



Office of the Director of  
**Telecommunications  
Regulation**

## **PRESS RELEASE**

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### **INTRODUCTION OF NUMBER PORTABILITY IN IRELAND – PUBLIC CONSULTATION BEGINS**

The Director of Telecommunications Regulation, Etain Doyle, today published a consultation document on the introduction of number portability in Ireland. The consultation document was prepared by international telecommunications consultants Ovum, and it makes detailed proposals on the implementation of number portability. When fully implemented, customers will be able to change to a new telecommunications service provider without having to change their telephone numbers.

Last year, the Minister for Public Enterprise, Mrs. Mary O'Rourke T.D. indicated that she would be seeking the introduction of number portability by January 2000 in line with general EU policy and that she would not be availing of the option to seek a delay in its introduction. The Department of Public Enterprise will finalise the national regulations on number portability following the outcome of the ODTR consultation.

Ovum have proposed a framework which would introduce number portability on a phased basis, commencing January 2000. The consultation invites comments on the implementation proposals, and seeks views on how the phasing could be minimised to bring the benefits of number portability to the consumer as early as possible.

**MORE**

Number portability is a key enabler for effective competition in a liberalised telecommunications market. “Portability will make it easier for consumers to reap the benefits of a liberalised telecommunications market” the Director (Etain Doyle) said today, “It will remove one of the main barriers to consumers switching between telecommunications service providers”.

The consultation is being carried out as part of a study of the technical and regulatory aspects of number portability. The study aims to resolve key issues, culminating in the development of a regulatory framework for implementing number portability in Ireland. The framework will determine the form of number portability to be implemented.

National rules which operators will be required to follow will also be defined by the study. The rules will cover the process of ‘porting’ a number from one operator to another, the routing of calls to a ported number and the recovery of the additional costs of implementing number portability.

The consultation document, entitled "**Introducing Number Portability in Ireland**" (document number **ODTR 99/01**), can be viewed on the ODTR web-site (<http://www.odtr.ie>). The consultation period concludes on February 22<sup>nd</sup> 1999.

**ENDS**

## **BACKGROUND INFORMATION ON IMPLEMENTING TELEPHONE NUMBER PORTABILITY**

Consumers value their telephone number. To change numbers can be inconvenient and costly. Informing family and friends of a new telephone number can be an onerous task, and calls may be missed.

The inconvenience and costs can be particularly onerous for business. For many companies, the awareness of their telephone number is a major source of business. Once a business has made a significant investment in advertising and promoting a phone number, the costs of changing that number can be substantial. Those costs may include changing business cards, company stationery, signage, and advertisements to reflect a number change.

If potential customers are unable to reach a business because of a change of number it can result in lost business. This is especially the case for freephone (1800) and part-paid services (1850, 1890, etc.), where the phone number can be promoted nationwide and is often well known by customers.

Studies have shown that the cost and inconvenience of a number change is a significant deterrent to businesses and consumers changing their provider of telecommunications services and a major barrier to competition in the telecommunications market.

### **Benefits of Number Portability**

Number portability allows consumers and businesses to retain their telephone number when they change to a different telecommunications operator. The cost and inconvenience of having to inform callers is avoided and callers benefit from not having to change their records, calling fewer wrong numbers and making fewer directory enquiries.

The availability of number portability will bring benefits to both commercial and residential customers. In particular, it will allow businesses to take full advantage of the choices that will become available in a more competitive telecommunications market and choose the provider that best meets their needs without the risk of losing customers through changing their phone number.

The ability to choose between competing providers of telecommunications services is likely to bring substantial benefits. In such an environment, competition is likely to develop, the benefits of which will flow to *all* customers. Lower prices, greater choice, higher quality and a greater range of services are likely outcomes from a more competitive market for telephone services.

So the availability of number portability is a major issue for the Irish telecommunications industry. In fact, it is the focus of regulatory initiatives throughout Europe and its introduction is a requirement under a European Directive.

## Different types of Number Portability

Discussions on number portability usually focus on *operator portability*, where a customer can change telecommunications network operator and keep the same telephone number. However, other forms of portability are also possible. These include *location portability* and *service portability*.

**Location Portability:** With location portability, a customer can change address and keep the same telephone number. This offers significant benefits to consumers, as a move of house or a move to a new office would not require a number change.

At present it is not possible to have location portability throughout the country for all numbers, and indeed it may not be desirable for example to have a Cork (021) geographic number moved to Dublin or Donegal.

Currently, this means that location portability is only meaningful within certain areas called “minimum numbering areas”. The country is currently divided into 128 of these minimum numbering areas, although this number could be reduced over time by combining existing areas. In some cases, operators may limit location portability to within a local exchange area for operational reasons.

Making location portability commercially available may provide a good opportunity for service differentiation and promote customer loyalty. After all, an operator who can arrange for a business to move across town without needing a number change could have a significant competitive advantage over operators who do not offer location portability.

Non-geographic numbers such as freephone (1800) are available nationally, so there are no limitations on location portability.

**Service Portability:** It is also possible that a customer could change service and keep the same number. This is referred to as service portability. However, customers often determine what service is being provided and what tariff rates may apply from the numbering scheme. For this reason, service portability may be limited to services in the same service and tariff classes. This means for example that it would be possible to change from an analogue to an ISDN service without changing number, but it would not be possible to “port” a number from Freephone (1800) to Premium Rate (1550)

Both location and service portability may be available to an operator’s existing customers or could be combined with operator portability to allow customers to change both operator and location at the same time.

## **Mobile Phone Services and Number Portability**

Number portability between mobile operators is essential to promote competition and to ensure consumers can get the best deal in the mobile market.

The existing mobile operators, Eircell and Digifone have already implemented a form of number portability which allows customers to keep the subscriber part of their number when changing operator.

For example, a Digifone customer (Mrs. O'Brien) with the number 086 8812345 changing to Eircell can use the number 087 8812345. When Mrs. O'Brien moves, Digifone will put a voice announcement on the old number for up to 6 months, informing callers of the change.

The Office of the Director of Telecommunications Regulation (ODTR) will be keeping this arrangement under review, taking account of the introduction of the third mobile operator, and will consider a change to full mobile number portability in the future. This would enable Mrs. O'Brien in the above example to change to Eircell without changing access code, i.e. the number 086 8812345 would move to Eircell with her.

### **Introduction of Number Portability**

The European Directive 98/61/EC requires that number portability should be available to consumers in January 2000. Although Ireland has the option of seeking a derogation, the Minister for Public Enterprise informed operators early last year that Ireland will not request such an additional period.

The setting of the overall framework falls to the ODTR. Late in 1998 it commissioned Ovum to carry out a study on the technical and regulatory aspects of number portability. The study analyses the key issues and seeks to develop a national framework within which the operators can plan with reasonable certainty for the detailed technical and operational implementation of number portability. Establishing this framework is a primary objective for the ODTR.

This consultation is an important step in the process. It allows operators, consumer interest groups and other interested parties to respond to the initial analysis and proposals put forward by Ovum in the consultation document. Responses will help to shape the formulation of the strategy and the regulatory framework to be put in place.

## The National Number Portability Framework

The national framework will determine the form of number portability to be implemented, define operator routing and charging rules and set milestones for implementing number portability in Ireland.

The definition of the form of number portability will detail how operator, location and service portability will be applied to fixed, mobile and non-geographic numbers. Ovum propose the early introduction of non-geographic number portability, since they consider that this can be implemented rapidly. They also believe that an immediate requirement for all new operators to support full number portability may be an undesirable burden on new entrants in the early stages of market liberalisation.

**Operator Initiated v Customer Initiated:** *Operator initiated number portability* allows new entrants to decide when to begin offering number portability to customers moving to their network from Telecom Eireann and from other operators who offer number portability. *Customer initiated number portability* requires that a customer can change to all licensed operators, and retain their number. This means that all licensed operators must support number portability from the agreed date of introduction, and can not choose whether or not to offer portability as part of their strategy to win customers. In both cases Telecom Eireann would be required to release numbers to other operators.

Ovum is recommending a phased approach for geographic number portability. This would mean the availability of operator initiated geographic number portability initially, followed by customer initiated number portability.

In effect, what this means is that Telecom Eireann, as the dominant operator, must initially have the capability to export numbers to any other operator who requests portability and who is willing to offer portability in return. However, all new operators do not have to support number portability until the introduction of customer initiated portability.

**A National Number Portability Database:** It may be necessary to establish and maintain an independent number portability database, which acts as a clearinghouse for all operators. This could be established through a neutral third party who could also assist new operators in establishing number portability services.

**Cost Allocation Rules:** The national strategy adopted will also determine the rules for allocating the additional costs of number portability. These costs include the operators' set-up costs, the transaction costs of porting an individual number and any additional call conveyance costs, arising from the re-routing of calls. Once the costs are allocated, it is a commercial decision for individual operators as to whether some or any of the costs are passed on to customers as charges for number portability services.

## **Delivering Number Portability**

Whilst stressing the importance of a national implementation strategy, the detailed implementation issues must be resolved by the operators themselves. The operators need to establish the porting process, provide the appropriate network technologies, redesign their support systems, and market the service to customers. There will probably be a requirement for the early formation of a cross-industry working group to progress the technical and operational issues.

Defining the porting procedures will be of particular importance to such a working group. It is vital that efficient porting procedures are put in place for customers. In practise, this means that the customer's new operator should offer 'one-stop shopping' to the customer whereby s/he would simply sign a separate instruction form for the closure of the account with the previous operator.

In addition, the availability of number portability must not result in differences in service quality and reliability or differences in the services and features that can be offered to ported and non-porting numbers. In particular, the process must be designed to ensure there is no gap in telephone service during the change-over.

The programme of implementation proposed by Ovum in their study for the implementation of number portability, is:

- |                                 |                              |
|---------------------------------|------------------------------|
| • <b>Non-Geographic Numbers</b> | <b>January 2000</b>          |
| • <b>Geographic Numbers</b>     | <b>July to December 2000</b> |

The bulk of the implementation work will be the responsibility of the operators currently serving the Irish telephone customer.