

Consultation: Future of telephone numbers – second consultation

Non-confidential Response of Gamma Telecom Holdings Limited

About Gamma and this Consultation Response

1. Gamma Telecom Holdings Limited ("**Gamma**") is a Public Electronic Communications Network ("**PECN**") that provides wholesale fixed and mobile telephony and data services, to some 1,200 channel partners. Two of these channel partners are wholly owned subsidiaries and represent themselves over 20% of our business. In all cases, our partners and subsidiaries sell almost exclusively to all sizes of businesses and not-for-profit entities throughout the UK and increasingly to various European Union member states. Gamma has a turnover c£285m per annum and is ultimately owned by Gamma Communications plc, a company listed on the Alternative Investment Market.
2. This consultation response relates to Gamma and its UK subsidiaries. Any conflict between the implied position of Gamma in any UK Competitive Telecommunications Association (UKCTA), Comms Council UK ("**CCUK**") or Federation of Communication Services (FCS) responses or that of any other association in which Gamma is involved, or implies Gamma is involved, is accidental and we consider that our views in this response should prevail.
3. Gamma trusts that this response addresses the questions posed by the Office of Communications ("**Ofcom**") and would welcome the opportunity to elaborate on any points in more detail if required.

Response to consultation questions

Question 3.1: Do you agree with our proposal to remove the obligation for telecoms providers to provide the local dialling facility? Please provide reasons for your response.

Gamma disagrees that Option 1 is the best mechanism by which to remove local dialling as it exposes the most vulnerable to risk while failing to realise any upside for numbering resources.

With respect to risk, at present all operators are required to offer local dialling save for the six areas where it is closed – areas in which the closure was clearly announced and communicated. While we suspect that many smaller operators do not fully comply with this obligation, we also believe that the majority of the most vulnerable are BT customers; BT does comply with it.

BT's Universal Service Obligation and provision of BT Basic, along with the analysis by Ofcom leading to its work on landline-only commitments by BT, would support our assertion that BT has a disproportionate number of vulnerable users.

Additionally, the requirements for battery-backup for those that rely on their landline for access to the emergency services (which are, in practice, wholly unworkable for a split supply between internet access and voice) also suggests that large vertically integrated residential operators are likely to be the supplier of choice for the vulnerable.

The research commissioned by Ofcom cited at §3.35 is likely to be flawed. Option 1 and the closure in Aberdeen are not analogous; the latter was a closure with local media fanfare, automated messages played by the communications providers and other means by which to alert consumers to the issue.

The risk in Option 1 is only limited to situations where misdials occur where otherwise reserved numbers in the areas in question are not made available for adoption. However, by way of example, if in Torquay, 01803 118118 became a subscriber number, without an effective communications campaign and management of the time between the start of awareness and issuance of numbers, then there is a clear risk of significant bill shock.

This is where Option 1 suffers; it is incompatible with flexibility in future numbering allocations and makes Ofcom's job harder when releasing such supplies in the future. At present, Ofcom can assume (although as we say below, perhaps should not) that all operators in that area offer local dialling, so with its closure to release numbers, everyone is affected. Attempting to do this in the future adds an additional step of "Which operators are offering it voluntarily at present?"

We are not aware of Ofcom having ever enforced the rule it is suggesting to remove, which means that, in practice, Option 2 (Status Quo) is really Option 1 in practice, save for large well-resourced operators having the freedom to no longer offer the service in the latter.

Option 3 has the benefit of, after a period, making all of the resources otherwise reserved available for future use. While we recognise that Ofcom's current forecast at §3.44 suggests few than ten area codes will be exhausted by 2025, we consider that the PSTN switch-off provides a significant unknown in this matter. One might expect increased new entrants to market seeking their own number ranges as a result of the switch off and, given the amount of quantity of numbers Ofcom gives to providers, this is likely to lead to increased blocks being issued.

At present, despite trials at Salisbury and Mildenhall, and progressing (absent having shared any learning with the wider industry) at pace, Openreach have not developed key processes.

We are unclear as to how, in working towards an all-IP environment, Openreach intend to allow a number associated with a legacy broadband circuit to export (because the end user wishes to take Vonage for voice, for example, but leave the existing provider for data), without intervention.

This issue relates to access circuits where the telephone number has dependencies other than just the voice; these are primarily the products being discontinued. Where the circuit uses an access-line identifier, such as FTTP, we believe this is less of an issue.

As it stands, the solution is a line-renumber and export; which entails BT allocating a new telephone number to the circuit, while then exporting the 'live' number. Care must be taken (noting the new wording of the General Conditions re terminating on 'switch'¹ to not cease the broadband circuit, leaving the customer without access.

If, as we predict, the PSTN-switch off leads to an uptick in split supply of voice and data (or even, if line renumber and export becomes a standard part of the upgrade process to FTTP etc.), then BT's historic design choices of associating data circuits with telephone numbers will place (at least transient) pressure on numbering resources – we would respectfully suggest that Ofcom run some simulations with their forecast to ascertain how sensitive the current predictions by 2025 are to changes in demand.

If there are sensitivities discovered in that analysis, we would suggest that it would tip the balance in favour of Option 3 – a clean national closure.

Finally, we note Ofcom propose to *'issue guidelines to ensure telecoms providers provide sufficient information to customers about any change to local dialling'*. If the obligation to provide local dialling has been removed, as envisaged by the Consultation, any guidelines are wholly unenforceable. If there is harm arising from Option 1, Ofcom are left with only one choice – to consult upon and (re)introduce an obligation. We do not believe there are any other statutory provisions or emergency powers that could be brought to bear.

¹ C7.4(b), C7.17 of the [unofficial consolidated version of the GC's with effect from 19 December 2022](#)

A more sensible approach would be to leave the obligation in place until 2025², but issue guidance that;

Ofcom are unlikely to enforce B3.1.2 of the National Telephone Numbering Plan on an IP network where the Regulated Providers' Subscribers are not a Consumer, or, if they are a Consumer, the Subscribers have been informed of the lack of availability of local dialling on a Durable Medium, in a clear, comprehensible and prominent manner.

Question 3.2: Do you agree with our proposal to retain the provisions in the Numbering Plan which (i) allocate location significance to area codes and (ii) allow phone users to request out-of-area use of geographic numbers? Please provide reasons for your response.

Yes.

While there are significant demographic components to any analysis of the value of location significance in the numbering plan, with, for example, younger consumers less likely to value it, especially if they are mobile only, business do place significant weight.

We see this every day; even in elements of location significance not technically in the National Telephone Numbering Plan. Far more value is placed on 0207 than 0208 or 0203, for example, despite all being bracketed by Ofcom as 020 – London.

Certain industries are far more likely to regard the area code as important; taxi services are far from unique but illustrate this well. It is far less probable that a prospective customer will call an Inverness number for a taxi if they are in Penzance, for example. Ofcom cite a number of other good examples at §3.66.

There is no harm in retaining the location significance. Out of area use is currently allowed and is something that is enjoyed by many businesses already, if they move offices between two adjacent towns, for example. The only issue would be if numbering resources become constrained on a much wider scale. Ofcom's current forecast cited at §3.44 of the Consultation suggests this is not the case; and even if our own suggestion above that the forecast is overly optimistic, the solution to constraint is a release of circa 2m numbers in each area code through the closure of local dialling.

² Or other date that represents the completion of the PSTN closure.

Question 4.1: Do you agree with our proposal to modify the Numbering Plan to prohibit direct and indirect revenue sharing with the calling party for calls to all geographic and non-geographic numbers? Please provide reasons for your response.

No – but due to the way in which it is drafted. We agree with the underlying intent to prevent abuse, though.

Regardless of the number dialled, there is a money flow (reversed for free-to-caller) between the calling party and the called party, with at least one network as an intermediary, and often two or more. The revenue is used to cover the costs of signalling and media path consumed for the duration of the call, along with other common costs, such as billing etc. The benefits of these elements accrue to the *calling party* as much as the called party, which makes provision, as drafted, unworkable.

This becomes especially acute in a free-to-caller scenario where the entire concept is about the revenue of the call derived from the terminating end being used solely so the calling party can enjoy the benefit of being connected.

This issue is not unknown to Ofcom and was raised in detail by Gamma in relation to our submission on 19th April 2016 to *CW/0117/03/16 (Dispute relating to TelNG's compliance with General Condition 17.21 and the National Telephone Numbering Plan)*.

However, aside from our concern about the ordinary and natural meaning of “indirect revenue sharing” leading to a perverse and draconian outcome, all other concerns we have about Ofcom’s underlying intent are handled at §4.47