



Commission for
Communications Regulation

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The 'home-zone' service –an innovation in fixed-mobile telecommunications

A 'home-zone' service is a potential new offering from mobile operators that enables mobile phone customers to make and receive calls – on their mobile phones - in or near their homes at fixed line prices.

As a number of mobile operators have expressed an interest in providing home-zone services in Ireland, ComReg is opening a consultation to ensure they are introduced in the way that best suits Irish consumers. From the mobile operators' perspective, the home-zone service is a fixed-mobile convergence offering that is expected to help them compete more effectively with fixed-line services.

These home-zone services have the potential to increase competition in the marketplace, and offer greater communications flexibility to consumers. Among the attractions of a home-zone service for consumers is the likely application of lower rates for outgoing calls made from within the home-zone area. Following completion of the consultation process, such services could be offered from the end of 2006 or early 2007 by one or more of the mobile networks. In Germany, the mobile companies T-Mobile, Vodafone and O2 already offer this service which has proved to be very popular with consumers.

A home-zone service will provide a mobile customer with both fixed and mobile telephone numbers, enabling their contacts to call them at regular fixed-line costs while they are within a certain defined area. Furthermore, it is expected that mobile operators will offer reduced-rate calling to their home-zone service subscribers, so long as the calls are made from within the home-zone area. Business customers may be able to call each other free of charge while within the home-zone. (A more detailed explanation of the home-zone service is appended to this Media Release.)

The consultation process on this issue runs until 15 September 2006 and ComReg will announce its final decisions on the matter in November.

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Annex: An explanation of the ‘home-zone’ service concept

The ‘home-zone’ service concept is a new innovation from mobile operators that has recently been introduced in a small number of European countries and elsewhere. The service enables mobile phone customers to make and receive calls in or near their homes at fixed line prices. The service also offers the convenience of fixed-mobile telecoms usage based on a single handset.

The potential introduction of home-zone services in Ireland could increase overall competition in both the fixed and mobile markets. Nevertheless, the introduction of home-zone services would involve changes to the current telecoms framework that must be considered with care.

Telephone numbering for home-zone services.

With the home-zone service concept, a mobile customer would be provided with both a fixed telephone number and a mobile number for a single mobile handset.

Fixed (or ‘geographic’) numbers are normally available for wire-line telephone services and customers are provided with numbers depending on which geographic numbering area their home or office is located. For example, a fixed line customer in central Dublin is provided with a 7 digit local telephone number with an ‘01’ area code, whereas a customer in Cork city gets an ‘021’ number.

The country is divided into several such geographic numbering areas, formally referred to as ‘Minimum Numbering Areas’. Consumers calling a geographic number can usually establish where the called party is approximately located by examining the number to be dialled, and this information is considered to be of some utility to consumers.

For home-zone services, ComReg is proposing in a current consultation paper¹ that the home-zone subscriber would be provided with a geographic number that corresponds with the Minimum Numbering Area in which their home or office is physically located and that customers would provide this address to the mobile operator when signing up to the service.

As part of its responsibility to manage Ireland’s telephone numbering scheme, ComReg must ensure that if home-zone services are introduced, that numbers are allocated efficiently, to avoid wastage. The availability of number portability (see below) for home-zone services is a key aspect to ensure efficient number usage.

¹ ‘Geographic Number Allocations for Hybrid Fixed-Mobile Telecoms Services’ – ComReg Consultation Paper, document number 06/33 – www.comreg.ie

Defining the ‘home-zone’

Consumers calling a home-zone service subscriber’s geographic number would have reasonable expectations about where the called party is located, and this is also a key element of the consultation.

To deliver on this expectation, mobile operators can establish whether a customer is located in their ‘home-zone’ - which is a pre-defined area of coverage in the vicinity of the customer’s registered address - by checking the mobile base-station ‘Cell ID’ (or a more enhanced location information capability, if implemented on their network).

One proposal is that so long as the home-zone coverage area is entirely within the Minimum Numbering Area where the customer’s registered address is located (or is straddling this numbering area and an adjacent numbering area since radio technology will not allow absolute precision) then the call would be delivered seamlessly. If the customer is out-of-area, then the call could go to voicemail or optionally be call-forwarded, at the home-zone service subscriber’s choice, and at their expense. However, a key aspect of the consultation exercise is to establish how precisely these services should be implemented.

The home-zone service end-user is aware of whether they are in their home-zone by the presence or absence of an icon on the mobile phone display.

Calls to the home-zone service subscriber

As mentioned, the home-zone service subscriber has two telephone numbers associated with their mobile phone – a geographic number and a normal mobile phone number. Calls to the mobile number would be treated no differently to normal calls to mobiles and tariffs would reflect the normal rates that apply for calls to mobiles.

However, if the calling party has dialled the fixed number that has been provided to the home-zone service subscriber, then it would be a legitimate expectation that charges for calls to that number would be at fixed line rates (or mobile to fixed rates, if calling from a mobile).

This tariff transparency issue is a core concern for ComReg, and it has sought to address it in its consultation proposals by ensuring that mobile operators can only provide home-zone services if this issue is adequately addressed.

Calls from the home-zone service subscriber

Using the location information mentioned earlier, the mobile operator can establish when the home-zone service subscriber is in their home-zone (i.e. in the vicinity of the registered address of their home or office) and the end-user is aware by the presence or absence of an icon on the handset screen.

Using this information, mobile operators that have implemented the home-zone concept elsewhere have typically charged for calls *made from* the home-zone at fixed line rates.

When the home-zone service end-user is outside their home-zone, call charges are typically closer to the normal mobile call tariffs.

Presentation of Caller-ID

As with any call, home-zone service end-users can optionally send their Caller-ID as part of call set-up. It is the norm for these services that the mobile number is presented to the called party. There are a number of reasons for this, but in particular, it avoids unnecessary confusion in the handling of calls to the emergency services.

Number Portability

Finally, telecoms customers currently benefit from a facility called 'number portability'. This facility allows customers to move between operators whilst retaining their existing telephone number(s). This facilitates competition by allowing consumers (and particularly business customers) to switch operators without the need to have new stationary printed, inform their customers of a number change, etc.

With the home-zone service concept, a particular attraction for a consumer might be to 'port' their existing fixed-line number to the home-zone service operator, and potentially even deciding not to retain a fixed line service at all.

The current industry procedures for number portability allow for porting between one fixed operator and another, or between two mobile operators, but the rules do not cater for porting between a fixed and a mobile operator, and vice-versa.

This issue is also addressed in ComReg's consultation paper.

Ends