

**COMMUNICATIONS
ALLIANCE LTD**



**ACMA TELEPHONE NUMBERING
– FUTURE DIRECTIONS**

**COMMUNICATIONS ALLIANCE RESPONSE
FEBRUARY 2012**

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Executive Summary

Industry is pleased to have the opportunity to comment on the “**Telephone numbering – Future directions**” paper released by the ACMA in November 2011.

Being the major users of the Numbering Plan, service providers recognise the complexity of managing the Plan, the multiplicity of stakeholders involved and the many challenges the ACMA faces in seeking to ensure that the Plan remains an efficient input to the delivery of communications services to all Australians.

It is equally important to recognise that the Numbering Plan is just one of the many elements that need to be brought together by service providers to enable the delivery of an ever more diverse and complex suite of services to Australian customers.

Industry also emphasises that changes to the Plan often have profound implications for individual products and services and often require significant changes to be made to service providers' systems, networks and processes. Potential revisions to the Plan which might appear to be desirable, for example, from the perspective of making the Plan 'tidier' or more internally consistent, might generate resource imposts on industry that far outweigh any benefit derived from the change.

It is therefore important that any proposed revisions to the Numbering Plan:

- have a clear underlying rationale based on actual or foreseeable service requirements;
- have been assumption-tested;
- are subjected to a thorough cost-benefit analysis; and
- are the subject of full consultation with industry.

In this response to the directions paper, Industry has examined each of the 24 potential changes to the Plan that were outlined in Appendix 1 of the paper.

Industry has made an initial categorisation of each of the potential actions, in an attempt to provide a framework for the consultative process around each proposal.

Industry looks forward to continuing to engage productively with the ACMA and other relevant stakeholders in this important process.

Future Directions

Industry provides the following comments on the specific Future Directions:

	Future directions	Industry comment
1	Rationalise number ranges over which like services are provided (where they are currently separated only because of technical characteristics of service delivery) to allow for the broad-based use of numbers and improve technical neutrality in the structure of number ranges.	ACMA has not taken into account key industry impacts in changing from existing arrangements to new arrangements, eg interconnect agreements, customer billing, IT systems issues. Maintenance of numbering arrangements that support the efficient supply of services is the key issue – rather than “rationalisation” in the Numbering Plan.
2	Remove redundant number ranges and return unused numbers to the pool for reallocation to improve efficiency in the use of numbers.	In principle, Industry supports simplification of the Numbering Plan where possible, including removing unused service. However, careful consideration should be given to whether there is likely to be future demand for service types before they are removed. These aspects need to be thoroughly tested before a policy position is taken. An incremental approach to removal of services and number ranges is preferable, to ensure that there is adequate consideration given to whether particular removals will create disruption or costs.
3	To the extent that numbers continue to be used to provide price signals—these should be clear and consistent.	Industry agrees. 1800/13/1300 price signals have been clearly and consistently sent for 20+ years.
4	Work towards a Numbering Plan that reflects key objectives, principles and legislative requirements, with a staged migration of procedural rules to codes and guidelines.	Industry is not opposed to the removal of operational and procedural details from the Numbering Plan once specific arrangements have been captured in industry codes or guidelines. Industry proposes that it would be appropriate for the industry to address these matters through Communications Alliance.
5	Simplify and clarify the Numbering Plan to minimise the costs associated with the management of numbers.	Industry agrees with this proposal and notes that the impact of numbering arrangements on Networks must be taken into account.
6	Provide for an enhanced service provider role in the allocation and administration of numbers, but with adequate governance and appropriately managing risk.	Industry is unsure of the meaning of this direction, however if it means delegating numbering tasks to industry, then Industry agrees.
7	Minimise potential distortions in the charging arrangements for numbers.	We agree with ACMA that changes to existing ANC arrangements has potential to introduce distortion. The ACMA should consider if it is still appropriate to have an annual numbering tax.
8	Maintain an evaluation and monitoring role in relation to the changing environment for numbering regulation,	Industry agrees and is supportive of the Numbering Advisory Committee continue to provide this function.

	so that changes can be made as new issues emerge, in the expectation that change will continue for the foreseeable future.	
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Actions

Action				Industry response
#	What	How	When	
1	Remove sector boundaries from geographic numbers	Amend Schedule 3 of the Numbering Plan	2011–12	Industry agrees with this proposal.
2	Remove the requirement to use geographic numbers in a specific location within a charging district	Amend the Numbering Plan sections 3.4, 3.5, 3.7 and Schedule 2	When this information is no longer required to meet obligations under the TCPSS Act	<p>Industry does not support this proposal at this time.</p> <p>As the Discussion Paper recognises, the proposals do not allow for CSPs to comply with the obligation to provide an untimed local call option. Industry is unable to support these proposed actions and believes it is important that geographic numbers relate to a specific location within a charging district for the foreseeable future.</p> <p>Industry proposes that such an amendment should not be considered until the untimed local call provisions of the TCPSS Act are removed. The proposed actions 2 and 3 would make it extremely difficult to make the distinction between local and long distance calls and thus undermine pre-selection arrangements for national long distance calls. As indicated in previous submission Pre-selection is still used by some CSPs . The numbering plan should be consistent with current policy and regulations..</p>
3	Remove the requirement that geographic numbers must be used in a specific, predominantly fixed location	Amend the Numbering Plan sections 3.4, 3.5, 3.7 and remove Schedule 2	When alternative mechanisms are available to allow law enforcement and emergency agencies access to location information	<p>See above 2</p> <p>In addition to above concerns the ACMA suggestion would appear to allow geographic numbers to be used for mobile services and other types of services, other than fixed telephony. Such a proposal raises questions about how number tax will be dealt with if a range of services now subject to number tax move into the geo number ranges.</p>
4	Remove technical	Amend the definition of 'digital mobile	2013	Noting that actions 4 to 9 relate to removing limitations that restrict services using number ranges that currently are used for different

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#	What	How	When	
	limitations that restrict services using other technologies from using mobile numbers	service' in the Numbering Plan to remove reference to the network technology used to provide the service		<p>technologies.</p> <p>Industry is strongly opposed to these proposals in general with specific comments included below.</p> <p>Industry does not believe it is appropriate for non-mobile services to use mobile number ranges (and vice-versa). There are a significant number of issues that would arise if these actions were pursued, including impacts on interconnection, routing and billing systems, portability.</p> <p>Mobile services have defined rates for terminating access, as set by the ACCC. Numbering is a key factor in identifying these types of services and has been built into interconnect systems.</p>
5	Allow satellite services to use mobile numbers	Amend Schedule 4 to allow satellite services to use digital mobile numbers	2013	<p>Industry is not aware of any issues to date in having separate number ranges for mobile and satellite services.</p> <p>The Paper cites a single example to justify its conclusion that the removal of distinctions between mobile, satellite and LICS “<i>may not significantly impede price transparency</i>”.</p> <p>Industry strongly disagrees. In many cases there remain significant differences in the cost of calls to mobile and other types of services, between different types of satellite services, and on the quality and other characteristics of services provided over different technologies. For example, the 014x number range indicates to consumers that a call is likely to be more expensive than to a mobile number. The price differences between calls to different satellite numbers can also be communicated by the number ranges they use.</p> <p>Currently, industry make a commercial decision as to which number to provide for dual uses, eg a service which is predominantly mobile that can roam onto satellite. Where the satellite provider is willing to accept what is assumed will be lower originating and terminating access rates, then this may be permitted.</p>

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#	What	How	When	
				However, the use must be genuine, and not simply a ruse to obtain a timed interconnect rate for services that are not mobile carriage services nor a satellite carriage services delivered to end users using radiocommunications.
6	Allow LICS to use mobile numbers	Amend Schedule 4 to allow non-fixed services, including LICS, to use digital mobile numbers	When an alternative mechanism has been established for providing location information to ESOs for non-fixed services other than mobile	Industry is strongly opposed to this proposal. These are separate services and must be accounted for separately in interconnect arrangements. It would be impractical to allow LICS services to use mobile numbers. Further, the LICS concept has not been shown to be viable, with a very low take up since introduced in 31 May 2007. Only 8000 numbers from 1 million have been allocated. If it is agreed to use 05 for mobile, based on the ACMA number efficiency report there is a minimum of 5 years before the 04 range requires relief. This provides ample time to move these 055 services onto geographic numbers, provided for by the Variation issued by ACMA in January 2011 or to remove LICS as a service, consistent with network efficiency.
7	Remove technical limitations restricting other non-fixed services including mobile and satellite services from using LICS numbers	Amend Schedule 4 to explicitly allow other services such as digital mobile and satellite services to use the number range associated with LICS	When an alternative mechanism has been established for providing location information to ESOs for non-fixed services other than mobile	See above 6. LICS are separate services and the proposed change will have significant impacts on CSP billing systems. In addition there will be impacts on MNP by allowing non-portable services such as LICS into the mobile number range.
8	Remove technical limitations restricting mobile services	Amend Schedule 4 to explicitly allow digital mobile services to use the number range	2013	Industry is strongly opposed to this proposal. These are separate services and must be accounted for separately in interconnect arrangements. It would be impractical to allow mobile and satellite services to use the numbers currently specified for mobile satellite services.

Action				Industry response
#	What	How	When	
	from using satellite numbers	associated with satellite services		Mobile and satellite services have a completely different cost base which impacts on interconnect charging. MTAS is a declared service whereas satellite termination is not.
9	Remove technical limitations restricting LICS services from using satellite numbers	Amend Schedule 4 to explicitly allow LICS to use the number range associated with satellite services	When an alternative mechanism has been established for providing location information to ESOs for non-fixed services other than mobile	See above 8.
10	Maintain existing premium number ranges to continue to provide price signals about high call costs to consumers	No change required	Ongoing	Industry agrees with this proposal.
11	Free operator services such as directory assistance, call connect and related information services to be moved from shared and non-shared numbers in the 12 range to	De-specify directory assistance, call connect and information services numbers in the 12 range by removing them from Schedule 4	Long-term—five years	There is a strong industry consensus that the ACMA's proposed changes to existing 12XX numbering arrangements have not been substantiated and if implemented would have significant and detrimental impacts at a consumer and industry level. For these reasons Communications Alliance members are opposed to these changes and hold the view that the existing 12 number range arrangements should be retained. Furthermore, if there are residual issues associated with the continuation of existing 12 number arrangements then it would be appropriate for the industry to address these through Communications Alliance.

Action				Industry response
#	What	How	When	
	individually allocated freephone numbers			
12	Operator services such as directory assistance, call connect and related information services that are offered at a low charge to be moved from shared and non-shared numbers in the 12 range to individually allocated local rate numbers, so long as they meet the 'low charge amount'	De-specify directory assistance, call connect and information services numbers in the 12 range by removing them from Schedule 4	Long-term—five years	See above 11
13	Operator services such as directory assistance, call connect and related information	De-specify directory assistance, call connect and information services numbers in the 12 range by removing them from Schedule	Long-term—five years	See above 11

Action				Industry response
#	What	How	When	
	services that are offered at a higher charge than the low-charge amount to be moved from shared and non-shared numbers in the 12 range to individually allocated premium rate numbers	4		
14	Remove unused service types	Amend the Numbering Plan to remove these service types: <ul style="list-style-type: none"> > call information service > mass calling service > public interest service > supplementary control service > UPT service > UPT profile access service > ENUM trial numbers 	2011–12	<p>In principle, Industry supports simplification of the Numbering Plan where possible, including removing unused service. However, careful consideration should be given to whether there is likely to be future demand for service types before they are removed. These aspects need to be thoroughly tested before a policy position is taken.</p> <p>An incremental approach to removal of services and number ranges is preferable, to ensure that there is adequate consideration given to whether particular removals will create disruption or costs.</p>

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15	Remove unused portions of number ranges associated with service types with low allocations	Amend the Numbering Plan to remove empty portions of these service types: <ul style="list-style-type: none"> > analog AMPS service > community service > data network access service > data network service > internal network service > premium rate and paging service > testing service 	2011–12	See above, with the exception of internal network service types, for which Industry are opposed to removing.
16	Remove redundant information from the Numbering Plan	Proposed amendment to the Numbering Plan to remove Schedule 12	Commencing 2011	Industry agrees with this proposal.
17	Remove operational and procedural details from the Numbering Plan	Proposed amendment to the Numbering Plan to remove unnecessary details about the allocation, transfer	When specific arrangements have been adequately captured in industry codes or guidelines	Industry is not opposed to the removal of operational and procedural details from the Numbering Plan once specific arrangements have been captured in industry codes or guidelines. Industry proposes that it would be appropriate for the industry to address these matters through Communications Alliance.

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		and surrender from chapters 6–7		
18	Review further delegation of the ACMA's number allocation powers/functions	Internal ACMA review	2012–13 Prior to expiration of current contractual arrangements for FLRNs	Industry is comfortable with the ACMA's proposal to undertake a review and consider possible further delegation of its powers and functions, however, it notes that the current allocation processes appear to be working well. Further consideration and consultation is required on how such a change would impact the industry.
19	Cessation of smartnumbers auctions	ACMA to conclude smartnumbers auctions	As close as is practicable to 30 June 2012	<p>Industry is not opposed to the cessation of smartnumbers auctions. Industry is of the view that an alternative process must be in place prior to the cessation of the auction process.</p> <p>Industry will not agree to any arrangements that impose additional costs or process steps on their systems. Considerable costs were incurred by industry in meeting the processes and procedures specified by the ACA/ACMA's for the number auction system. Industry does not have funding to make further changes to IT systems now that change of direction is proposed.</p> <p>Any additional cost that might apply as a consequence of shutting down the auction process should not be imposed on industry.</p> <p>In development of alternative processes, Industry asks that consideration be given to allow the means to address a situation when a number has been fraudulently or inadvertently returned, or where an error in printing results in a requirement for a specific number to be allocated (when it is in fact available).</p>
20	Future arrangements for enhanced rights of use to be established	Amend Numbering Plan Division 7 to remove Section 3.75A–G and replace them with new sections that	As soon as possible and preferably prior to 30 June 2012	Industry are happy to consider this proposal from an industry perspective, however believe that it requires evidence-based support or further explanation of the underlying rationale

Action				Industry response
#	What	How	When	
		clarify the rights of use of existing FLRNs, and provide all FLRN numbers allocated after 30 June 2012 at above cost recovery prices with the same rights		
21	Exempt some short digit access codes (CSP identification codes, virtual private network access codes, international access codes, and incoming-only international access codes) from the ANC	Amend Telecommunications (Annual Charge) Determination 2007 (No. 2) to include identification and access codes as numbers that are exempt from ANC	2012	<p>Industry has significant concerns about this proposal and does not believe changes to the Annual Numbering Charge are necessary, in particular the 14xy code.</p> <p>Industry is concerned that removing the ANC would lead to these codes being quickly depleted by speculative applicants who do not intend to use them effectively or efficiently, since there would be no incentive for them to be allocated efficiently. (Of the 100 numbers 14xy available, 20 are already allocated)</p> <p>14xy codes are a pivotal element of inter-carrier networking, are embedded in every inter-carrier call in Australia and in many cases the 14xy code is an integral part of the network routing. If the supply becomes exhausted and necessary to open up a new range (eg 15xy) or move to 5-digit codes would impose very significant system upgrade costs across the industry.</p> <p>In addition, Industry does not believe that removing charges for short codes (eg CAC codes or VPN codes) would remove barriers to entry in themselves. There are many other significant network conditioning/IT costs associated with these numbers and removing the number charge would not eliminate the barriers to entry. It could encourage CSPs to request allocation of these numbers without realising the full impact of actually implementing them.</p> <p>With the 001x numbers only five of the ten remain and there is limited allocation of 188xy codes. Any change to number chargers to these</p>

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#	What	How	When	
				short codes would be of low impact
22	Allocation rules that require additional allocations to be used prior to new allocations and 'use it or lose it' arrangements to be relaxed	Amend Chapter 6, Part 2, Division 1, section 6.14 to extend the period before which numbers must be in use from 12 to 24 months.	2012	Industry agrees with this proposal.
23	Consultation with industry about administrative amendment to make the arrangements for applying for numbers in non-standard blocks more accessible.	Administrative amendment by the ACMA	2011	<p>Industry is strongly opposed to this proposal and believes that there is no evidence base in support of it.</p> <p>The ACMA has been informed of industry limitations on the use of non-standard blocks on numerous occasions.</p> <p>The ACMA must have regard to the impact of numbering plan changes on key suppliers of existing services.</p> <p>The ACMA must consider all impacts to operators in managing services on non-standard number blocks. These changes will add significant cost to existing network operations.</p> <p>A consistent and uniform number block structure must be maintained in order for network operators to provide effective operation.</p>
24	The minimum block size for each general purpose numbers to be	Amend section 6.23 and Schedule 8 to reduce minimum block size of mobile numbers to 10,000;	2012	<p>Industry is strongly opposed to this proposal. See comments to #23.</p> <p>Allocating smaller number blocks to CSPs will have a significant impact on the networks of carriers that must route calls to that CSP. The networks will be required to undertake much more complex number</p>

Action				Industry response
#	What	How	When	
	amended following industry consultation	LICS to 100; satellite to 100; geographic numbers to 100		analysis if smaller blocks are used, which will drive Significant additional costs. Industry has previously suggested to the ACMA alternative arrangements that could help manage these limitations on an exception basis.

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Published by:
**COMMUNICATIONS
ALLIANCE LTD**

Level 9
32 Walker Street
North Sydney
NSW 2060 Australia

Correspondence
PO Box 444
Milsons Point
NSW 1565

T 61 2 9959 9111
F 61 2 9954 6136
TTY 61 2 9923 1911
E info@commsalliance.com.au
www.commsalliance.com.au
ABN 56 078 026 507