



Premium Rate Services

A consultation document reviewing Numbering Arrangements

Consultation

Publication date: 8 April 2004

Closing Date for Responses: 17 June 2004

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The consultation

1. This document examines the numbering arrangements for Premium Rate Services ('PRS') and seeks comments on whether changes should be made to the National Telephone Numbering Plan relating to designations for the current PRS number ranges.
2. This document is being widely circulated, and comments are invited from any interested parties. The closing date for this consultation is 5pm on 16 June 2004. Any comments should be sent in writing to:

Nicholas Good
Numbering Programme Manager
Office of Communications
Riverside House
2a Southwark Road
London SE1 9HA

Tel: 020 7783 4153, Fax: 020 7783 4109

Or by email to nicholas.good@ofcom.org.uk

3. If possible please can responses be sent as email attachments, as this makes it easier to process them. If you have any queries about the issues raised in this consultation, or need guidance on the appropriate form of response, please contact us using the details above.
4. Also note that Ofcom is keen to make responding to consultations easy, and has published some consultation principles (see Annex 1) which it seeks to follow. If you have any comments or suggestions on how Ofcom conducts its consultations, please call our consultation helpdesk on 020 7981 3003. Alternatively you can contact Philip Rutnam, Partner, Competition and Strategic Resources, who is Ofcom's consultation champion, with any concerns or comments about consultation processes:

Philip Rutnam
Ofcom
Riverside House
2A Southwark Bridge Road
London SE1 9HA
Tel: 020 7981 3585
Fax: 020 7981 3333
Email: philip.rutnam@ofcom.org.uk

5. All comments will be treated as non-confidential and posted on Ofcom's website unless respondents identify that part or all of the response is confidential and should not be disclosed.
6. Following the end of the consultation period, Ofcom intends to publish a statement on future numbering arrangements for PRS in the light of representations received and consult on any necessary changes to the National Telephone Numbering Plan. It is anticipated that this statement will be published within three months of the end of the conclusion of this consultation.

7. All comments will be treated as non-confidential and posted on Ofcom's website unless respondents identify that part or all of the response is confidential and should not be disclosed.

Executive summary

- S1 Premium Rate Services ('PRS') are services commonly providing information or entertainment via the telephone, fax, PC (e.g. Internet), mobile (e.g. short message services ('SMS') or interactive digital TV services charged at above ten pence per minute ('ppm')). Services range from sports and voting lines to competition, chat and business information services.
- S2 The main purpose of specific regulation on the premium rate sector is to secure the adequate protection of consumers from high bills that they cannot afford to pay, and to ensure that adequate standards are applied to premium rate promotions and services. In relation to numbering policy, it is an important objective for Ofcom that consumers have access to adequate and reliable information in order to exercise choices in the market. This is the case in relation to PRS where Ofcom's current policy is to ensure that appropriate 09 numbering ranges have service and tariff meaning. Ofcom recognises that tariff meaning for PRS number ranges is more important than for other ranges because their tariffs are higher, and therefore the risk of consumer detriment from lack of transparency is correspondingly higher.
- S3 The purpose of this consultation document is solely to examine the numbering arrangements for PRS and to seek comments on whether changes should be made to the National Telephone Numbering Plan (the "Plan") relating to designations for the current PRS number ranges. The number range '090' is currently designated for 'Content PRS' and 091 for 'Non-Content PRS'. This consultation document does not cover the numbering arrangements for mobile short codes used for Premium SMS Services as these do not fall within Ofcom's remit. Ofcom notes however that these short codes have a sub-structure which follows the Plan for 090 and as such this consultation document may have some read across for Mobile Network Operators.
- S4 In October 2001, following a public consultation, Oftel published a statement, *'The Third Issue of the Numbering Conventions and the First Issue of the Numbering Code'*. In that statement, Oftel indicated that it was evident from responses received during the consultation that there was a lack of clarity about PRS numbering arrangements, including the distinction between PRS and Special Services. A Special Service is one paid for through the telephone bill of a Subscriber, and charged at rates up to ten pence per minute on the BT network. Additionally, there is room for confusion between the different definitions of 'premium rate service' in ICSTIS' Code of Practice (10th Edition) and the Plan.
- S5 In August 2002 Oftel published two separate consumer research documents, *'Consumer Awareness of Premium Rate Services'* and *'Premium Rate Services – Qualitative Research'*, which considered consumer behaviour and attitudes about PRS and Special Services numbering. These documents provided further evidence that the extent to which consumers are able to benefit from current PRS numbering arrangements is limited.
- S6 A further development is that, as a consequence of significant growth in the UK premium rate industry, there has been increased demand for a large number of different price points to be made available from the '090' content numbering range. Because of this Oftel found it necessary to open up the '0904 and '0908' sub-ranges for tariffs described in the Plan as 'open ended time dependent charge or fixed fee' and 'Sexual Entertainment PRS', respectively. Ofcom believes that this high level of demand for different price points is likely to continue in the future and that the 090 range itself will be exhausted within a year to eighteen months on current projections.

- S7 Given the above, Ofcom believes it is necessary to change the current designations for the '090' and '091' number ranges, as the current designations appear to have little practical benefit for consumers and because of the PRS numbering resource difficulties created by the current designations. Ofcom considers that it would be appropriate to redesignate those number ranges as simply 'Special Services at a premium rate'. Ofcom is keen to know whether any of the proposed changes will have an impact on the ease with which businesses and residential consumers can implement selective call barring, as this is important for consumer protection.
- S8 In this document Ofcom also sets out four policy options in respect of a possible sub-structure for 'Special Services at a premium rate'. Ofcom has set out its initial assessment in terms of the likely advantages and disadvantages of each option, and would welcome comments from stakeholders on the options. Ofcom would also welcome views on whether there are alternative options that warrant consideration.
- S9 Finally, Ofcom is seeking views on whether the current designation for Broadband Services ('092+') should be retained. This issue links with policy considerations set out in the Ofcom consultation document *'Numbering arrangements for Voice over Broadband services'*, of 24 February 2004 which proposes opening the range 056 for voice over broadband services.

Section 1

Introduction

Premium Rate Services

- 1.1 Premium Rate Services ('PRS') are services commonly providing information or entertainment via the telephone, fax, PC (e.g. Internet), mobile (e.g. short message services ('SMS') charged for above 10ppm), or interactive digital TV. Services range from sports and voting lines to competition, chat and business information services. PRS currently vary in cost on the BT network from ten pence per call to £1.50 per minute, going through all variations of price per call and per minute. Networks without market power in call origination, e.g. mobile networks, can charge more than this if they want, subject only to a requirement to make their prices available to their customers through General Condition10. The money paid for the telephone call is shared between the telephone companies carrying the service and the organisation responsible for providing the content, product or service, whether directly or indirectly.
- 1.2 The main purpose of specific regulation on the premium rate sector is to secure the adequate protection of consumers from high bills that they cannot afford to pay, and to ensure that adequate standards are applied to premium rate promotions and services. Regulation is justified because of the potential costs to customers given the ease with which these services can be accessed, and the expensive nature of the services involved.
- 1.3 Under current arrangements, regulation of PRS follows a co-regulatory approach. The primary role of consumer protection falls to the Independent Committee for the Supervision of Standards of Telephone Information Services ('ICSTIS', www.icstis.org.uk). ICSTIS is the industry-funded regulatory body for all premium rate telecommunications services, and has responsibility for regulating the provision, content, promotion and marketing of services through its Code of Practice.
- 1.4 Ofcom's involvement in the premium rate regulatory regime follows on from that of Of tel in providing statutory support to the work of ICSTIS, underpinning the ICSTIS regulatory regime for all services that meet the definition of Controlled PRS ('CPRS'). What constitutes a CPRS is defined in and regulated via a Condition set under section 120 of the Communications Act 2003 on 23 December 2003 by the Director-General of Telecommunications and which has effect, by virtue of transitional provisions in that Act, as if it had been made by Ofcom. CPRS is more narrowly defined than PRS and, in particular, does not include services which cost up to and including a certain amount which is determined by Of tel/Ofcom (currently ten pence per call or per minute), other than Chatline Services¹ which are automatically included. For more details please see Of tel's consultation document '*Conditions regulating PRS*' of June 2003 at <http://www.ofcom.org.uk/static/archive/oftel/publications/numbering/2003/prs0603.htm>)
- 1.5 In the ICSTIS Code of Practice, PRS is a wide term covering content and facilities services, for which there is a charge paid to the provider of the electronic communications service by means of which those services are provided i.e. via the subscriber's telephone bill.

¹ Chatline Service is a service which consists of or includes the enabling of more than two persons (the participants) to simultaneously conduct a telephone conversation with one another – for full detail see Glossary

- 1.6 ICSTIS defines PRS in ways which are not the same as the Ofcom definition set out in the National Telephone Numbering Plan (the 'Plan') (relevant definitions are set out in Annex 2 to this document). The Ofcom definition focuses on the amount charged for the call (then further draws a distinction between 'content' and 'non-content' services), whereas the ICSTIS definition (which comes from section 120 of the Communications Act 2003 (the 'Act')) does not refer to this, but simply stipulates that there must be a charge for the provision of the premium rate service.

Numbering

- 1.7 In relation to numbering, Ofcom is responsible for managing the United Kingdom's National Numbering Scheme (the 'Scheme'), and for publishing the Plan. The Plan sets out the Telephone Numbers that Ofcom has determined to be available for allocation and such restrictions as are considered appropriate for their adoption and use by Communications Providers. The Scheme constitutes the day to day records of Ofcom's number allocations.
- 1.8 In addition, Ofcom is responsible for developing numbering strategy in the national interest and for reviewing the Plan from time to time in accordance with its statutory duty in section 56(2) of the Act. Numbers and codes are a national resource, and in carrying out its numbering functions Ofcom must:
- secure that what appears to be the best use is made of telephone numbers;
 - encourage efficiency and innovation for that purpose;
 - act in accordance with its general duties in carrying out its numbering functions, including its principal duties in section 3 of the Act to further the interests of citizens in relation to communications matters, and to further the interests of consumers in relevant markets, where appropriate by promoting competition; and
 - act in accordance with the Community requirements in section 4 of the Act, including promoting competition in relation to the provision of electronic communications services and networks, and promoting the interests of European citizens.
- 1.9 It is also an important objective for Ofcom to ensure that consumers have access to adequate and reliable information in order to exercise choices in the market. This is the case in relation to PRS where Ofcom's current policy is to ensure that appropriate numbering ranges have service and tariff meaning.
- 1.10 In order to satisfy this objective, to date '090' and '091' have been designated for PRS, with '090' set aside for PRS 'content' services (e.g. information and entertainment), and '091' set aside for PRS non-content services (e.g. direct dialling to international numbers). Additionally, in order to provide more meaningful service and tariff information to consumers, a sub-structure has been established (see below). The sub-structure relates primarily to definable price points, although there are notable exceptions such as '0908' and '0909' which have been designated for Sexual Entertainment PRS. Additionally '09059' has been set aside for Chatline Services as part of the current trial of these services.
- 1.11 Under the current numbering sub-structure for '090', codes have been allocated with B-digits (i.e. 090X) having the following significance for BT customers:
- | | |
|-----------|--|
| 0900/0901 | time charged calls up to and including 60ppm and total call cost not greater than £5 or fixed fee up to £1 per call; |
|-----------|--|

0902/0903	protected for PRS expansion;
0904/0905/0906	open ended time dependent charge or fixed fee up to £1.50;
0907	pay for product that costs more than £1 in total;
0908/0909	Sexual Entertainment PRS.

- 1.12 Other network and service providers are required to make available to their customers their own price lists. The prices which other major network providers set broadly correlate to those of BT.
- 1.13 These numbers are currently allocated in blocks of 10,000 ('10k') numbers although tariffing is at the 100,000 ('100k') level. This means that for each new 100k range used, the tariff is set at the same charge for all ten 10,000 blocks available for allocation. For example, if an operator wishes to offer numbers at 50ppm in the block '9010 25', the other nine blocks in the '9010 2X' range will also be set at 50ppm.
- 1.14 The range '092' to '099' has (up until now) been set aside for switched broadband services.

Scope of this consultation

- 1.15 Ofcom is concerned that the current numbering arrangements for PRS may not be satisfactory any longer, in light of the evidence set out in Section 2 of this document. The purpose of this consultation is to examine the current numbering arrangements for PRS and to seek comments on whether changes should be made to the National Telephone Numbering Plan (the 'Plan') relating to designations for the current PRS number ranges.
- 1.16 Ofcom is not considering the possibility of moving away from tariffing at the 100k level for PRS as part of this document. Proposals for a move to 10k blocks for tariffing in this and other ranges have previously been made to the industry. Industry has expressed concerns that significant system developments would be required before this could be achieved².
- 1.17 In respect of Ofcom's proposals in this document, these would not affect the current arrangements for regulation of the content and promotion of PRS. ICSTIS will continue to regulate the provision, content, promotion and marketing for all services that fall within its definition of PRS (as defined in paragraph 1.1.1 of the ICSTIS Code of Practice, 10th Edition January 2004). Ofcom will continue to provide statutory support to the work of ICSTIS, underpinning ICSTIS' regulatory regime in respect of CPRS (see Ofcom's statement '*Conditions regulating Premium Rate Services*' December 2003).

² For example, in September 2003, Ofcom consulted on retail pricing arrangements for 0845 and 0870 NTS numbers ('0845 and 0870 numbers: Review of retail price and numbering arrangements' - see <http://www.ofcom.org.uk/static/archive/oftel/publications/numbering/2003/0845condoc0903.pdf> This document explored, amongst other things, the cost implications and desirability of tariffing at the 10k block level for some 084/087 ranges for reasons explicitly related to the promotion of competition for calls to these ranges.

Section 2

The case for change

Evidence from consultation on the Conventions

- 2.1 In Oftel's statement, 'The Third Issue of the Numbering Conventions and the First Issue of the Numbering Code' (the '2001 statement'), published in November 2001 following a public consultation, Oftel noted that several issues had emerged during the consultation regarding lack of clarity of what constituted PRS, what distinguished PRS from Special Services in the '08' numbering range and what the price points for PRS related to.
- 2.2 One of the issues that has arisen is the difference between the ICSTIS definition of PRS (based on that contained in the Communications Act 2003, Section 120) and that in the Plan (see paragraphs 1.5 and 1.6 above), and the potential confusion this can cause. Ofcom had considered adopting the Communication Act definition as ICSTIS had done. This would be consistent with the decision set out in the 2001 statement to replace the previous Plan definition of 'services of a sexual nature' with the ICSTIS definition of 'Sexual Entertainment Services', which is now in the Plan. However, the issues involved were not straightforward, and Oftel judged that further consideration in this area was warranted.
- 2.3 In particular, the following market developments required further discussion and understanding:
- the value of a single definition for PRS;
 - the distinction between content and non-content services;
 - the (non-financial) distinctions between 'Special Services' and PRS; and
 - the degree to which consumers derive significant meaning from the current sub-structure.

Consumer research

Objectives

- 2.4 During 2002 Oftel commissioned consumer research in order to develop a better understanding of consumer behaviour and attitudes about PRS and Special Services numbering.
- 2.5 The research sought to provide greater understanding about the degree to which consumers derive benefit from the current numbering structure and associated sub-structure, and whether consumers would benefit more from a numbering structure based on tariff meaning or content-meaning. More specifically, consumers were also asked about the sort of information that would be helpful when deciding whether to dial services on the '08' and '09' numbering ranges. Consumer awareness of the meaning of the '08' number range has also been discussed in Oftel's September 2003 consultation on retail pricing arrangements for 0845 and 0870 calls.
- 2.6 In August 2002, Oftel published two separate consumer research documents, '*Consumer Awareness of Premium Rate Services*' and '*Premium Rate Services – Qualitative Research*'. These documents can be viewed on Ofcom's website at:

www.ofcom.org.uk/static/archive/oftel/publications/research/2002/prs0802.htm, and www.ofcom.org.uk/static/archive/oftel/publications/research/2002/prs_qual0802.pdf.

Summary of findings

(a) Current PRS numbering arrangements structure

- 2.7 It is evident from the results of the consumer research that number prefixes play very little role in helping consumers make decisions about whether or not to dial a PRS number. Rather, it is the media (i.e. where the service is advertised) and the content (i.e. what the service is) that dictates consumer decision-making, and drives assumptions about PRS calls.
- 2.8 Consumer understanding of the current '08' and '09' numbering structure is limited, although there is some awareness of differences in the types of services offered by numbers prefixed by '08' and those prefixed by '09'. In particular:
- the '08' prefix is more familiar, and services prefixed by '08' are regarded as cheaper and safer than '09';
 - there is no awareness of Sexual Entertainment Services or Chatline Services using '08' prefixes;
 - the '090' content and '091' non-content division is poorly understood;
 - there is no awareness of content ring-fencing (such as '0908' and '0909' for Sexual Entertainment PRS).
- 2.9 The sub-structure within the '090' numbering range is seen as complicated and confusing, and most respondents do not believe that they would be able to remember the specific prefixes. Because of this complexity, it is apparent that ring-fencing certain services has very little practical benefit in terms of consumer awareness although it may have practical benefit in terms of call barring.
- 2.10 The biggest surprise to consumers was that the current call-cost split for services prefixed by '08' and '09' was ten pence per minute ('ppm'). This was much lower than expected, and reinforced the view that '08' services were cheap and safe. However, the current low threshold between '08' and '09' did raise a number of concerns about the range of possible tariffs within '09', and the difficulty of judging cost from the prefix.

(b) Preferences for future numbering arrangements structure

- 2.11 Once understood, the response from consumers to the current system was broadly positive and, in particular, the price-based distinction between '08' and '09' services was seen as simple and easy to understand. In addition, the ability to ring-fence certain services was seen as a broadly responsible measure.
- 2.12 Overall, consumers' preference was to retain the current system of a principally price-based structure albeit with some imperfect ring-fencing. The benefit of such a structure is that it retains the overall cost distinction, but also offers parents and employers the ability to prevent access to certain services which are deemed to have the greatest potential to give rise to particular consumer detriment (e.g. Sexual Entertainment Services and Chatline Services).

Call barring

- 2.13 Notwithstanding the above, Ofcom recognises that it is not simply a question of whether a certain percentage of residential or business customers understand or use these numbering distinctions. Some customers, particularly those who operate Private Branch Exchanges ('PBXs') on their own behalf or on behalf of other corporate customers, make use of call barring to restrict access to services that could either cost their companies significant amounts or might cause embarrassment or other problems for the company (e.g. Sexual Entertainment Services). For this reason it is highlighted as an issue in the detailed options set out in Section 4.

The association between Premium Rate Services and Numbering Policy

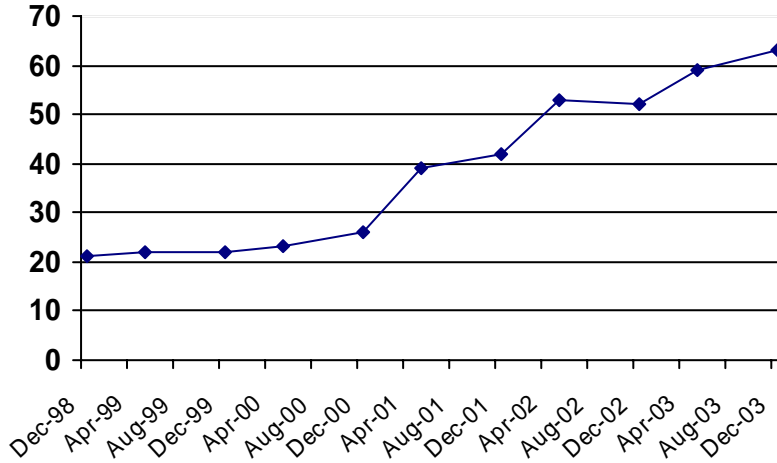
- 2.14 It has become increasingly difficult to secure an adequate definition of PRS in what is a highly dynamic and innovative market. Traditionally the characteristics of PRS have been unique and there was consumer benefit in associating the regulation of PRS with numbering policy. This allowed PRS users to associate numbers with a particular pricing arrangement.
- 2.15 However, this is no longer the case, and the characteristics of PRS are no longer unique to entertainment and information services traditionally associated with PRS. Services that appear to share all the characteristics of PRS are increasingly being offered to consumers on numbering ranges outside the '09' range, including the '08' range as well as access codes and short codes.
- 2.16 Indeed, from a regulatory perspective, it appears to Ofcom that there is little non-price distinction to be drawn between Special Services ('08') and PRS ('090' and '091'). Both are services paid through the telephone bill of a subscriber, are charged at special rates and exhibit revenue-share characteristics. The one clear distinction between them is that of the cost of the call, with Special Services charged at price points of 10 pence or below on the BT network, and PRS charged at price points of above 10 pence on the BT network. This price distinction means in general that there are fewer consumer protection concerns in relation to calls to '08' numbers.
- 2.17 A further area of difficulty is the fact that under current arrangements Ofcom and ICSTIS have separate definitions for PRS. This reflects the fact that Ofcom and ICSTIS both approach the regulation of PRS from a different perspective - Ofcom's concern is that of the cost of the call, whereas ICSTIS' role incorporates issues such as the provision, content, promotion and marketing of PRS. It would clearly be less open to confusion if Ofcom and ICSTIS could either adopt the same meaning for the same term or simply adopt different terms. As stated above, these definitions are set out in Annex 2 to this document.

Future numbering capacity

- 2.18 The UK premium rate industry has been subject to significant growth over recent years, notably since 2000. In the main this has been due to regulatory success in liberalising telecommunication service provision and specifically with the development of new delivery platforms for premium rate transactions, such as the internet and mobile phones. One consequence of this has been considerable demand for a wide variety of different price points to be made available for the provision of PRS in relation to the '090' (content) numbering range. In each of the last two years (2002 and 2003) more than 900 blocks in the 090 range have been allocated. Additionally, there has been a proliferation of price points from 21 different price points in January 1999 to 62

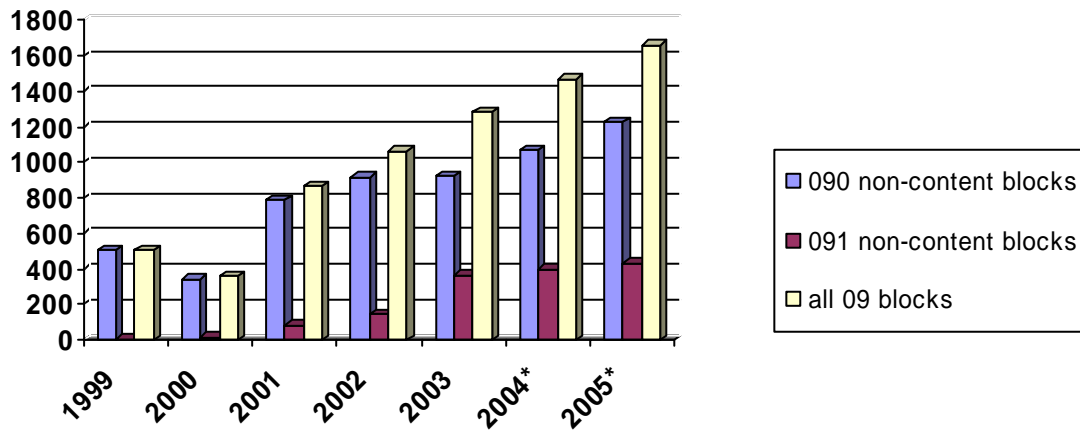
in January 2004. This has already increased to 64 in February 2004. This is illustrated in Figure A, below.

Figure A : 090 Price points in existence



2.19 There has been a steady increase in allocations by Ofcom of 090 numbers, up from 503 blocks allocated in 1999 to 920 in 2003. If this continues at the same rate it would leave Ofcom with no free 090 number ranges by mid 2005 (possibly earlier). This is illustrated below in Figure B:

Figure B: Allocations of 09 number blocks per year



(* - indicates projections for 2004 and 2005 based on previous years' figures)

2.20 Given this recent significant increase in demand for 090 numbers and for particular price points, it appears to Ofcom that there is an urgent need to look at the parameters of future management of this numbering resource, to ensure that best use is made of it. As already indicated, number blocks are allocated at the 100k level for tariffing purposes, resulting in there being limited capacity in terms of the number of different price points available from this range (i.e. a maximum of 100 price points behind each 090x range). It was recently found necessary to open up the '0904' and '0908' ranges to accommodate future demand for PRS number blocks for the tariff 'open ended time

dependent charge or fixed fee' and for 'Sexual Entertainment PRS', respectively. This therefore leaves only the '0902' and '0903' numbering ranges which are designated as 'protected for PRS expansion' within the '090' numbering range. Assuming current levels of demand for '090' numbers, as outlined in the above paragraph, it is likely that there could be no capacity for new price points to be made available within the '090' range as early as the end of 2004.

2.21 The current PRS numbering arrangements provide equal capacity for PRS content and PRS non-content services but there is considerably greater utilisation of '090' numbers than '091' ones. This is because there are simply more content-type services in existence than non-content services. The converse is that each year there are considerably less free blocks, particularly in the 090 range. Both numbering ranges have 100,000 blocks available for allocation (i.e. 1 million numbers in blocks of 10,000 numbers each), however, whereas some 4,490 blocks had been allocated from the '090' range at end 2003 (some 44% of available capacity) only some 500 blocks had been allocated from the '091' range (less than 0.5% of available capacity) at the same date.

2.22 In 2001, in response to the consultation on a full review of the then numbering rules, *'The National Numbering Conventions'*, Oftel received a number of comments on these issues indicating that:

- There was widespread doubt that there were sufficient services that could be described as 'non-content' to justify the whole 091 range;
- The regulatory policy of not controlling price points (i.e. of not controlling pricing) whilst right in principle would lead to a proliferation of price points as competing service providers jostle to keep their competitive edge over each other;
- There was doubt as to the point of 092+ for 'broadband services'; and
- There was a clear need to review the whole issue of numbering arrangements in this area in light of pressure on resources.

2.23 This has situation not changed and, indeed, the concerns over price point proliferation and utilisation have proved accurate.

Section 3

Conclusions on current arrangements

Seeking clarity

- 3.1 Ofcom considers that the evidence detailed in Section 2 indicates that the extent to which consumers are able to benefit from current PRS numbering arrangements is limited, and that there is room for useful rationalisation. There is a lack of awareness of the numbering structure, the existing difference between the 090 and 091 ranges, and clear room for confusion between the ICSTIS and Ofcom definitions of PRS, in addition to which there are pressing numbering conservation issues.
- 3.2 Additionally, the current distinction between '090' content services and '091' non-content services appears to be redundant. This is because price rather than content would be the defining characteristic for Ofcom, and those services which currently reside in these ranges would be re-designated within the 'Special Services' range in accordance with the amount charged for the service. The removal of the content and non-content distinction would eliminate a prime source of ambiguity within current PRS numbering arrangements (as described at paragraph 2.22 above).
- 3.3 Ofcom is therefore proposing to redesignate those number ranges currently designated by Ofcom as PRS for numbering purposes as 'Special services at a premium rate'³. Under this proposal, Special Services which are charged at price points of ten pence or below on the BT network would continue to be prefixed by '08' numbers while Special Services charged at price points of above 10 pence on the BT network would be prefixed by '09' numbers. There would then be only one (ICSTIS) definition for PRS (which comes from the Act).
- 3.4 In practice this proposal would not be a significant departure from current policy, given that all that is being proposed is a re-categorisation of those services currently defined as PRS by Ofcom. In particular, it should be noted that the majority of those services that currently fall within the '09' numbering range will continue to exist in this re-labelled range (see further discussion at paragraphs 3.5 to 3.7 below), and that consequently consumers will continue to benefit from the protection of associating the '09' range with expensive non-geographic services.

Numbering implications

- 3.5 It is not Ofcom's intention to require number changes as part of this exercise. PRS service providers who are using 09 numbers for their services will not have to migrate to different numbers as a result of any of the proposals in this consultation document. However, in the event that those services currently defined by Ofcom as PRS are re-categorised as 'Special services at a premium rate', there will be numbering implications which will require consideration. Ofcom would welcome the views of stakeholders on these.
- 3.6 First, under current arrangements certain PRS which are promoted and accessed using '09' prefixes have price points of less than ten pence on the BT network.

³ The full designation could be something like 'Special services at a premium rate: charged at above ten pence per minute or per call for BT customers, set by Terminating Communications Provider inclusive of value added tax (other customers should check with their telephone company)'. This would be subject to specific further consultation on a change to the National Telephone Numbering Plan alongside the conclusion to this consultation.

However, this pricing arrangement will not be consistent with the proposed numbering arrangements outlined above given that only services charged at price points above ten pence on the BT network would be able to be utilise '09' prefixes. Ofcom is proposing to allow these particular services to continue to operate within their existing numbering ranges, but that it will be open to such services to migrate voluntarily to other appropriate numbering ranges. However, in future numbers will only be allocated in accordance with the new arrangements.

- 3.7 Similarly, in the event that the '091' non-content services category is removed, it is proposed that those services which currently operate within the '091' range should be allowed to continue to operate within this range. Those services may wish to migrate to 090 numbers, although this will be entirely voluntary, but future numbers would only be allocated in accordance with the new arrangements.

Question 1: *Do stakeholders agree that the '090' and '091' numbering ranges should be re-designated as 'Special Services at a premium rate'?*

Question 2: *Do stakeholders agree that the current distinction between the '090' content and '091' non-content services category should be removed?*

Question 3: *In the light of Ofcom's proposal to re-designate '090' and '091' as "Special services at a premium rate", what comments do stakeholders have in relation to existing allocations of '09' numbers which are charged at price points of ten pence or below on the BT network?*

The National Telephone Numbering Plan

- 3.8 The proposal to re-designate the '090' and '091' range as 'Special services at a premium rate' would require changes to the National Telephone Numbering Plan. Under section 60(2) of the Act Ofcom cannot make these changes unless they are satisfied that the changes are objectively justified, not unduly discriminatory, proportionate and transparent.
- 3.9 Ofcom's initial view is that these tests are met. Ofcom currently considers that the modification is objectively justifiable in light of the driving factors set out in Chapter 2 of this document. In Ofcom's current view the modification is not unduly discriminatory in that the proposed changes will not benefit particular undertakings, and will be applied equally to all relevant undertakings. Ofcom's provisional view is that the modification is proportionate in that it is the least burdensome means of achieving Ofcom's aims of improving the clarity of regulation for PRS in the numbering context and improving the efficiency of utilisation of 09 numbers because it removes an unnecessary sub-category but does not require anyone to change their numbers. The modification is transparent in that the nature and intention of the proposed changes are set out clearly in this consultation document and would also be clear in any future consultation document setting out the specific changes to the Plan (as required by Section 60 of the Act).
- 3.10 Additionally, Ofcom believes that these proposals accord with Section 3 of the Act as they further the interests of citizens in relation to communications markets and further the interests of consumers in relevant markets by attempting to simplify the regulatory framework and secure the availability of more numbers for competitive premium rate services. These proposals would, in accordance with Section 63(1) of the Act secure

that best use is made of these telephone numbers by removing unnecessary sub-categories and thereby encouraging efficiency and innovation without an unnecessary proliferation of the same price points as currently happens under both the 'Content' and 'Non-Content' categories.

Broadband Services ('092+')

- 3.11 The numbering ranges '092' to '099' have been designated for the use of Broadband Services. These are services defined in the Plan as switched broadband services allowing a considerable amount of information to be conveyed, such as television pictures.
- 3.12 No block has ever been allocated in this range, and Ofcom therefore considers that this particular designation should be removed, and re-designated as 'protected for future PRS expansion'. Ofcom is proposing to make the 056 range available for voice over broadband services through its current consultation '*Numbering arrangements for Voice over Broadband services*', issued on 28 February 2004 (see <http://www.ofcom.org.uk/static/archive/oftel/publications/numbering/2003/prs0603.htm>).

Question 4: *Do stakeholders agree that the numbering ranges 092 to 099 should be re-designated as 'Protected for future PRS expansion'?*

Section 4

Options for a new numbering sub-structure

Ofcom policy objectives

- 4.1 There are a number of competing policy objectives that Ofcom must take into account, in light of its duties under the Act, when allocating, reserving or managing numbers. In particular, Ofcom must decide how best to balance the provision of clear consumer information through the prefix structure (i.e. associating separate codes with particular tariffs/services) with proper and effective management of the UK numbering resource, including good husbandry of numbers.
- 4.2 Ofcom has given consideration to the numbering sub-structure for the proposed category of 'Special services at a premium rate'. In Ofcom's view, there are four principal options, and these, together with Ofcom's initial assessment of the likely advantages and disadvantages of each of the options, are set out below:
- (A) Cost and content based sub-structure;
 - (B) Cost based sub-structure;
 - (C) Content based sub-structure; and
 - (D) Abolition of numbering sub-structure.
- 4.3 As set out at 3.5 to 3.7 above, none of Ofcom's options require the migration of any existing services on 090 or 091 numbers. It is Ofcom's intention to build on current allocations in such a way as to allow for organised future capacity, not to revisit past allocations policy.

Call barring

- 4.4 It had been Ofcom's understanding, and a reason behind the existence of the PRS Sexual Entertainment sub-ranges (i.e. 0908 and 0909), that Communications Providers distinguished between calls within the broader PRS range on both a content and cost basis and would therefore provide call barring to their customers on request on the basis of call content. This provided an underlying logic to the existing Option A sub-structure of 090, although not to the continuation of 091 which appears to represent little value to consumers or with regards to efficient use of numbering.
- 4.5 Examination of information published by communications providers for their residential customers indicates that they, by and large, only offer call barring to those residential customers on a cost basis. This would enable callers to choose to bar calls to, e.g. international numbers, 07 and 09 numbers or, additionally to national numbers and national rate numbers (i.e. 087). Such call barring policies would indicate that a sub-structure with a content component (i.e. Options A and C) is not vital to preserve existing call barring arrangements for these customers.
- 4.6 However, Ofcom appreciates that Communications Providers can offer more complex call barring facilities to business customers to achieve their policy aims, as covered above (see paragraphs 2.13 to 2.14). Additionally, corporate customers may use their

own PBXs to achieve more sophisticated call barring arrangements and therefore may value a sub-structure with a content component.

Question 5: *What comments do stakeholders have on Ofcom's examination of the call barring services offered by Communications Providers at present and their benefits? What information do stakeholders have on whether call barring services (particularly for business customers) use the current content distinction in the 09 range?*

Future modifications to the National Telephone Numbering Plan

4.7 Before making any change to the Plan along the lines of the following regulatory options, Ofcom would need to be satisfied that the tests for modifying the Plan as set out in Section 60 of the Act were met. Such justification will be set out in detail in a future statement of policy on this issue but, as set out above at paragraph 3.8 to 3.10, Ofcom believes that these tests can be met.

Option A: Cost and content based sub-structure

4.8 Under Option A, the numbering sub-structure for 'Special services at a premium rate' would be based on both the provision of information relating to the cost of the service and the likely nature of the service through the prefix structure. This option would therefore be either identical to, or closely based on, the current numbering arrangements for PRS.

4.9 The principal advantage of Option A is that it would best address concerns about public awareness and, in particular, the importance of consumers having access to adequate and reliable information in order to exercise effective choices in the market. Under this option, consumers would have the maximum amount of control over their telephone line, both in terms of expenditure and access, including:

- The ability to arrange protection from the risk that persons other than the bill payer make expensive and unauthorised calls, and run up high telephone bills;
- The ability to prevent inappropriate access to certain materials (i.e. where parents wish to control which content services may be accessed by their children).

4.10 In the event that the provision of information relating to content remains a feature of the sub-structure, it will be necessary to consider those services which warrant separate and easily identifiable prefixes. Under current arrangements, services which have been designated specific numbering ranges include Chatline Services under the current trial ('0905 9'); Pay for Product Services ('0907'); and Sexual Entertainment PRS ('0909'). Ofcom would welcome comments on whether, under this option, it is appropriate to retain current ring-fencing of these services, and whether it may be appropriate to apply similar safeguards to other services.

4.11 The principal disadvantage of Option A is that it would retain the same principles that underpin the existing PRS numbering sub-structure, and would therefore fail to address issues relating to the complicated nature of the sub-structure. These issues are that there is a lack of clarity about PRS numbering arrangements, including the distinction between PRS and Special Services, which limits the extent to which consumers are able to benefit from current PRS numbering arrangements. The evidence for this is that whilst 31% of all customers surveyed in 2002 realised that there was a potentially high cost to calling 09 numbers (25% said it was a 'premium rate' and 6% said it was 'expensive') few had any knowledge, or indeed, concerns

about what service was actually provided on the 09 numbers. Specifically, concerns were about the cost of calling rather than any specific content⁴. This needs to be seen against the finding that 77% of the same group of customers were aware of the cost of calling an 0800 number. Consumers are clearly not able to deduce call cost information from the present 09 structure (which mixes service and content information with a multitude of different retail price points clear only for calls from BT lines as illustrated in ICSTIS-regulated advertisements).

- 4.12 The significant growth in the UK premium rate industry has led to increased demand for numbers at different price points, further confusing matters. This high level of demand for different price points – up from 21 price points in January 1999 to 62 in January 2004, and already increased to 64 in February 2004 (see 2.19 above) - is likely to continue in the future and the 090 range itself will be exhausted within a year to eighteen months on current projections. Ofcom's initial view is that the content distinction does not appear to be used in call barring services, but we are seeking further information to help determine this.

Question 6: *What comments do stakeholders have on Option A? Do stakeholders agree with Ofcom's description of the advantages and disadvantages of Option A?*

Option B: Cost based sub-structure

- 4.13 Under Option B, the numbering sub-structure for 'Special services at a premium rate' would be solely based on the provision of information relating to the cost of the service through the prefix structure. This option would therefore not provide consumers with the ability to derive information from the number dialled about the likely nature of the service.
- 4.14 Under this option the sub structure of 090 would be divided into ranges similar to those existing on 0900 to 0907 as set out at paragraph 1.11 above. This sub-structure could be rolled into 091 and any new approved price ranges (e.g. services costing in excess of £1.50 per minute) could be allocated a clear range (e.g. 092).
- 4.15 The principal advantage of this option is that consumers will retain the ability to discriminate between different price points, and will therefore be able to prevent access to expensive calls. It is evident from consumer research that the ability to control expenditure is regarded as the most important consumer safeguard, and that while ring-fencing of certain services based on content is regarded as a broadly responsible measure, it would appear to have less practical benefit than distinguishing services by cost – only 5% of consumers surveyed associated 09 numbers with any specific content⁵.
- 4.16 Additionally, by simplifying the structure to relate only to price rather than to service type there is a greater chance that consumers will be able to gain a better understanding of cost which is the factor they claim most to value, and of course any simplification of this sort will enable Ofcom to ensure that allocation is more efficient and that numbers are thus better conserved.
- 4.17 Of course, the principal disadvantage of this option is that service meaning would be undermined and, consumers would not have the ability to derive information about the likely nature of the service through the prefix structure, particularly Chatline Services or

⁴ Premium Rate Services - Qualitative Research Report, July 2002 (Section 2: Knowledge and expectations of PRS services).

⁵ Consumer Awareness of Premium Rate Services, July 2002 (Section 2).

Sexual Entertainment Services. This would have the consequence that any measures (i.e. call barring) that consumers (residential and business) have put in place to prevent inappropriate access to certain materials which may be deemed to potentially give rise to particular consumer detriment (rather than simply call barring by price) would be compromised. This option may therefore have particular implications in instances where, for example, employers wish to control which content services may be accessed by their employees.

Question 7: *What comments do stakeholders have on Option B? Do stakeholders agree with Ofcom's description of the advantages and disadvantages of Option B?*

Option C: Content based sub-structure

- 4.18 Under Option C, the numbering sub-structure for 'Special services at a premium rate' would be solely based on the provision of information relating to the likely nature of the service through the prefix structure. This option would not therefore provide consumers with the ability to derive information from the number dialled about the cost of the service.
- 4.19 The principal advantage of this option is that it would best address the views of those consumers who are less concerned about the cost of the service, but wish to have the ability to control access to particular types of services. This is likely to be the case in respect of employers, for example, who wish to have the ability to prevent their employees from accessing certain materials such as Chatline Services or Sexual Entertainment Services.
- 4.20 Similarly to Option B, restricting the provision of information by means of the dialled number to content matters only is likely to result in greater consumer understanding than would be the case if the sub-structure were to be based on the provision of information relating to both the cost and the content of the service. This would also Ofcom to ensure that allocation is more efficient than with Option A, so that numbers are thus better conserved.
- 4.21 Additionally, issues raised by employers, for example about the need to be able to identify services such as sexual entertainment services by the number dialled, will be addressed under this option. Ofcom would therefore welcome comments on whether it is appropriate to retain the current ring-fencing of those services, and whether it may be appropriate to apply similar safeguards to other types of services in relation to this option.
- 4.22 The principal disadvantage of this option, however, is that consumers would not be provided with information by means of the dialled number regarding the likely cost of the service, and they would therefore not be able to discriminate between different price points. Call barring would therefore only be available based on content rather than cost (or on the basis of barring access to the whole PRS range). Any more complex call barring measures that residential or business consumers may have in place would be compromised.

Question 8: *What comments do stakeholders have on Option C? Do stakeholders agree with Ofcom's description of the advantages and disadvantages of Option C?*

Option D: Abolition of numbering sub-structure

4.23 Under Option D, there would be no numbering sub-structure for 'Special services at a premium rate' and, consequently, consumers would not have the ability to derive any information relating to the cost of the service or the likely nature of the service through the prefix structure, other than by detailed reference to the Numbering Scheme and the pricing information that their Communications Provider makes available.

4.24 The principal advantages of this option are that:

- in regulatory terms, it is the least intrusive;
- it would ensure more effective utilisation of the numbering resource given that there would be no requirement for particular services or tariffs to sit behind specially designated sub-ranges.

4.25 Additionally, as outlined earlier, given that the Scheme only allocates numbering blocks in the '09' range at the 100k level for tariffing purposes, numbering capacity is limited, and further numbering ranges will need to be opened in order to accommodate future demand for different price points. This can be seen by the recent need to open up the '0904' and '0908' numbering ranges for PRS. Consequently, the ability for consumers to associate separate codes with particular tariffs/services is likely to be further diminished in the future due to the increasing number of tariffs and services available, with the result that the extent to which consumers are able to derive benefit from the sub-structure is likely to be progressively reduced anyway.

4.26 The principal disadvantage of this option, however, is that the ability for consumers to derive adequate and reliable information from the prefix structure which research shows that they currently do at least to a certain extent would be significantly diminished. Under this option, consumers would have less control than currently over their telephone line, both in terms of expenditure and access. This would mean that there would be less opportunity than currently for consumers to secure:

- protection from the risk that persons other than the bill payer make expensive and unauthorised calls, and run up high telephone bills;
- prevention of inappropriate access to certain materials (i.e. where employers wish to control which content services may be accessed by their employees).

4.27 More specifically, notwithstanding the issues raised about the complicated nature of the sub-structure, Ofcom is aware that the ability for consumers to prevent access to certain services by means of selective call barring facilities is widely regarded as an important consumer safeguard. Under this option, therefore, it will be the case that call barring measures which may have been put in place to control access to particular tariffs or services would be made ineffective (although the ability to bar access to the entire 09 range, for example, would of course remain in place).

Question 9: *What comments do stakeholders have on the proposal to abolish the numbering sub-structure? Do stakeholders agree with Ofcom's description of the advantages and disadvantages of Option D?*

Question 10: *Are there any other options that Ofcom should consider? What are the advantages and disadvantages of those options?*

Section 5

Summary of consultation questions

1. Do stakeholders agree that the '090' and '091' numbering ranges should be re-designated as 'Special Services at a premium rate'?
2. Do stakeholders agree that the current distinction between the '090' content and '091' non-content services category should be removed?
3. In the light of Ofcom's proposal to re-designate '090' and '091' as "Special services at a premium rate", what comments do stakeholders have in relation to existing allocations of '09' numbers which are charged at price points of ten pence or below on the BT network?
4. Do stakeholders agree that the numbering ranges 092 to 099 should be re-designated as 'Protected for future PRS expansion'?
5. What comments do stakeholders have on Ofcom's examination of the call barring services offered by Communications Providers at present and their benefits? What information do stakeholders have on whether call barring services (particularly for business customers) use the current content distinction in the 09 range?
6. What comments do stakeholders have on Option A? Do stakeholders agree with Ofcom's description of the advantages and disadvantages of Option A?
7. What comments do stakeholders have on Option B? Do stakeholders agree with Ofcom's description of the advantages and disadvantages of Option B?
8. What comments do stakeholders have on Option C? Do stakeholders agree with Ofcom's description of the advantages and disadvantages of Option C?
9. What comments do stakeholders have on the proposal to abolish the numbering sub-structure? Do stakeholders agree with Ofcom's description of the advantages and disadvantages of Option D?
10. Are there any other options that Ofcom should consider? What are the advantages and disadvantages of those options?

Annex 1

Ofcom's consultation principles

There are seven principles which we will follow for each written consultation:

Before the consultation

1. Where possible, we will hold informal talks with people and organisations before announcing a big consultation to find out whether we are thinking in the right direction. If we do not have enough time to do this, we will hold an open meeting to explain our proposals shortly after announcing the consultation.

During the consultation

2. We will be clear about who we are consulting, why, on what questions and for how long.
3. We will make the consultation document as short and simple as possible with a summary of no more than two pages. We will try to make it as easy as possible to give us a written response. If the consultation is complicated, we may provide a shortened version for smaller organisations or individuals who would otherwise not be able to spare the time to share their views.
4. We will normally allow ten weeks for responses.
5. There will be a person within Ofcom who will be in charge of making sure we follow our own guidelines and reach out to the largest number of people and organisations interested in the outcome of our decisions. This individual (who we call the consultation champion) will also be the main person to contact with views on the way we run our consultations.
6. If we are not able to follow one of these principles, we will explain why. This may be because a particular issue is urgent. If we need to reduce the amount of time we have set aside for a consultation, we will let those concerned know beforehand that this is a 'red flag consultation' which needs their urgent attention.

After the consultation

7. We will look at each response carefully and with an open mind. We will give reasons for our decisions and will give an account of how the views of those concerned helped shape those decisions.

We think it is important for everyone interested in an issue to see the views of others during a consultation. We would usually publish all the responses we have received on our website.

We would prefer people and organisations to give us views which they would be happy to see in public. But if those who have responded to a consultation tell us that some or all of their views must stay confidential, we will respect this.

We will also:

- list these seven principles in every consultation document that we publish;

- run a consultation helpdesk – to help organisations such as small businesses and consumer and community groups make their views heard in response to our consultations; and

keep a table on our website at www.ofcom.org.uk listing all current consultations, those recently closed and (as far as possible) those we are planning in the near future. The table will include a brief summary of each document.

Annex 2

Consultation response cover sheet

- A1.1 In the interests of transparency, we will publish all consultation responses in full on our website, www.ofcom.org.uk, unless a respondent specifies that all or part of their response is confidential. We will also refer to the contents of a response when explaining our decision, without disclosing the specific information that you wish to remain confidential.
- A1.2 We have produced a cover sheet for responses (see below) and would be very grateful if you could send one with your response. This will speed up our processing of responses, and help to maintain confidentiality by allowing you to state very clearly what you don't want to be published. We will keep your completed cover sheets confidential.
- A1.3 We strongly prefer to receive responses in the form of a Microsoft Word attachment to an email. Our website therefore includes an electronic copy of this cover sheet, which you can download from the 'Consultations' section of our website.
- A1.4 Please put any confidential parts of your response in a separate annex to your response, so that they are clearly identified. This can include information such as your personal background and experience. If you want your name, address, other contact details, or job title to remain confidential, please provide them in your cover sheet only so that we don't have to edit your response.

Cover sheet for response to an Ofcom consultation

BASIC DETAILS

Consultation title: Premium Rate Services

To (Ofcom contact):

Name of respondent:

Representing (self or organisation/s):

Address (if not received by email):

CONFIDENTIALITY

What do you want Ofcom to keep confidential?

Nothing	<input type="checkbox"/>	Name/contact details/job title	<input type="checkbox"/>
Whole response	<input type="checkbox"/>	Organisation	<input type="checkbox"/>
Part of the response	<input type="checkbox"/>	If there is no separate annex, which parts?	

If you want part of your response, your name or your organisation to be confidential, can Ofcom still publish a reference to the contents of your response (including, for any confidential parts, a general summary that does not disclose the specific information or enable you to be identified)?

DECLARATION

I confirm that the correspondence supplied with this cover sheet is a formal consultation response. It can be published in full on Ofcom's website, unless otherwise specified on this cover sheet, and I authorise Ofcom to make use of the information in this response to meet its legal requirements. If I have sent my response by email, Ofcom can disregard any standard e-mail text about not disclosing email contents and attachments.

Ofcom seeks to publish responses on receipt. If your response is non-confidential (in whole or in part), and you would prefer us to publish your response only once the consultation has ended, please tick here.

Name

Signed (if hard copy)

Annex 3

Existing definitions of Premium Rate Services, Controlled Premium Rate Services and Special Services

Extracts from the ICSTIS Code of Practice, 10th Edition December 2003:

1.1.1.1 **'Premium rate services'** are defined in section 120 of the Communications Act 2003 ("the Act") as follows:

Subsection (7) provides:

"A service is a premium rate service...if –

- a. it is a service falling within subsection (8);
- b. there is a charge for the provision of the service;
- c. the charge is required to be paid to a person providing an electronic communications service by means of which the service in question is provided; and
- d. that charge is imposed in the form of a charge made by that person for the use of the electronic communications service."

Subsection (8) provides:

"A service falls within this subsection if its provision consists in –

- a. the provision of the contents of communications transmitted by means of an electronic communications network; or
- b. allowing the user of an electronic communications service to make use, by the making of a transmission by means of that service, of a facility made available to the users of the electronic communications service."

Subsection (14) provides:

"References in this section to a facility include, in particular, references to –

- a. a facility for making a payment for goods or services;
- b. a facility for entering a competition or claiming a prize; and
- c. a facility for registering a vote or recording a preference."

i.

Extracts from the National Telephone Numbering Plan of 22 July 2003:

‘Premium Rate Content Service’ means a Premium Rate Service which carries a charge for the content of the call or other product or non-communication service delivered in the course of, or as a direct consequence of, the call. Such charges are in addition to, or form part of, the total charge for accessing the Electronic Communications Service which delivers the content, product or non-communication service;

‘Premium Rate Non-content Service’ means a Premium Rate Service where there is no product or service provided other than the Electronic Communication Service itself;

‘Premium Rate Service’ means a service that is paid for through the telephone bill of a Subscriber and is charged at rates above Special Services, where, in relation to Premium Rate Content Services, the revenue for the call, which comprises the price of the telephone call plus the content, product or service, is shared between the Communications Provider and the provider of the content, product or non-communication service whether directly or indirectly. The cost of making Premium Rate Service calls is generally above those charged on 08, Special Service rates, (i.e. above ten pence per minute or per call) and up to £1.50 per minute or per call, or call capped up to £5.00;

‘Special Service’ means a service paid for through the telephone bill of a Subscriber, and charged at rates set out in Part A of [the National Telephone Numbering Plan] up to ten pence per minute or National Rate, whichever is the highest. The cost of a call may be paid by the Called Party (e.g. 080 Freephone Numbers), shared between the Customer and the Called Party (e.g. 0845 Local Rate numbers), or paid wholly by the Customer (e.g. 0870 National Rate numbers).

Glossary

Chatline Service

A term from the ICSTIS Code of Practice (10th Edition). It means a service which consists of or includes the enabling of more than two persons (the participants) to simultaneously conduct a telephone conversation with one another without either:

(a) each of them having agreed with each other; or

(b) one or more of them having agreed with the person enabling such a telephone conversation to be conducted, in advance of making the call enabling them to engage in the conversation, the respective identities of the other intended participants or the telephone numbers on which they can be called. For the avoidance of any doubt, a service by which one or more additional persons who are known (by name or telephone number) to one or more of the parties conducting an established telephone conversation can be added to that conversation by means of being called by one or more of such parties is not on that account a Chatline Service, if it would otherwise not be regarded as such a service.

Communications Provider

defined in the Communications Act 2003 as a person who (within the meaning of section 32 (4) of that Act) provides an Electronic Communications Network or provides an Electronic Communications Service

Controlled Premium Rate Service ('CPRS')

A premium rate service which is defined in and regulated via a Condition set under section 120 of the Communications Act 2003 on 23 December 2003 by the Director-General of Telecommunications and which has effect, by virtue of transitional provisions in that Act, as if it had been made by Ofcom.

The National Telephone Numbering Plan ('the Plan')

A document published on 22 July 2003 in accordance with Section 56(1) of the Communications Act 2003. The Plan sets out the numbers that Ofcom has determined to be available for allocation to Communications Providers as telephone numbers, and such restrictions on their adoption or use as are considered appropriate.

ICSTIS

The Independent Committee for the Supervision of Standards of Telephone Information Services. It is the regulatory body for premium rate services, responsible for publishing and enforcing a Code of Practice..

Number Translation Service ('NTS')

A service which allows the use of non-geographic numbers (e.g. 08 or 09) to identify a type of service rather than a geographical location. Such services translate a number from its non-geographic format into a geographic form, which then enables it to be routed to a specific location.

Ofcom

The Office of Communications.

Pay for Product Service

A term from the ICSTIS Code of Practice (10th Edition). It means a service costing more than £1.00 in total, in which the benefit to the customer is either the delivery during or consequent to the call of a product or service paid for wholly or in part by the customer through a network operator, or the provision during the call of electronic data which the

customer is able to receive and store. Such services are required to conform to the requirements of the Distance Selling Regulations 2000.

Premium Rate Service ('PRS')

A service charged at rates up to 10p per minute on the BT network, but which has other characteristics similar to a Special Service. Beyond this there is room for confusion, hence this consultation. For current legal definitions from the ICSTIS Code of Practice and Ofcom's National Telephone Numbering Plan see Annex 2 of this Consultation Document.

Private Branch Exchange ('PBX')

Means a switchboard, used for connecting calls within an end user's network.

Sexual Entertainment Service

A term from Ofcom's National Telephone Numbering Plan. It means an entertainment service of a clearly sexual nature, or any service for which the associated promotional material is of a clearly sexual nature, or indicates directly, or implies, that the service is of a sexual nature.

Special Service

A term from Ofcom's National Telephone Numbering Plan. It means a service paid for through the telephone bill of a Subscriber, and charged at rates set out in Part A of the National Telephone Numbering Plan up to ten pence per minute on the BT network or National Rate, whichever is the highest. The cost of a call to an 08 numbers may be paid by the Called Party (e.g. 080 Freephone Numbers), shared between the Customer and the Called Party (e.g. 0845 Local Rate numbers), or paid wholly by the Customer (e.g. 0870 National Rate numbers).