

ECTEL'S FINAL DECISIONS ARISING OUT OF PUBLIC CONSULTATIONS ON IMPLEMENTATION OF NUMBER PORTABILITY IN ECTEL STATES

Consultation Summary

On the 22nd June 2011, the Eastern Caribbean Telecommunications Authority commenced a public consultation on its proposals to implement Number Portability (NP) in the ECTEL Member States. The initial comment period ran from the 22nd June 2011 to the 19th August 2011 and during this time the Directorate received comments from Digicel, LIME, Columbus Communications Grenada Limited, Neustar, NTRC Grenada, NTRC St. Vincent and the Grenadines, NTRC St. Lucia and Karib Cable. The comment on comment period commenced on the 16th September 2011 and Digicel, Columbus Communications and LIME proffered further comments.

The consultation document commenced with an overview of NP and noted that the inability to keep one's number when moving to a new telecommunications provider was a major disincentive to switch providers. The document noted that in circumstances where customers lacked the option of provider portability, actual competition could be hampered, or prevented from developing altogether, even though other providers have formally entered the market. Additionally, the consultation noted that the lack of the feature in a market could serve as a barrier to entry for new entrants, who must carefully weigh the level of investment required against the potential subscriber inertia caused by the inability to keep their numbers when they move.

Having outlined a case for NP, the Directorate proffered a number of proposals for the implementation of service provider NP and asked for

recommendations and comments on a number of issues. The Directorate recommended the implementation of NP for fixed-to-fixed and post-paid mobile-to-mobile services with a delay in the implementation of prepaid NP. The Directorate did not propose a technical solution for implementing NP in Member States and invited comments on the utilization of central databases versus peer to peer arrangements, appropriate technical solutions and costs, technology neutral options, and participation in regional NP solutions. Comments were also invited on the need to provide NP solutions capable of facilitating the transmission of SMS and other non-call related signaling as well as a further consultation solely on the technical solutions proposed by the providers. The Directorate proposed that the technical solution adopted should permit porting within a maximum of twenty four (24) hours and that providers should indicate whether the cost of porting should be shared between providers or whether all providers should bear their own costs. Stakeholders were also asked to comment on whether providers should be permitted to charge subscribers a fee for porting, the validation and authentication procedures to be adopted to facilitate a port request and the requirements for informing customers of the circumstances in which ported numbers could attract new or different charges. Finally the Directorate proposed that NP should be implemented by or before 1st September 2012.

Summary of Comments

There was strenuous objection to the proposed implementation of NP in the ECTEL Member States by some respondents. The Directorate's position that customers would be discouraged from switching if they were unable to take their numbers with them was disputed by a provider who countered that it was untrue to suggest that the lack of availability of porting was a major disincentive to switch for the majority of customers. The provider

noted that a significant number of mobile customers may have two or more phones and argued that these persons would have zero interest in NP. The fact that the Directorate did not undertake a cost benefit analysis was regarded by the provider as a significant short-coming and it was vehemently argued that this exercise must be undertaken before contemplating the implementation of NP.

Questions on the relevance of NP in the ECTEL Member States were also echoed by another commentator. It recommended that research on the number of persons who possessed two phones should be undertaken, since in its opinion, these persons would already have the benefits of NP. The commentator further posited that all parties should be clear that the cost of implementing NP is less than the revenue to be recovered before any decision to implement NP was made. It also stated that the impact of convergence on the need for NP should be examined as businesses in addition to the traditional PSTN numbers utilize Skype, Magic Jack and other Internet Protocol systems for their customers to reach them. In concluding its submissions the commentator noted that the Cayman Islands were in the final stages of implementing NP and suggested that the Directorate should observe how the system operated for a year before going forward.

The majority of respondents did not challenge the need for NP but rather focused on matters of implementation. With respect to the proposal to implement NP on fixed networks and for postpaid customers on mobile networks, one commentator suggested that implementation on the fixed networks should be delayed. It was stated that it was more technically feasible to implement mobile NP because the switches on the fixed network in ECTEL Member States were several generations behind the mobile

switches. Further, although several respondents did not object to the Directorate's proposal to limit NP to postpaid customers, others expressed strong disagreement to the suggestion. They repudiated the reasoning of the Directorate and stated that pre-paid customers were not volatile and insisted that NP should apply to all mobile customers. On the matter of the technical arrangements commentators agreed to the formation of a working group comprising operators and experts on NP. The working group it was suggested would decide on central databases as well as the conditions for porting.

Decisions

Having considered at length, all the comments from the Consultation, the ECTEL Council of Ministers have approved the following recommendations to the NTRCs at their meeting in St. Kitts and Nevis held on 27th October 2011:

(a) **Service Provider Number Portability (SPNP) will be implemented in both the fixed and mobile markets**

ECTEL shall recommend implementation of SPNP in all ECTEL Member States. The undertaking of a cost benefit analysis for the implementation of NP is not a legal requirement under the ECTEL system and as such there was no obligation on ECTEL to commission such a study. The ECTEL Directorate is convinced that the implementation of NP ability will enhance the competitiveness of the telecommunications mobile and fixed markets as well as allow customers a greater freedom of choice. In ECTEL states, NP is a "user right" so that the regulatory determination to be made is not whether NP should be provided but on what terms and conditions. ECTEL will therefore proceed with the plans for the implementation of NP.

Further, the Directorate has accepted the position that no distinction should be made between pre-paid and postpaid customers and will recommend that number portability be implemented for all mobile customers. Accordingly, ECTEL shall recommend that service provider NP be implemented in the fixed and mobile markets of all ECTEL Member States.

(b) **SPNP will be facilitated through the establishment of a Centralized Database (CDB)**

The ECTEL Directorate has agreed with the view that the establishment of a CDB provides the best technical option for implementing NP in ECTEL States. ECTEL shall recommend that NP be implemented via means of a CDB solution.

(c) **An Industry Working Group will be established**

The successful implementation of NP relies heavily on the establishment of appropriate technical solutions and the determination of proper financial and other arrangements. These arrangements are best proposed by those directly responsible for ensuring that NP can be effectively undertaken and as such the Directorate thought it prudent to have licensed telecommunications providers recommend the solutions that they could collectively implement. To that end, ECTEL has determined that an industry working group consisting of representatives from all interested licensed providers, the NTRCs, ECTEL and technical experts will be established to make proposals on the technical solutions and financial arrangements for the implementation of NP. The group will also make recommendations on matters dealing with the precise method of porting, the conditions under which the port is facilitated,

the time for porting and the cost of porting to the consumer if any. The group will be guided by broad policy objectives outlined in the consultation and the Directorate, along with an expert retained on matters of NP, will assess the recommendations put forward by the industry working group.

(d) **SPNP will be implemented within one (1) year of establishment of the working group.**

ECTEL proposes to recommend that the basic timeframe for actual implementation of NP should be roughly one (1) year. It is believed that this period provides an adequate period of time to establish the proposed industry working group and complete plans for implementing NP. Upon completion the Directorate will submit the specific proposals for implementation to the Board of Directors and the Council of Ministers for approval. Submission of the final report should therefore take place by or before the expiration of one (1) year from the date of establishment of the working group.
