



Commission for
Communications Regulation

Information Notice

Wholesale Charges for Non Geographic Numbers

Information Notice

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Additional Information

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1. Today, ComReg is starting a project that will consider the inter-operator charges for calls to Non-Geographic Numbers ('NGNs').
2. NGNs are used to deliver a range of voice-based services, including support and help lines, information services, charities, and calling services. NGNs include Freephone numbers and other numbers where the called party (generally referred to as the 'service provider') contributes towards the costs of the call, thereby reducing the retail price charged to the caller (shared cost numbers).
3. There are several types of NGNs in Ireland, including 1800, 1850, 1890, 0818, 076 and "premium rate service" numbers (15XX).
4. The scope of this project may include, where appropriate, the following types of NGNs:
 - (a) '1800', Freephone – the total charge for these calls is borne by the called party;
 - (b) '1850', Shared Cost (per call charge) – the caller is charged a fixed rate for only part of the cost of the call, with the called party charged for the remainder.
 - (c) '1890', Shared Cost (per minute charge) – the caller is charged a per minute rate for part of the call, with the called party charged for the remainder.
 - (d) '0818', Universal Access – originally introduced to allow a called party to receive calls at a single or several different locations depending on the time the call is made and the location of the caller. The caller pays for the call and there should be no contribution from the called party.
 - (e) '076', Nomadic – originally intended to provide VoIP operators a greater choice of types of numbers as well as much more freedom in respect of rights of use than other types of numbers and has recently been adopted for other uses including corporate numbers. The caller pays for the call and there should be no contribution from the called party.
5. Service providers may opt to use Freephone (1800) or Shared Cost (1850 / 1890) NGNs in order to remove, or to lower, the retail charges for such calls which may otherwise deter callers from making such calls. NGNs are also attractive to service providers as, in theory NGNs are charged at the same rate for all callers irrespective of location. The internet and smartphone apps can offer service providers alternative means of interacting with users, however such alternatives may not be suited to voice-based interaction or may be difficult for some groups in society to access, because of the technology used.
6. A service provider wishing to use NGNs will engage a telecommunications operator (the 'terminating operator') to handle the telecommunications aspects of the service and allow the service provider to receive calls to NGNs (referred to as 'call termination'). These terminating operators may be fixed-line or mobile operators.
7. When callers wish to contact service providers on NGNs, the number is dialled (referred to as 'call origination') and the call is first carried on the network of the caller's chosen operator

(the ‘originating operator’). These originating operators may also be fixed-line or mobile operators.

8. When NGNs are called, the originating operator directs the calls to the terminating operator. In some cases, the originating and terminating operators are not directly connected to one another. Calls to NGNs may cross (or ‘transit’) more than one intermediary network before arriving at the network of the terminating operator and ultimately the service provider. The operators of such intermediary networks are referred to as ‘transit operators’.
9. Charges for carrying calls to NGNs are levied by the originating, transit and terminating operators. For calls to Freephone NGNs, the call charges are paid for by the service provider. For calls to Shared Cost NGNs, the call charges are paid by the caller and the service provider.
10. Some operators may charge higher prices (to those charged by other operators or for similar services) for their part of the call (origination, termination or transit). Where this occurs, these higher prices may be passed through to the caller and/or the service provider. This may also result in a reluctance of callers and/or service providers to use NGNs because of:
 - (a) confusion as to the exact prices charged to make or receive calls to NGNs;
 - (b) high prices (compared to, for example, equivalent calls to Geographic Numbers or Mobile Numbers) that make calls to NGNs expensive.
11. Comparatively higher prices for calls to NGNs may result in a cyclical decline in the use of NGNs. Consumers may not want to call NGNs due to higher or non-transparent pricing as outlined above. Service providers, in turn, may choose other access methods on the basis that consumers are wary of the pricing of NGNs. Terminating operators, in turn, may no longer offer NGNs due to decreased demand from service providers. This could continue to the point where NGNs are no longer used.
12. There should be a significant benefit to society and the economy from the efficient use of NGNs. It is therefore important that NGNs should continue to be attractive to both service providers, as a means of offering access to the various services provided over the NGNs platform and, to consumers, as a means of accessing service providers.
13. A number of stakeholders have raised concerns with ComReg that NGNs, in particular Freephone and Shared Cost NGNs, have not been working well for callers and service providers due to perceived high origination charges.
14. ComReg has received submissions from BT Communications Ireland Limited; Colt Technology Services Limited and Verizon Ireland Limited relating to the rates for call origination to NGNs. ComReg has previously held two industry workshops¹ in relation to call origination charges for NGNs and has published a number of documents since 2014².

¹ NGNs industry workshops dated 27 February 2014 and 13 March 2014.

² See “Additional Information” on page 2 of this Information Notice.

Our Information Notice - ComReg Document No 14/130³ noted that “*ComReg is now in the process of developing a mobile cost model (to supplement the existing fixed cost model⁴) that could be used to inform it in respect of any future determination on the appropriate charge for call origination for non-geographic numbers.*”

15. In ComReg Document No15/40⁵, ComReg sought input from the relevant stakeholders in the development of a cost-based mobile retention rate model. The results of this model suggested that prices charged by some mobile operators for their part of calls to NGNs were significantly above cost.
16. ComReg has recently conducted a review of the usage and pricing, at the retail level, of calls to NGNs. The output of this review will be published shortly as part of a public consultation but the preliminary analysis indicates that an assessment of wholesale charges for calls to NGNs is also required.
17. ComReg is therefore initiating a review to establish whether regulatory intervention using its formal powers is appropriate. ComReg will consult publicly and if necessary notify the European Commission as required by law.
18. ComReg will also consider any voluntary proposals in respect of operator charges for NGNs, provided these meet the needs of all stakeholders, particularly end users.

³ Please see <https://www.comreg.ie/publication/update-on-treatment-of-non-geographic-numbers/>

⁴ Footnote 4 per ComReg Document No 14/130: “*The practice to date has been that fixed network operators have symmetrically levied, on a voluntary basis, known as the ‘deemed to be regime’, the same retention rate that Eircom charges other operators. Pursuant to Eircom’s designation of significant market power in the market for wholesale interconnection services Eircom’s retention rate cost based a modelled cost-based rate (See ComReg Decision No. D04/07).*”

⁵ Please see <https://www.comreg.ie/publication/call-for-input-wholesale-charges-for-non-geographic-numbers-development-of-a-mobile-cost-model/>