



Submission to the discussion paper on the geographic numbering amendments

Submission by the Australian Communications Consumer Action Network
to the ACMA



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The Australian Communications Consumer Action Network (ACCAN) is the peak body that represents all consumers on communications issues including telecommunications, broadband and emerging new services. ACCAN provides a strong unified voice to industry and government as consumers work towards availability, accessibility and affordability of communications services for all Australians.

Consumers need ACCAN to promote better consumer protection outcomes ensuring speedy responses to complaints and issues. ACCAN aims to empower consumers so that they are well informed and can make good choices about products and services. As a peak body, ACCAN will activate its broad and diverse membership base to campaign to get a better deal for all communications consumers.

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Introduction

ACCAN welcomes the opportunity to provide comments to the Australian Communications and Media Authority (ACMA) in relation to the discussion paper on the Geographic Numbering Amendments. We have serious concerns that under the geographic numbering proposals Carriage Service Providers (CSPs) will be able to provide consumers with an inferior service at a higher-cost - an unacceptable outcome. Therefore, we strenuously oppose the proposed geographic numbering amendments.

Response to geographic numbering amendments

1. Geographic numbering

ACCAN has serious concerns about the proposal to allow a break from geographic numbering protocols. If enacted, consumers are likely to be offered standard telephone services that no-longer support untimed fixed-rate local calls, do not support location information services and have a limited capacity to switch between providers.

The Discussion Paper observes that the practice of allocating non-geographic numbers to consumers is already occurring and proposes that instead of enforcing the existing numbering rules (that would remove the practice) that the ACMA make new rules to accommodate these practices. ACCAN believes this is lazy regulation that is biased towards accommodating industry needs without maintaining current standards of consumer protection.

There must be strong grounds to justify a departure from the standard practice of allocating geographic numbers that correspond to callers' physical location. The current practice is underpinned by the requirement that limit charges of local calls to an untimed fixed rate¹. As a result people expect access to untimed fixed-rate local calls from their landline telephone service. ACCAN's concerns are detailed below.

Inadequate information about consequences of proposal

We question the premise for CSPs allocating out-of-area numbers in the first place. In the discussion paper, the ACMA canvasses the options for addressing geographic numbering issues including the option to enforce the existing framework. This option is dismissed as "it is not consistent with international trends and could stifle innovation". These general comments without relevant supporting detail are an inadequate basis upon which to refrain from enforcing the current framework. ACCAN believes that further consideration should be given to the option of enforcing existing numbering rules. The ACMA should outline the costs and the benefits of current practice before sanctioning the practices in new regulations.

¹ What is a Local Call – Numbering FAQs, available at ACMA website:
http://acma.gov.au/WEB/STANDARD/pc=PC_2468#localcall



Information statement poor protection

Under the proposed rules CSPs may be able to choose between complying with existing numbering rules and providing customers with “certain information regarding the implications of having a number for a service that does not correspond with their physical location”. Vague disclosure requirements as envisaged by the ACMA are a poor substitute for robust consumer protections – in this case, requiring that any calls made within the local area be charged at a fixed local-call rate.

We note that customers often receive excessive amounts of information when signing up to new telecommunications service. In ACCAN’s Informed Consent report², we recorded the number of pages consumers received when signing up to a telecommunications service. With one product, they were given 57 pages of documentation. It is unrealistic to think that more information will sufficiently protect consumers.

Increased local-call costs

Under the ACMA’s preferred option CSPs may opt to provide customers with information about “the implications for the delivery of untimed local calls” if getting a number for a service that does not correspond with the physical locations of the service. Though the discussion does not make clear what “the implications” may be for untimed local calls, we assume that someone calling this number would be charged more than the fixed local-call rate — presumably a long-distance rate. It is not fair to allow CPS to charge consumers a premium rate to make a local call.

The only circumstances in which it would be permissible to charge consumers a long-distance call rate when making a call in their local area is where there this would result in no price penalty (relative to the local call charge). If CSPs are allowed not to comply with the existing numbering rules they should be obligated to charging customers a fixed local-call rate for calls within the local area.

Unraveling of local-call networks

Under the proposal not only would there be cost consequences to the customer for outbound calls as described above, but there would be consequences for inbound calls to the customer as well. It seems that the onus would be on the customer to inform local callers that when they make a call to him/her their calls will not be charged at a fixed local-call rate. The customer is likely to be disadvantaged as people may avoid calling them in order to avoid being charged a higher calling rate. Local callers who do need to call are also likely to be frustrated that they are being charged a premium to make a call to a local business or organisation. As this charging practice becomes more widespread local call networks will be undermined and may ultimately unravel.

Loss of capacity to switch provider

It is incredible that under these proposals the customer is saddled with a number that has more limited options to switch from their CSP because the number may not port as easily. Markets require that consumers can exercise freely their preference to switch between suppliers. Number portability rules, for example, have been introduced to facilitate simple switching. Yet not all CSPs will accept non-geographic number allocated to consumers. Thus an unintended consequence of pursuing this reform will be to limit the scope of competition in telecommunications markets. This is a completely unacceptable outcome for consumers.

² <http://accan.org.au/uploads/Informed%20Consent.pdf>



Undermining Emergency Services

We are also concerned about the implications of allocating geographic numbers that do not correspond with their physical location on people's ability to receive emergency services care. At present, VoIP providers are required to attach a special Standardised Mobile Service Area (SMSA) Code which prompts 000 operators to ask which state and town the call is being made from. Our concern is that not all VoIP providers are meeting these responsibilities and as a result VoIP 000 calls are being incorrectly handled. We understand that the ACMA has been conducting confidential investigations into 25 VoIP providers' compliance with regulatory requirements to provide customer data to the IPND, and that initial findings indicate there are some serious compliance issues.

We encourage the ACMA to publically release its findings once the investigation is completed and to take enforcement action where appropriate.

Options for reforms

Rather than adopting the 'evolve option', ACCAN proposes the following:

- Medium-term: Incorporate this issue into the broader review of Numbering Plan due to take place over the next 12-18 months before any decision is made
 - The Review should consider options to raise the bar to accommodate innovation eg price equivalence
- Short-term: Ensure that consumers allocated with a non-geographic number pay no price-penalty relative to the fixed local-call rate for making and receiving local calls.

Conclusion

ACCAN believes that the proposals in relation to Geographic Numbering are totally unacceptable. The requirement for disclosure is a weak regulatory measure allowing industry to unfairly shift the cost burden of new technologies from itself to consumers. It also shifts the complexity of determining calling costs from industry to consumers. Consumers should not have to play russian-roulette when making a local call. By confusing consumers about the cost of local calls the proposal unravels the local-call network. At the same time, the framework facilitates consumers receiving a worse product as the proposed numbers will have a limited capacity to port. Regulation that would permit industry to charge consumers more for an inferior product must be rejected.