

LOCAL NUMBER PORTABILITY INDUSTRY CODE (C540:2013)

PUBLIC COMMENT DRAFT

EXPLANATORY STATEMENT

Introduction

This is the Explanatory Statement for the public comment draft of the revised **Local Number Portability (LNP)** Industry Code (DR C540:2013) (the Code).

This Explanatory Statement outlines the background, scope, objectives, processes and procedures described in the Code. The anticipated costs and benefits are also discussed.

The Code is to replace **Local Number Portability** Industry Code (ACIF C540:2007) published by Communications Alliance in June 2007.

Expressions and abbreviations used in this Explanatory Statement have the same meaning as in the Code.

Background

On 1 July 1997, a new regulatory structure was introduced for telecommunications in Australia through the *Telecommunications Act 1997* (the Act) and related Acts. Under the Act, the ACCC (Australian Competition and Consumer Commission) was provided statutory powers to direct the ACA (Australian Communications Authority, now the Australian Communications and Media Authority (ACMA)) in regard to the Portability of allocated Telephone Numbers (Local Number Portability). The ACCC issued Directions to the ACA pursuant to these statutory powers on 22 September 1997. Under those Directions:

- Local Service was specified as a “declared portable service”;
- the ACA was directed to set out rules in the Numbering Plan about the Portability of allocated Telephone Numbers;
- the ACA was required to specify for Local Services an implementation date by which each Carrier or Carriage Service Provider (CSP) or both must provide LNP for the relevant Portable Telephone Numbers; and
- the ACA was given powers to grant exemption orders to allow Carriers or CSPs or both to be exempted from some or all of their obligations to provide Local Number Portability.

On 22 December 1997 the ACA issued the *Telecommunications Numbering Plan 1997* (the Numbering Plan). The Numbering Plan sets out the rules about LNP for the “declared portable services” as required in the ACCC Directions. The Numbering Plan specified that the ACA must, by notice in writing, fix implementation dates for LNP. The ACA subsequently fixed:

- an interim date of 1 May 1998 for the provision of limited LNP; and
- an implementation date of 1 January 2000 for the provision of full LNP.

To support the requirement for industry to meet its obligation to provide portability for Telephone Numbers, industry met within ACIF (Australian Communications Industry Forum,

now Communications Alliance) to develop a Code and supporting guidelines for operations, IT specifications and a Network Plan. These documents have been in inter-operator operation since the launch of LNP in Australia.

Current Regulatory Arrangements

An initial LNP Industry Code (ACIF C540:1999) was published September 1999 by ACIF Operations Code Reference Panel (OCRP) Working Committee, OCRP/WC8. This Code was supported by Bilateral Agreements and two documents that were both developed within ACIF, but never published (LNP Inter-carrier Operations Manual and LNP Functional and Technical Communication Specification).

At a network level Carriers and CSP have implemented a variety of technical solutions to meet their obligations to provide LNP. These solutions include 'facility re-direct' and intelligent network based solutions, which are complemented by separate operational procedures and commercial arrangements.

An industry agreed **Local Number Portability Network Plan** (ACIF G520:2005) outlines the network trunking arrangements that Carriers may use in order to route calls to Ported Telephone Numbers.

Why Current Regulatory Arrangements are Inadequate

The **Local Number Portability** Industry Code (ACIF C540:2007) was published in an environment where:

- it was assumed that processes to support Cat. B porting were still required;
- processes relating to contracting with the Customer were often set out in operational codes. These processes and obligations have since been set out in specific consumer protection codes;
- obligations relating to the management of numbers in general were often set out in operational codes, resulting in duplicated obligations;
- the Wholesale Account Number was still considered as the preferred means of validating a port between some LNP participants;
- PNV (Pre-Port Number Validation) requirements were captured in bilateral agreements between LNP participants resulting in the potential for inconsistencies;
- LNP obligations were applied to both Carriers and CSPs without a clear distinction of responsibility; and
- consideration of the requirements of an IP environment was less relevant.

What the Code will Accomplish

The provision of an effective industry solution for LNP that meets Customer expectations requires Carriers and CSPs to co-operate to carry out a range of tasks, including:

- the Gaining CSP obtaining the Customer's authorisation to Port the Telephone Number(s);
- validation of the Customer's right to Port the number(s);
- outlining the Gaining Carrier's responsibilities to co-ordinate porting activities with the Gaining CSP, including providing information to the Losing Carrier;
- activity required by the Losing Carrier and Losing CSP to validate the Port and prepare the Telephone Number for Porting;
- action required to enact the Port in all networks to ensure correct routing of calls;
- processes required to ensure continuity of service to the Customer in the event of faults or difficulties during porting;

- the clear allocation of responsibilities specific to Carriers and CSPs; and
- establishing a viable instrument to support ongoing LNP processes during the period of transition to an IP environment.

The Code sets out these operational procedures for efficient and effective LNP processes for all porting scenarios (i.e. simple services, complex services, third party and ULLS) and sets minimum acceptable practices (including Standard Hours of Operation, activation targets and timeframes) which do not unnecessarily limit industry's ability to improve on the minimum level.

The Code does not constrain two or more individual industry participants agreeing to different arrangements, provided that those arrangements meet the minimum level defined in the Code and do not impact on the ability of other industry participants to interwork with parties to those arrangements in accordance with minimum acceptable practices.

A separate Communications Alliance committee, the Local Number Portability Code NBN Requirements Working Committee (WC50), is to develop recommendations for an LNP framework in a fully realised IP environment.

How the Objectives will be Achieved

The Code sets out to ensure that where a Carrier and CSP agrees to provide service and LNP to the customer, the:

- inter-Carrier operational arrangements will enable a Customer to directly connect to another Carrier's network and retain the same Telephone Number with the Gaining CSP;
- operational arrangements will enable a Customer to relocate premises and retain the same Telephone Number, irrespective of Australian geographic location;
- processes for the implementation and operation of LNP by which Carriers and CSPs may exchange information with each other are competitively neutral and non-discriminatory and in accordance with the requirements of Part 13 of the Act and the Privacy Act 1988;
- criteria are identified against which the compliance with the Code may be measured;
- procedures required to enable a Customer to retain their Telephone Number when transferring from one CSP to another will be in place, even though the relevant number range will still be allocated to the Donor; and
- processes for Cat. A and Cat. C will remain technology neutral in order to facilitate porting under transitional network arrangements. The CAT D process (which coordinates number porting with call diversion) is still required for operational reasons that are specific to ULLS, but it is not considered necessary to extend its application to other technologies.

Registration of the Code by the ACMA will ensure that all telecommunications providers who fall within the established sections of the industry (as set out in section 109 and 110 of the Act) are bound by the Code. The LNP procedures and processes used will be uniform.

The Code is not intended to deal with arrangements between the Gaining CSP and the Customer, but does depend upon the Gaining CSP agreeing with the Customer on matters such as:

- initiating the Port;
- agreeing the Time and date of cutover;
- reversal arrangements; and
- Emergency Return arrangements (where applicable).

Processes and Procedures

Processes and procedures described in the Code include:

- the Porting of Telephone Numbers associated with both Simple Telephone Services (e.g. single line telephone services) and Complex Telephone Services associated with Portable Telephone Numbers. For the purposes of the Code there are three main processes:
 - (i) Cat. A Process (a process using an automated method within a standard timeframe typically used to Port Telephone Numbers associated with Simple Telephone Services);
 - (ii) Cat. C Process (a process which requires project management typically used to Port Complex Telephone Services);
 - (iii) Cat. D Process (a process using an automated method within a standard timeframe for services usually Ported by the Cat. A Process and which are on ULLS Call Diversion).
- Third Party Ports where the Donor Carrier is neither the Losing Carrier nor the Gaining Carrier;
- Retarget and Withdrawal of Ports;
- the ability to Retarget the date on which a Port is to occur a maximum of two times. Where the need for further Retargeting is required it is assumed that the original Port process will be withdrawn or, in the case of Cat. A or Cat. D, be allowed to expire and a new Port process initiated;
- Reversal or Emergency Return in the event that problems are encountered after Porting has been implemented;
(The need for a Reversal or Emergency Return may arise for a variety of reasons. For example, fault conditions in the Gaining Carrier or CSP's network or the call redirection arrangements implemented in the Donor Carrier or CSP's network.)
- Give Back and Quarantining of Telephone Numbers;
- Pre-Port Number Validation; and
- Handling of disputes relating to Customer Authorisation.

At various points in the Code provision is made for the validation, confirmation or rejection of transactions. Reject reasons are clearly defined and are intended to maintain the integrity of the process e.g. ensure the correct Telephone Number is Ported.

Transaction validation processes are not intended to restrict in any way the ability to provide LNP.

The Code specifies that the Gaining CSP must obtain a valid CA from the Customer (or a person authorised in writing by the Customer). A CA may be in a format that includes, but is not limited to, paper based, electronic, Internet pages or voice authorisations recorded on audio media. The Code specifies the minimum mandatory requirements for a CA in Section 4.1 of the Code. In this context it is important to note that the Customer is the person to whom a Telephone Number is Issued by a CSP or who has the right to Port that Telephone Number.

Change of Pre-selection choice can only be effected in accordance with the **Pre-selection** Industry Code (ACIF C515:2005).

Draft Code for Public Comment

A draft version of the Code was issued for public comment in June 2013.

Anticipated Benefits to Consumers

The Code is expected to provide benefits to consumers that are derived from the implementation of refined industry-wide LNP processes. These refined processes are certain in

their operation, as well as being cost effective and efficient. In addition, these processes will have the effect of minimising Porting times and lost calls and will ensure that the existing porting framework remains fit for purpose and customer centric in transition to an IP environment

The 2013 Code Revision is likely to improve the porting experience for:

- residential consumers who decide to keep their telephone number when changing from a service provider that resells voice services; and
- business consumers who use 'complex' services—for example, numbers associated with more than one service such as a voice/fax lines or call forwarding services.

These consumers will likely benefit from:

- reducing the information that they must provide in order to initiate a port, particularly in respect of a large range of numbers; and
- reducing the overall time taken to complete their porting requests so that it is in line with timeframes that are attainable by other consumers, as measured from the time the consumer authorises the number being ported.

Anticipated Benefits to Industry

The Code is expected to provide benefits to the industry by:

- refining standardised industry practices in relation to LNP which are certain in their operation as well as cost effective and efficient;
- minimising industry's additional cost of compliance to a mandatory regulatory condition;
- ensuring that all CSPs meet their call routing responsibilities so that calls to Customers with ported numbers are terminated successfully; and
- minimising porting times by specifying transaction times and industry service levels;
- clearly allocating responsibilities against Carriers and CSPs;
- removal of duplicated requirements that exist in other mandatory instruments;
- introduction of standardised PNV processes; and
- supporting transitional arrangements in preparation for an IP environment.

The implementation of the Code ensures the efficient and effective inter- operational arrangements for the implementation of LNP processes.

Anticipated Cost to Industry

There are costs associated with the establishment and maintenance of the support systems and operational arrangements that will be needed to implement the Code for new LNP participants. However, these costs are expected to be outweighed by the benefits that will be derived from the implementation of standard industry LNP arrangements. The 2013 Code revision does not place additional cost burdens upon existing LNP participants other than existing ongoing maintenance costs.

Other Public Interest Benefits and Considerations

It should be noted that the Code contains some provisions relating to call routing Porting information. In particular, Network Providers who directly route calls to Ported Telephone Numbers have obligations to ensure the correct routing of calls. The provisions in the Code are intended to enable the correct routing of telecommunications traffic. It is anticipated that these provisions will be supplemented by other bilateral or industry agreed arrangements.

The Code defines activation targets for Porting Telephone Numbers using the Cat. A Process and Cat. D Process for Standard Porting, and the Cat. A Process for Third Party Porting. The Cat. C Process for Standard Porting and Third Party Porting requires Carriers and CSPs to negotiate and agree on Cutover Date and Commencement Time based on Customer needs and technical requirements. Metrics for reporting porting times are included for all Porting processes.

Although the obligation to provide LNP is established by virtue of the operation of the Act and the Numbering Plan it is recognised that the terms and conditions on which LNP is to be provided are to be agreed between all involved parties. In the Code these agreed terms and conditions are referred to as Bilateral Agreements. These Bilateral Agreements will normally cover matters such as:

- commercial arrangements;
- detailed operational arrangements; and
- some specific and service specific matters which by their nature are unable or unsuitable to be dealt with in the Code.

It is clearly understood that the failure to establish Bilateral Agreements does not relieve any party from the obligation to provide LNP as required under the Numbering Plan.

The Code does not include the process and procedures for Porting Telephone Numbers where the Telephone Numbers:

- require Third Party Porting and are part of the ULLS process and must be on a ULLS Call Diversion; or
- are associated with a Complex Telephone Service and are part of the ULLS process and must be on ULLS Call Diversion.

The Working Committee acknowledges that the Code may be reviewed at a later date to discuss these processes in light of future changes to ULLS processes.

2005 Revision

The Code was updated in 2005 to modify clauses affected by changes to fair trading legislation in New South Wales and Victoria.

This version of the Code was also changed to ensure consistency with the Numbering Plan.

2006 Revision

The Code was updated in 2006 to remove the need to retarget CNAs in Cat. C ports.

2007 Revision

The Code was updated in 2007 to allow ULL Call diversion and Cat. D Porting of Telephone Numbers where the Access Provider is not the Donor CSP but is the Losing Carrier.

2013 Revision

The Code was updated in 2013 to:

- remove CAT. B porting processes due to lack of industry utilisation;
- removal of all references to specific sections of the Numbering Plan to accommodate future changes to that document;
- refer to rather than duplicate existing arrangements as set out in other regulatory instruments such as the Telecommunications Consumer Protection Code and Numbering Plan obligations;
- clearly allocating responsibilities against Carriers and CSPs;
- mandate the use of the Service Account Number as the means of port validation, replacing previous Wholesale Account Number requirement;
- introduce standardised Pre-port Number Validation (PNV) processes; and

- support transitional arrangements in preparation for an IP environment whilst ensuring that the existing porting framework remains fit for purpose and customer centric.

David Bolton
Chairman

WC44 LNP Code Revision Working Committee