, and simplicity and transparency as guides for the ACMA's considerations regarding the regulation of numbering. The Associations note that whilst those principles certainly are worthwhile pursuing, the overriding objective should be the capability for suppliers to readily access and use relevant numbers to provide services to consumers and the promotion of competition to deliver lasting consumer benefits.

Question 3 – What are the key consumer outcomes that telephone numbers are currently safeguarding or enabling? In the light of the research how effective and important are numbers in delivering those outcomes?

Different categories of numbers provide consumers with different ways to communicate and may indicate to the caller if the cost is low/untimed or premium/timed. Currently, with an existing obligation to provide untimed local calls, consumers know (or are in a position to know) that calling from a fixed phone to a local geographic number will result in an untimed call with a correspondingly low/fixed charge being incurred. The ACMA's analysis shows that in some situations there is a low level of understanding of a local call but this is in part due to the lesser relevance of this information for certain consumer groups, such as those who primarily use a mobile phone, or other services, such as VoIP, where the call cost may be included as part of the customers included value plan, be subject to a timed rate, or incur a fixed fee, regardless of location. The relevance of untimed local calls needs to be considered under current arrangements as well as under an NBN environment.

Question 4 – What alternative mechanisms (to numbering based approaches) exist for delivering consumer outcomes?

IP addressing could be used as an alternative for delivering consumer outcomes for some types of new services. Existing services should not be interfered with. There is sufficient scope for the existing Numbering Plan to support existing services and permit the introduction of new services. There is no need at this time for the underpinning numbering arrangements that support fixed telephony and the associated regulatory obligations of untimed local calls to be dismantled. If the ACMA were of the view that untimed local call provisions of the Telecommunications (Consumer Protection and Service Standards) Act 1999 (TCPSS) ought to be removed, then that regulatory outcome would need to be achieved before changes to the Numbering Plan are contemplated.

Question 5 – What transition strategies should the ACMA consider for the consumer outcomes that rely on numbers?

The Associations are hesitant to comment on transition strategies when none of the Consultation Papers clearly defined a transition path or an end state. Clearly there must be consideration given to the impact of the NBN on the telecommunications market. The ACMA has not identified any significant impact the realisation of the NBN will have on the administration of the Numbering Plan. There has been no case made that the current Numbering Plan will fail to support existing service types or that it will fail to support the introduction of new services that might choose to use E.164 based numbering. The Government's Best Practice Regulation Handbook identifies six clear steps that precede "a strategy to implement and review the preferred option" including identification of the problem or issues that give rise to the need for action, definition of desired objectives, identification of options and assessment of the impact.

Question 6 – Are there any particular issues that are relevant only for particular service types now and/or in the future?

The Associations do not believe there are any particular issues that are relevant only for particular service types either now or in the future.

Question 7 – Are there any price information arrangements that are important to retain or extend to all services? Why?

Industry assumes this question may be referring to call charges to 1800 and 13/1300 numbers from mobile phones as compared to fixed lines. The research findings, as expected, show a spread in the level of understanding on call charges. This finding as such, however, does not necessarily point to the existence of a problem.

The development and use of 1800 and 13/1300 services in Australia has a long history, with current arrangements dating back to the early 1990s. In this context, the various charging arrangements that apply from fixed-line and mobile services and the sharing of call cost between the A (the caller) party and B (the receiver) party need to be taken into account.

While the Associations do not believe that "price information arrangements" related to 13/1300 and 1800 numbers and associated policy fall within the scope of the Numbering Plan and its administration the ACMA review process has already provided interested stakeholders with an opportunity to make comments on these matters. This being the case we expect that the ACMA will use this feedback to further inform policy makers on these matters. It should be noted in relation to concerns about mobile calls to "helpline" numbers, the industry has recently worked closely with the Department of Broadband, Communications and the Digital Economy and others in addressing a specific Government supported initiative covering mobile calls to the 131114 Lifeline service.

Question 8 – What implications should the ACMA draw from changing patterns of customer use and understanding of price information in numbers?

The ACMA needs to ensure that market activity can take place within the capabilities of the Numbering Plan and be vigilant to identify any need for new number ranges or changes to existing number ranges. Bundled service offerings and plans that include value allowances have been widely accepted by consumers and will continue to evolve as long as consumers see value and convenience being offered in the marketplace. Clearly, such bundling can be achieved within the current Numbering Plan. Changes to the Numbering Plan should reflect any changes to services being offered to the market. For example, should the ACMA be successful in having the untimed local call obligation removed from the TCPSS, the structure of geographic numbering could be reconsidered in the Numbering Plan.

Question 9 – What alternative approaches might adopted particularly for younger demographics?

The Associations suggest that younger demographics demonstrated a more varied understanding of call charges in the research due to the fact that it is simply less relevant to them. This could be for a number of reasons. They may not be responsible for paying the bill, they may be on a bundled or included value plan where they have a monthly allowance to spend, or maybe they do not tend to use a fixed phone and the concept of making a local call is less relevant to this generation who have grown up with mobiles and internet based social networking applications as their main form of communication. Such trends, if continued in the long term, would support the removal of untimed local call obligations from the TCPSS.

Question 10 – Are price information arrangements necessary for directory assistance and other shared numbers? How can they best be achieved?

The Associations believe that this policy-based question is out of scope in a review of the Numbering Plan.

Question 11 – Should a residential fixed-line listing in the directory be opt-in, rather than the current opt-out system? Why? Should a mobile listing in the directory be opt-out, rather than the current opt-in system? Why?

The Associations are of the firm opinion that directories and the policy surrounding their production, for example, an opt–in versus opt-out policy is clearly outside the scope of the Numbering Plan and its administration.

Question 12 – To what extent is pre-selection or pre-selection override currently of value to customers? How much of the business of carriage service providers is currently dependent on pre-selection or pre-selection override?

The Associations note that today consumers have many available choices compared to the period when pre-selection arrangements were introduced. This range of choice is likely to be strengthened under NBN arrangements adding further weight to the views of some members of the Associations that the original policy objectives underpinning pre-selection will no longer apply in the future and that the current regulatory settings should be removed. At the same time there are some members that hold a view that pre-selection is not something that needs to be changed at this time and those customers who are currently using pre-selection should be able to continue those arrangements with appropriate consumer information strategies. The Associations do hold a consensus view that this *is a policy matter that* sits outside the scope of the Numbering Plan and the current review being undertaken by the ACMA.

Question 13 – To what extent will pre-selection and pre-selection override be relevant in an environment where customers' fixed-network connections are provided by NBN Co and other fixed-network telephony services are provided by retail service providers using the infrastructure of the NBN?

This question is a policy decision for Government and CSPs will be required to comply with any requirements that may be imposed in an NBN environment although it is likely that the technology used by the NBN will mean that customers will have a wide choice of retail VOIP providers without needing to use pre-selection override mechanisms. Changes to the Numbering Plan should reflect any changes to services being offered to the market. For example, should existing regulation be changed to remove the pre-selection obligations from the Telecommunications Act or the Pre-selection Determinations revoked, then the pre-selection numbering arrangements under the Numbering Plan would also need to be amended.

Question 14 – Do the present arrangements for porting of geographic numbers produce inefficiencies, undue costs or undue delays? If so, what would be required to overcome these deficiencies? Should a maximum time for porting of geographic numbers be stipulated, consistent with the practice for porting of mobile numbers?

These arrangements are defined in operational codes that are registered by the ACMA. They are not matters to be addressed in the Numbering Plan.

The Associations point out that porting geographic numbers in most situations currently involves the need to make physical changes at the customer location and to network equipment. This currently results in longer timeframes compared to porting mobile numbers that involve only software changes. It should be noted that while complex geographic ports take longer, the majority are simple ports that are completed within a reasonable timeframe.

It should be noted regarding the Table 4 "Maximum times for porting of geographic and mobiles numbers in selected European countries" includes countries that do not implement actual ports of numbers but rather use workarounds such as re-directions of calls to achieve the effect of portability.

The Associations note that considerable investment has been made by Industry in both mobile number portability and local number portability and any future changes to porting models requiring industry to make further investment and changes to either system should be done so in the context of the pending roll-out of the NBN.

It is important that the number porting can occur at a time that is convenient for the customer and the gaining carrier. Industry experience is that many business customers prefer to take new numbers rather than suffer the inconvenience and uncertainty of the current complex porting process. It must also be noted that delays arising from the gaining carrier or the customer may require the donor carrier to reschedule its porting staff. In the future, Industry expects complex porting processes to be software driven, with no need for the donor to make physical changes to network equipment.

The Associations also note that Communications Alliance is currently working with NBN Co to compile a list of Industry operational codes that will need to be reviewed for an NBN environment. Industry will use this process to progress the operational issues around portability and define any transitional arrangements as required. The Associations anticipate that once a full transition to an NBN environment has occurred, local porting will mainly be based on software changes with minimal physical work therefore reducing time-frames for simple ports to those similar to mobile porting.

Question 15 – What are the advantages and disadvantages of allowing location portability to be provided on a wider scale?

In some cases, allowing location portability to be provided on a wider scale will mean that customers may not always be charged in line with their expectations based on the number. For example, if a geographic number is ported outside the original local area, people calling that number will not necessarily realise that the number is no longer located within the original local area and that different call charges may now apply. Similarly, CSPs may bill incorrectly for calls that are local when the number (which was ported) called appears to be outside the relevant local area. This is due to the fact that CSPs rely on number prefixes to direct and bill for calls. Industry does not yet have an alternative model for identifying customer location to determine the appropriate call charge rate.

However, it is reasonable to assume that as fixed call prices continue to fall, and with pricing models likely to continue to change in an NBN environment combined with a potential change to untimed local call obligations, location portability issues becomes less problematic. And the Associations note that this is not currently an issue for mobiles.

Question 16 – Is there a need for industry (or regulatory) arrangements to facilitate (or guarantee) rapid switching between ISPs, in order to maximise continuity of internet connection to customers? If so, what form should these arrangements take and how should they be developed?

The Associations believe that this question is outside the scope of the Numbering Plan and its administration. Further as the Consultation Paper did not address the issue, it is unclear why this question has been included here.

Question 17 – To what extent does the loss of an email address when switching between ISPs adversely affect customers? To what extent are methods of avoiding such loss accessible and affordable? What other methods of avoiding loss of email addresses are available or may be feasible?

The Associations believe that this question is also outside the scope of the Numbering Plan and its administration. Further as the Consultation Paper did not address the issue, it is again unclear why this question has been included here.

The ACMA ought to note that an increasing number of customers use email addresses from third party providers and a decreasing number of customers utilise the email address supplied by their internet service provider. The

Associations do not consider this to be an issue relevant to the Numbering Plan review and in Industry's view it does not require further consideration by the ACMA.

Conclusion

The Associations welcome further industry-specific consultation with the ACMA prior to the release of the ACMA's planned directions paper.