



Consultation on Liberalization of Directory Enquiries Service

30 September 2002

Consultation Document 2002/5

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1. Consultation Procedure and Timetable

The consultation period will run from Monday 30 September to Friday 27 October, 2002. Written comments should be submitted before 5.00pm on 27 October, 2002 to:

Jersey Competition Regulatory Authority
6th Floor
Union House
Union Street
St. Helier
Jersey
JE2 3RF

E-mail: enquiries@jcra.je

All comments should be clearly marked “Comments on Liberalization of directory Enquires Consultation Document 2002/5”, and marked for the attention of Mr Charles Latham.

2. Introduction

At present, telephone users in the Bailiwick of Jersey who wish to access the Jersey Telecom Directory Enquiries (“DQ”) service dial the number 192 for local and UK national numbers and 153 for international numbers. Both services are currently outsourced, by Jersey Telecom, to British Telecom plc (BT) by Jersey Telecom (JT).

In December 2002, to introduce more competition into the market for DQ services in the UK, Oftel, the UK Telecommunications Regulator will introduce new Directory Enquiries services based around the European Committee for Telecommunications Regulatory Affairs (ECTRA)¹ as an appropriate pan-European standard for the provision of DQ services, Oftel, the UK Telecommunications Regulator will introduce new Directory Enquiries services based around the access ECTRA recommended code 118. Oftel has determined that UK operators will be allocated codes in the form 118XXX. This will end the current BT virtual monopoly on DQ services. Oftel has already allocated 118XXX codes to a number of companies wishing to supply competitive services within this new numbering range. This change will impact on Jersey telephone users as local numbers are within the UK National Numbering Scheme.

Initially, in the UK, these new services will be run in parallel with the existing codes (192 for inland and 153 for international), but this will cease at the end of August 2003.

It is expected that these new service providers will provide “added value” services for telecommunications users, thus generating a competitive market. For example, some of the providers will offer foreign language services and fax directories. Experience of such liberalization elsewhere in Europe (e.g. Germany, Republic of Ireland) has indicated that the introduction of competition in this market stimulates revenue for Public Telephone Operators while at the same reducing the cost to individual users by as much as 25% to 30%.

Interested parties are, therefore, invited to comment on the options set out in the consultation document.

3. Background

At the present time Jersey is part of the UK Specified Numbering Scheme under the ITU country code +44 and UK area code 01534 which are the responsibility of the UK agency Oftel. Oftel is charged with managing and developing the scheme as a national resource. Oftel publishes the Numbering Conventions and, from time to time, updates them as the scheme is developed. The last revision was published in March 2002² which includes the changes to the DQ service.

¹ Ref: <http://www.eto.dk>

² Numbering Conventions for the United Kingdom, Issued by the Director General of Telecommunications, Issue 4, 1 March 2002. Ref: www.oftel.gov.uk/publications/numbering/2002/cons0302.htm

Under the Telecommunications (Jersey) Law 2002³, the JCRA have responsibility for numbering within the Bailiwick. The JCRA cooperates closely with Oftel to manage the numbers within the island efficiently and to ensure compliance with the UK Numbering Conventions. It is therefore, the responsibility of the JCRA, to ensure that numbering is compatible with the UK as far as possible.

4. Operational Principles

Oftel has made it clear that it expects all UK network operators to provide access to the new 118XXX DQ services. The DQ service providers will make agreements with BT and Other Licensed Operators for collection of the revenue for the DQ call based on a Pence Per Call (PPC) or a Pence Per Minute (PPM) charge (or a combination of both) depending on the service provider's business model. The network operator originating the traffic will collect the revenue from the customer through the normal billing process, or, in the case of Payphones (where appropriate) through coin collection. The network operator's billing system will then determine the payment to pass forward to the operator receiving the traffic (and hence ultimately to the DQ service provider), after an agreed retention for call origination.

Oftel have already allocated the new numbers to interested parties through the process of a lottery conducted earlier this year⁴.

As far as the end-user is concerned, the new scheme will carry different charges for basic enquiries depending on the specific 118XXX number that the end-user dials, which in turn depends on the particular DQ service provider's business model. The new service providers will be able to generate additional revenue (if they wish) through any added-value services they might offer.

Currently, DQ services provided by BT and other operators may be charged either on a Pence Per Call (ppc) or a Pence Per Minute (ppm) basis. From October 2000, Oftel allowed UK operators to charge for DQ services from Public Payphones. In the UK special provision is made for the blind and others with a recognized disability that makes it impossible to use a printed telephone directory, through the disabled enquiry service via the access number 195. The user has to apply for a PIN number to use this service. This service is not yet available in Jersey. Oftel does not propose any changes to the 195 directory enquiry service as part of the other changes to the directory enquiry market

In Jersey, from fixed line telephones, there is £0.25 ppc charge made for DQ calls for local and UK numbers and international DQ is charged at £1.50 ppc. Mobile phones use the same codes and services and have a tariff related to their rental type. Mobile charges vary between £0.25 ppc and £0.40 ppc for 192 and between £1.00 ppc and £1.40 ppc for 153. Charges from payphones are £0.25 ppc for 192 and £1.00 ppc for 153.

³ <http://www.jcra.je/legislation/pdf/Telecomm.pdf>

⁴ <http://www.oftel.gov.uk/publications/numbering/2002/dqall0302.htm>

It should be noted that Jersey Telecom currently offers a free local DQ service via their web site. BT also offers a limited service for UK national numbers via their web site. Several other providers operate national and some international DQ services via the Internet.

5. Options

Clearly, since the new regime is moving towards a competitive market, there is an opportunity for Jersey operators to provide the hosting for 118xxx numbers but in the main these services will be hosted in the UK. The consequence of this is that should Jersey remain in line with the numbering plan there will be a possible loss of revenue from DQ services for local operators.

There are, therefore, several options which can be considered:

1. No change from existing arrangements
2. Full adoption of the UK scheme
3. Local operators host and promote their own service
4. Subscribe to one or more of the new operators' service and promote those

5.1 Option 1 - No Change from existing arrangements

Jersey could retain the 192/153 numbering only with the approval of OfTel. Accepting this option would place Jersey out of line with the UK scheme. While it would benefit local users it would also be necessary to provide a voice announcement on all 118xxx numbers advising of the local number to dial to assist visiting users. Visitors to the island would then also be unable to use their preferred service which they would rightly expect to receive under the OfTel Numbering Scheme. Jersey users visiting the UK would also need to familiarize themselves with the numbers to dial whilst there.

Q5.1 Do respondents consider that a separate solution using the existing codes is a viable solution for Jersey?

5.2 Option 2 – Full adoption of the UK scheme

Taking this option would be in line with the UK numbering scheme and offer full compatibility. One disadvantage could be possible loss of revenue for local operators caused through the overhead imposed by the multiple third party collection and refund processes, although the methodology for administering this already exists within Jersey Telecom. Individual arrangements with each operator would be required.

While this option requires considerable work on behalf of Jersey Telecom, the JCRA is of the view that this would be in the long term best interest of Jersey telephone users allowing them access to a range of competitive suppliers.

Q5.2 Do respondents agree with the JCRA that this is the best option for Jersey?

5.3 Option 3 – Local operators host and promote own service

Local operators could set-up their own 118xxx operator service. This could be sold into the same market as the UK and value added services could be generated. This could provide a better source for local users, for example, correct pronunciation of local surnames and places and perhaps a Portuguese language service. However, given the generally higher wage costs in Jersey as against the UK, Jersey Telecom has already outsourced their current DQ business to BT, this would, perhaps for them, seem to be a backward step. On the positive side, Jersey Telecom could bid to host other providers' services, but the economics of this are, at present, unclear. A third party operator could also bid for the service⁵.

Q5.3 Do respondents consider that this is a viable solution for Jersey?

5.4 Option 4 – Subscribe to more than one operators' service and promote those

Local operators could negotiate with one or more of the existing UK service providers to optimise the best settlement and provide and promote that particular service through local advertising. This would limit the choice to the end user and may cause confusion for visitors.

Q5.4 Do respondents consider that this option would cause confusion for both local and visiting users?

6. Compatibility

Jersey is part of the UK National Numbering Plan and there is also a considerable community of interest with regard to media coverage through the press, radio and television. Furthermore, the UK is still the largest source of visitors to Jersey and supplies the largest portion of visiting business users. Visitors from other parts of Europe will be increasingly familiar, as time goes on, with the '118' prefix indicating DQ services.

With this in mind it is important that Jersey follows the UK telephone numbering trends and so it would be appropriate for the new scheme for DQ to be adopted within the island in some form. What is important is that Jersey operators receive adequate settlement for the provision of the service. The JCRA is of the view that full adoption of the UK DQ service is the best option for the benefit of users in Jersey.

Steps should be taken to ensure that the change to this new service is managed locally to ensure that all telephone users are aware of the changes. The changes to the numbering scheme could be deferred until the issue of the next JT telephone directory in the Spring of 2003 if this would help the transition. As Oftel plan to withdraw the

⁵ Although the lottery for initial allocation of 118 codes in the UK is concluded, Oftel still has a significant number of 118 codes available for allocation to DQ service providers by means of 'business as usual' number allocation procedures.

old DQ numbers in August 2003 this would give adequate time for the public to get used to the new access codes.

7. Conclusion

Respondents are requested to comments on matters raised in this paper. The JCRA would also welcome any additional comments or options on this issue.