



Future of telephone numbers

Response to Ofcom's second consultation

7 July 2021

Sky agrees with the proposals put forward by Ofcom to amend the Numbering Plan

Sky agrees with each of the three proposals to amend the National Telephone Numbering Plan (the “Numbering Plan”) that Ofcom has put forward in this consultation (the “Consultation”), namely:

- a) removing the obligation on telecoms providers to provide a ‘local dialling’ facility;
- b) maintaining existing rules on area codes corresponding to a particular location; and
- c) banning direct and indirect sharing of revenue with any calling party for all geographic and non-geographic numbers.

In relation to Ofcom’s third proposal, Ofcom should go even further. We call on Ofcom to consider launching an industry roundtable on the steps required to allow for the effective enforcement of this ban. Specifically, Ofcom should explore allowing telecoms providers to block access to numbers when there is evidence that traffic is being artificially inflated as a result of revenue-sharing with calling parties.¹

We have set out our comments on each of Ofcom’s three proposals in further detail below. These comments are in addition to Sky’s response to the first consultation (the “First Consultation”) (the “First Sky Response”).

Geographic numbering: area codes and local dialling

Ofcom should remove the obligation on telecoms providers to provide a local dialling facility

As set out in the First Sky Response, we consider that the introduction of Voice over IP services makes it more onerous for telecoms providers to support local dialling, leading to additional complexity and costs through the implementation and maintenance of local dialling plans. These plans can be complex to manage when, for example, customers move to a new house. Furthermore, fibre-to-the-premises (“FTTP”) ‘New Build’ / ‘Greenfield’ properties have an additional layer of complexity, as it will not always be possible to provide local dialling for these properties if a customer is allocated a different area code (see further ‘Allocation of area codes’ below). Therefore, we support Ofcom’s proposal to remove the obligation on telecoms providers to provide a local dialling facility.

Notwithstanding Ofcom’s plan to implement this proposed change to the Numbering Plan, Sky currently has no plans in the short-term to remove local dialling from Sky customers who have this facility. Indeed, we support operators having the

¹ This would include artificially inflated traffic (“AIT”), which is defined at footnote 95 of the Consultation as “telephony traffic which has no legitimate commercial purpose; where an activity causes calls to a service to be artificially generated or prolonged for financial benefit, and where the calling pattern would not have happened in the normal course of business”.

freedom to make their own decisions in relation to the provision of local dialling (consistent with Ofcom's findings in the Consultation).²

Ofcom should retain 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

Allocation of area codes

We support Ofcom's proposal to maintain the obligation to allocate numbers on a local basis for the reasons set out in both the First Sky Response and the Consultation. In particular, we agree with Ofcom's position that some customers continue to see value in maintaining the link between numbering and geographic areas.

The Consultation also notes that "*some telecoms providers are starting to develop their own solutions to determine area code allocation for VoIP and [Ofcom] welcome further discussion with providers and industry groups to ensure that appropriate and proportionate measures are in place to maintain these boundaries in an all-IP environment*".³ As noted above, number allocation for some FTTP 'New Build' / 'Greenfield' premises provides an additional level of complexity. As a result, we note that some allocated numbers for this type of premises may not have the same area code as its neighbouring properties (see further below).

Sky's standard approach

The Consultation notes that: "*telecoms providers have generally made their own decisions about the appropriate area code to assign when installing new fixed telephone lines, based on the list of area codes in the Numbering Plan and understanding of BT's network of telephone exchanges*".⁴

Indeed, to date, Sky has allocated numbers for MPF / SOGEA / SOGFAST lines from the number range related to the copper exchange associated with an individual customer's home. The copper exchange details are confirmed by Openreach in their 'availability check' response to Sky (from the Openreach availability checker). This approach was established by Sky more than a decade ago and has been a success, allowing Sky offer to the same telephone numbers in the local areas as BT does

Sky's approach for FTTP 'Greenfield' / 'New Build' properties

As Ofcom will likely be aware, FTTP 'Greenfield' / 'New Build' properties do not have an associated copper exchange. This is because they do not have currently – and never had historically – a copper line connection. Therefore, no copper exchanges are returned for these properties when the relevant address is entered into Openreach's availability checker using the standard approach set out above. Therefore, in the absence of a copper exchange, Sky allocates the telephone number from the number range associated with the fibre exchange returned by Openreach in the availability check response.⁵

² See, para 3.39 of the Consultation: "*Allowing telecoms providers to make their own decisions about the provision of local dialling would allow them to respond to customer demand in differentiating their services, reduce the costs and complexity of developing new services, and make it easier for consumers to keep their landline number when moving home*".

³ Consultation, para. 3.79.

⁴ Consultation, para. 3.39.

⁵ There are approx. 1000 fibre exchanges (handover locations) in the UK.

For some FTTP 'Greenfield' / 'New Build' properties, it can be the case that the fibre exchange is different to the copper exchange that is serving other nearby houses. In these circumstances, Sky's approach would mean allocating a number to the FTTP 'Greenfield' / 'New Build' address which is not directly associated with the premise's local (copper) exchange. The allocated number may even have a different area code (albeit an area code associated with a close / neighbouring area, depending on where the fibre exchange was located).

Ofcom recognises in the Consultation that in absence of links between an exchange and a telephone number, "*there may be more ambiguity about which area code should be used*".⁶ Indeed, as evidenced above, in respect of certain FTTP 'Greenfield' / 'New Build' properties some numbers may need to be allocated by Sky based on a broader interpretation of local (i.e. an area code associated with a close / neighbouring area). We agree with Ofcom that such ambiguity should only impact a "*relatively small proportion of premises*" but would still satisfy the obligation to allocate numbers on a local basis.⁷

Requesting out-of-area use of geographic numbers

We agree that providers should continue to be able to allocate numbers on an out-of-area basis if a customer wishes to have such a number, principally because we consider there is value in giving businesses the option to select a specific number (including one which may be outside of their geographic area).

⁶ Consultation, para. 3.78.
⁷ Ibid.

Revenue sharing with calling parties

Ofcom should ban the direct and indirect sharing of revenue with any calling party for all geographic and non-geographic numbers

Sky supports Ofcom's proposal to remove the incentives for making these calls and prohibit this type of revenue-share activity based on the reasons set out in the Consultation, in particular those cited from BT's response to the First Consultation.

Effective enforcement of this ban is vital - Ofcom must explore with industry new tools to act where AIT is identified

Banning revenue sharing across all number ranges will, however, only be effective if the obligation is enforced rigorously.

Simply banning this type of activity has not been sufficient to address the problem in the past. For example, Sky understands that AIT continued on 03 numbers for several years after Ofcom's ban on the same in 2014. Therefore, in circumstances where Ofcom is proposing to expand this ban to all number ranges to address the detrimental impacts identified in the Consultation, it is incumbent on Ofcom to ensure that the regulatory framework allows for effective enforcement in practice. Indeed, Sky notes that other providers have also highlighted effective enforcement as an essential element of any prohibition: see for example, paragraph 4.38 of BT's response to the First Consultation, which states "[Ofcom] also need to enforce this regulation effectively to ensure that AIT doesn't continue to exist even when revenue sharing with callers is banned".

Enforcing Ofcom's current ban on AIT across certain number ranges relies, in practice, on private action by telecoms providers pursuant to contractual AIT dispute mechanisms. Sky assumes Ofcom plans to rely on the same approach for the proposed extension of this ban on revenue sharing to all number ranges. However, this approach is a drain on telecoms providers' resources, while the process for challenging disputed AIT risks potential delays leading to additional harm, inefficiencies and costs. This would be avoided if telecoms providers were given effective tools to respond more quickly in cases of clear-cut AIT.

We, therefore, suggest that Ofcom launches an industry roundtable on potential enforcement options (including new tools for telecoms providers) to ensure AIT does not continue after any ban is imposed. Specifically, Ofcom should explore allowing telecoms providers to block access to numbers when there is evidence that traffic is being artificially inflated as a result of revenue-sharing with calling parties. In order to ensure that this unilateral ability is not abused, it could be limited to clear cases of AIT where there is overwhelming evidence that a number is being used pursuant to prohibited revenue sharing agreements.

Sky considers, therefore, that further industry engagement on these points via, for example, a roundtable would be beneficial to ensure that Ofcom's stated policy goals are achieved in practice.