



Office of Utility Regulation

# **Liberalisation of the UK Directory Enquiry Market: Implications for Guernsey**

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Consultation Paper

**Document No: OUR 02/26**

**August 2002**

**Office of Utility Regulation**  
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## **1. Introduction**

Presently, telephone users in the Bailiwick of Guernsey dial 192 to access UK and Bailiwick Directory Enquiry services (DQ), and 153 to access international DQ services. Both these services are provided by British Telecom (BT) on behalf of Guernsey Telecoms Ltd (GT).

The Office of Telecommunications (OfTel), the regulator for the telecommunications industry in the UK, has introduced a new range of six digit numbers starting with 118 for DQ Services in the UK in order to introduce service level competition into the UK DQ market. This will allow DQ service providers other than network operators such as BT to provide DQ services and will allow customers to chose which DQ service to call. OfTel envisages a period of parallel running between the new 118XXX numbers and the legacy 192 number (currently used for national DQ services), the 153 number (currently used for international DQ services) and other similar short codes used for DQ services which would end once these numbers are withdrawn in August 2003. There will however be no change to the 195 number used for directory enquiries services for blind and otherwise disabled consumers.

The liberalisation of the UK Directory Enquiry market has implications for the Bailiwick as Guernsey's telephone numbers are within the UK international number range (00 44) and are administered by OfTel. OUR is seeking views of consumers and other interested parties on the potential options available to Guernsey in responding to the developments in the UK market.

Interested parties are therefore invited to comment on the options set out in this consultation paper.

## **2. Structure of the Paper**

The consultation paper is structured as follows:

- Section 3: outlines the consultation procedure and timetable for the submission of responses to the consultation;
- Section 4: provides background information covering the relationship between OUR and OfTel, the reasons for the changes being introduced by OfTel in the UK and the existing DQ services within the Bailiwick;
- Section 5: describes the three principal options available to Guernsey on which the Director General is seeking views.

### **3. Consultation Procedure and Timetable**

The consultation period will run from Monday 19 August to Monday 16 September, 2002. Written comments should be submitted before 5.00pm on 16 September, 2002 to:

Office of Utility Regulation  
Suite B1 & B2,  
Hirzel Court,  
St. Peter Port,  
Guernsey GY1 2NH.

Email: info@regutil.gg

All comments should be clearly marked “Comments on Liberalisation of UK Directory Enquiry Market: Implications for Guernsey - Consultation Document”.

All comments are welcome, but it would make the task of analysing responses easier if comments reference the relevant question numbers from this document. In line with the policy set out in Document OUR 01/01 – “Regulation in Guernsey; the OUR Approach and Consultation Procedures”, the Director General intends to make responses to the consultation available for inspection. Any material that is confidential should be put in a separate Annex and clearly marked so that it can be kept confidential.

The Director General regrets that she is not in a position to respond individually to the responses to this consultation, but she proposes to issue a response to the consultation, including published licence terms and conditions later in the year.

*This document does not constitute legal, technical or commercial advice; the Director General is not bound by this document and may amend it from time to time. This document is without prejudice to the legal position or the rights and duties of the Director General to regulate the market generally.*

## **4. Background**

### **4.1. Relationship between OUR and Oftel**

The country code allocated by the International Telecommunications Union (“ITU-T”) to the UK is “44”<sup>1</sup>. The country code “44” is also used by Guernsey, Jersey and the Isle of Man.

Oftel is responsible for managing the Specified Numbering Scheme (which is used to allocate numbers) and issuing the Numbering Conventions in the UK. In addition Oftel is responsible for developing a numbering strategy in the UK’s national interest and developing the Scheme in recognition of the fact that numbers and codes are scarce national resource which need to be managed efficiently. The Conventions are revised

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<sup>1</sup> This code follows the international dialing prefix (00) on calls made from outside the UK.

from time to time by Oftel and the fourth issue of the Conventions<sup>2</sup> was issued in March 2002 to take into account (amongst other things) the arrangements for the implementation of codes for new DQ services.

In the past GT has been allocated numbers directly by Oftel, but Section 11 of the Telecommunications (Bailiwick of Guernsey) Law 2001 allows the Director General of the Office of Utility Regulation to establish a numbering scheme in the Bailiwick which shall, so far as is practicable and in accordance with international best practice, take into account the needs of licensees and users in the Bailiwick and promote the efficient use of numbers in the Bailiwick.

In practice OUR and Oftel work closely together both in implementing the UK Numbering Scheme (i.e. the allocation of UK numbers to licensed operators within the Bailiwick) and enforcing compliance with the UK Numbering Conventions (i.e. ensuring operators adopt a Numbering Plan, for such numbers or codes allocated to them, in accordance with the Conventions).

This working relationship is essential to the smooth operation of Guernsey's telephone numbering arrangements within the UK Numbering Scheme – an arrangement that is to the ongoing benefit of the Bailiwick. Significant changes in telephone numbers have proven to be very disruptive and costly to implement, not just in practical telecommunications terms, but also for businesses and private individuals who must endure a significant overhead in changing communications details, ranging from the cost of advertising, stationery, publications, etc, to the cost of contacting every client to inform them of the change.

#### **4.2. Oftel Decision**

Oftel issued a Statement on 19 September 2001 entitled “Access codes for directory enquiry services”<sup>3</sup> setting out proposals for the allocation of a new range of codes for DQ services (118XXX) and the withdrawal of the 192 (national DQ), and 153 (international DQ) numbers, and other short codes used for DQ services. The one exception was that the 195 code used for DQ services for blind or otherwise disabled consumers would not change. The introduction of the new number ranges is based on the 118 code recommended by the European Committee for Telecommunications Regulatory Affairs (ECTRA) as an appropriate pan-European standard for the provision of DQ services.

At the current time UK consumers are only able to access the DQ service provided by their network operator, generally by dialing 192 and there are few value added services, variable quality of service and, in practice, no real price competition. Oftel's view was that the introduction of competition was the best way of ensuring customers receive the best deal in terms of choice, quality and value for money in DQ services.

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<sup>2</sup> Numbering Conventions for the United Kingdom, Issued by the Director General of Telecommunications, Issue 4, 1 March 2002 See [www.oftel.gov.uk/publications/numbering/2002/cons0302.htm](http://www.oftel.gov.uk/publications/numbering/2002/cons0302.htm)

<sup>3</sup> See [www.oftel.gov.uk/publications/numbering/denq0901.htm](http://www.oftel.gov.uk/publications/numbering/denq0901.htm)

By liberalizing the DQ market, Oftel expects to see a wide range of innovative services for UK customers including:

- call completion facilities where an enquirer can be directly connected to the number requested;
- combined classified and standard services behind one number, so that a caller can ask for the number of all relevant businesses as well as the number of a named business; and
- provision of services in a range of languages for tourists and minority ethnic communities.

Oftel had looked at international experience and seen that a number of other European countries have already implemented similar arrangements to the benefit of consumers and that implementing these changes had not proved problematic for consumers or the industry in those jurisdictions.

After the September publication Oftel issued a further consultation paper<sup>4</sup> in December 2001 on the practical arrangements for allocating access codes for DQ services. The associated Statement by the Director General of Telecommunications<sup>5</sup> following this consultation paper was published in March 2002. Oftel has also created an industry working group to progress the detailed implementation of the new arrangements for DQ services which has generated a number of sub-groups. The minutes of these industry working group meetings are available on the Oftel website<sup>6</sup>.

Oftel expects that the new 118XXX numbers will be available to be dialed by customers in the UK by the end of 2002 although there will be a period of parallel running with the new 118XXX numbers and the legacy numbers such as 192 and 153. The parallel running period will end when the legacy numbers are withdrawn which is currently anticipated to be in August 2003. After this time a customer calling numbers such as 192 or 153 will be informed that these numbers are no longer in service.

### ***4.3. Current DQ Services within the Bailiwick***

At the current time Guernsey Telecoms Ltd (“GT”) is required under the public service conditions within its licence to offer a DQ service to its customers. GT can provide this service directly itself but has chosen to use the agency services of BT. Thus GT’s customers are currently able to access DQ services provided by BT by dialing 192 (national DQ services) and 153 (international DQ service). However as mentioned above these numbers are likely to be withdrawn by Oftel in the UK around August 2003.

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<sup>4</sup> See [www.oftel.gov.uk/publications/numbering/dqcode1201.htm](http://www.oftel.gov.uk/publications/numbering/dqcode1201.htm)

<sup>5</sup> See [www.oftel.gov.uk/publications/numbering/2002/dqall0302.htm](http://www.oftel.gov.uk/publications/numbering/2002/dqall0302.htm)

<sup>6</sup> See [www.oftel.gov.uk/ind\\_groups/dq\\_group/index.htm](http://www.oftel.gov.uk/ind_groups/dq_group/index.htm)

## 5. Options

Given the changes now taking place in the UK, and the potential impact of these on the availability and type of DQ services in the Bailiwick of Guernsey, the Director General is now consulting on the various options open to Guernsey in relation to DQ numbering.

### 5.1. Option A: No Change

Under this scenario Guernsey consumers would continue to dial 192 and 153 without having access to the new 118XXX DQ numbers.

The principal benefit of this is that it would appear to involve the minimum disruption for Guernsey consumers as the current numbers are well known and recognised by consumers. However Oftel also had to consider consumers' attitudes and behaviour when reaching their decision and so included questions on residential customers' use of DQ services in its quarterly research in November 2000<sup>7</sup>. The results of this research showed that UK customers had a mixed perception of the 192 service:

- 59% of respondents indicated that they would prefer to keep 192 as opposed to seeing a new number range with alternative services;
- 65% expressed the view that they would be satisfied or unconcerned if the 192 number was withdrawn;
- only 25% of customers believed that the existing service offered value for money.

Oftel decided that the lack of concern regarding the withdrawal of the 192 number expressed by consumers suggested that any change would not prove too problematic for consumers.

A drawback of this option is that there would be additional costs arising in the longer terms from the continuation of the status quo within the Bailiwick. A network operator within the Bailiwick would incur incremental costs arising from the re-routing of calls once the 192 and 153 numbers are withdrawn in the UK in the summer of 2003.

Furthermore, once these numbers have been withdrawn in the UK, the DQ regime in the Bailiwick would diverge from that in the UK. As a result UK visitors to the Bailiwick would expect to be able to call their preferred 118XXX service provider and would be unaware that they should dial the old 192 or 153 numbers instead. Similarly, Bailiwick residents travelling to the UK would have to be aware of the different regime in the UK if they wished to use DQ services.

Based on research in the UK and experience in other jurisdictions, such as Germany, the Director General does not believe that Guernsey's consumers would have difficulty adapting to the withdrawal of the 192 and 153 numbers. The parallel running of the new 118XXX numbers and the original DQ service numbers combined with the advertising by new entrants would both contribute towards informing customers. The Director General also welcomes the fact that Oftel will maintain the 195 access code to provide a free DQ

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<sup>7</sup> See [www.oftel.gov.uk/publications/research/2001/q3fixr.htm](http://www.oftel.gov.uk/publications/research/2001/q3fixr.htm)

service to those customers who are unable to use a conventional paper directory as a safeguard for vulnerable users.

On balance therefore the Director General is of the view that continuation of the 192 and 153 numbers for DQ services is not tenable and would not be in the interests of consumers in the Bailiwick.

***Q5.1 Do respondents agree with the Director General that continuation of the national and international DQ services using the 192 and 153 numbers would not be in the long term interests of consumers within the Bailiwick? If not, why not?***

### **5.2. Option B: Introduce a DQ 118XXX number**

It might be possible for Guernsey to introduce a single DQ 118XXX number by either:

- A service provider in Guernsey acquiring from Oftel its own six digit 118XXX number without providing access to the other 118XXX numbers provided by other service providers; or
- GT changing from 192 and 153 to BT's (or a single other agency provider's) 118XXX numbers without again providing access to other service providers numbers.

The benefit of these options are that the Bailiwick DQ numbers would be in line with the UK numbers, in that a 118XXX number would be used. Furthermore, if only one number were to be used it would not be necessary for the existing network operator to put in place appropriate technical and commercial arrangements to route calls to multiple DQ providers and charge customers accordingly.

However, in effect both of these options simply replace the legacy DQ national and international numbers with two new numbers which comply with the UK National Numbering Scheme, but which fail to introduce competition into the DQ market in Guernsey. Consumers would therefore incur some inconvenience and disruption without being able to benefit from any of the advantages of competition identified by Oftel. Tourists and business visitors to the UK would also face some confusion as they may either not know the local 118XXX DQ numbers or may not be able to access their preferred independent service provider. Also, the additional effort required for implementation of technical and commercial arrangements to route calls to multiple DQ service providers and bill customers accordingly should be minimal. The Guernsey interconnection regime as already outlined in the GT Reference Offer is designed to cope with evolving services such as this.

The Director General recognises that whilst both of these variations of this option would mean that Guernsey would be in line with the UK numbering arrangements, she believes that Guernsey consumers would experience the inconvenience of a number change without realising any tangible benefits and that therefore this option would not be in the interests of consumers within the Bailiwick.



*Q5.2 Do respondents agree with the Director General that introducing a single 118XXX DQ number for customers within the Bailiwick may not realise any demonstrable benefits for consumers. If not, why not?*

### **5.3. Option C: Access to UK DQ 118XXX numbers**

Guernsey could allow the use of a range of 118XXX numbers including BT's and the major independent service providers' numbers. Guernsey consumers would therefore be able to choose which service provider to use to provide a national and international DQ service thereby benefiting from the introduction of competition in the provisions of services (e.g. better value, more innovative services). Furthermore, GT with its universal DQ service obligation could outsource its service to one or more of the competing DQ service providers based on the most attractive offering. It would continue to be necessary for GT to identify the service provider that would provide Bailiwick DQ services clearly in its literature.

This approach would be consistent with the withdrawal of the 192 and 153 numbers by August 2003 after a period of parallel running with the new 118XXX numbers. The results of Oftel's own market research described earlier in this paper are likely to be broadly applicable to the Guernsey market which suggests that consumers will not be strongly resistant to change.

The Director General is aware of the development of a variety of competing technologies to voice DQ, in particular the growth in internet DQ services, which can be free at the point of use. Such alternatives may reduce the market for voice DQ in the long term. However it is likely that there will continue to be a vibrant market for voice DQ for the foreseeable future and it would be inappropriate for the Director General to restrict competition in the provision of voice DQ because of assumptions about what may or may not happen in the future.

Oftel has decided to proceed with the liberalisation of the DQ market in the UK having seen developments in other jurisdictions, such as Germany and the Republic of Ireland, where the DQ markets have already been opened up to competition. In Germany for example the market was liberalised in 1999 after 15 months of parallel running and by 2000, 39 numbers had been allocated to 28 separate companies for national DQ services (including services in German, Turkish and English) with a further 10 numbers available for international DQ services.

The introduction of competition has had an impact on type, quality and price of the services available to German customers. New services that have been introduced include call completion, combined standard and classified DQ services offered behind one number and foreign language services. Similarly there have been changes in the quality of service with a number of service providers ensuring that requested numbers are provided by human operators rather than recorded announcements. It has also been claimed that the volume of unanswered calls has decreased dramatically since the opening up of the market. Finally, as one would expect, the introduction of competition

has had an impact on prices with variations of 25% to 30% in the prices charged for access to these services.

Consequently German customers have made extensive use of the services provided by new entrants with the largest rival to the incumbent gaining 25% of the market share, whilst other operators together handle over 100,000 calls per day. In summary the German regulator believes that the customers have welcomed the wide variety of DQ services on offer, and in particular value the additional services offered since the market was opened to competition.

Oftel expects similar benefits to accrue in the UK market and the Director General of the OUR believes that customers in the Bailiwick should not be denied access to the benefits of competition in the UK DQ market.

***Q5.3 Do respondents agree with the Director General that adopting a range of 118XXX DQ numbers would be in the best interest of consumers as it would allow them to benefit from the introduction of competition in the UK DQ market. If not, why not?***

## **6. Conclusion**

In conclusion, respondents are requested to comment on the matters set out in section 5, of this paper. It would assist in the consideration of responses if the question numbers in these sections were quoted in any replies. Comments on any additional options, which respondents can identify, are also welcome.

**/ENDS**