



Annexure A

QUESTIONNAIRE: INQUIRY INTO NUMBER PORTABILITY REGULATIONS

SECTION A - GENERAL	
Licensee Details	
Licensee Name	Neotel (Pty) Ltd
Address	401 Old Pretoria Main Road, Neovate Park, Midrand
Contact Person	Calvin Theko
Designation	Company Secretary
Telephone	0115850240
Email	Calvin.Theko@neotel.co.za

Services Offered by Licensee (select all that are applicable):	
Retail	Yes
Geographic	Yes
Mobile	Yes/ Fixed mobile
Wholesale	Yes
Other (Specify)	

Any confidential information must be marked as such and a request for confidentiality made in terms of Section 4D of the ICASA Act

Signature	
Designation	MANAGER COMPLIANCE
Date:	27/10/2016

I, SHARLY MATHOLA, in my capacity as MANAGER COMPLIANCE hereby confirm that the information provided herein is true and correct.

Notes:

Mobile and Geographic Numbering Indicators

SECTION B: MOBILE NUMBER INDICATORS			
Indicators	From Inception to Date	Comments	
Total Mobile Numbers Allocated	1,000,000	0600 number range used for fixed mobile services	
Total Mobile Number subscriptions	3,589		
Prepaid	584		
Post-paid	5,829		
Mobile Numbers Ported In	0		
Mobile Numbers Ported Out	0		

SECTION C: GEOGRAPHIC NUMBER INDICATORS			
Indicators	From Inception to Date	Comments	
Total Geographic Numbers Allocated	6,233,900		
Total Geographic Numbers' subscriptions	1,395,875		

SECTION C: GEOGRAPHIC NUMBER INDICATORS

Prepaid	210,497	
Post-paid	1,185,378	
Geographic Numbers Ported In	11,010	
Geographic Numbers Ported Out	2,192	

Numbering Portability Regulations Questionnaire

1. Describe your company or personal involvement in number portability

Neotel is a founding member of the Number Porting Company ("NPC"), a directive from ICASA. As an ECNS licence holder Neotel has geographic, mobile and non-geographic numbers and utilises the different number ranges to provide services, in line with terms and conditions stipulated in the ICASA Regulations. Numbers are ported from other operators, on customer request and are also ported out to other operators if requested by another operator.

2. Describe your company's positioning in the fixed line and/or mobile markets.

Neotel was the Second Network Operator (SNO) with a PSTN licence and after licence conversion process, Neotel was granted Individual ECS/ECNS licenses. It is also the second largest telecommunication provider in the fixed line environment in RSA. Neotel has a small market share in the mobile market, the minimal mobile services are offered on our fixed-mobile technology.

3. What would you consider to be the advantages and/or disadvantages with the current number portability framework and administration thereof?

The porting turn-around times are conducive to Neotel's business processes. The NPC has the capacity required to administer number porting and is agile in reacting or adjusting promptly to changes such as technology upgrades and system changes that impact porting. Currently, the challenge that we face is with regards to policing of routing changes in the Network after porting has taken place. We often experience delays caused by Telkom's network infrastructure and this frustrates the customers. Neotel and the NPC advocates a central neutral dispute owner in the NPC for dispute arbitration. The NPC acts as a neutral arbitrator in disputes.

4. **Would you consider the fees structure associated with participating in Number Portability such as cost recovery, subscription to number portability administration and charging of ports to be effective?**

Yes it is effective, the price rate is determined by the volume of ports completed on a monthly basis. The price rates for porting and the costs incurred by the NPC in providing their services are transparent. The audited financial statements are available as the company is a listed public company. A comprehensive due diligence was done when the NPC was started and included price benchmarking and timeframe benchmarking. The focus of the NPC is to ensure that operations and systems are focussed on cost recovery. International companies are provided with routing information, at a price and this supports and subsidises local porting financially. Fixed line porting is the least profitable for the NPC and also involves the most work as there are cost implications on block number porting from NPC as well as on the Network side.

5. **Would you say that there is a need to review the block sizes for Number porting? Please elaborate.**

In Neotel's view there is definitely a need to review the porting of number blocks, as the current charging structure encourages or incentivises operators to advise customers to break blocks. If the block sizes were predetermined with associated economies of scale per block size, for numbers ported, this could result in a cost saving on the part of the operator. The charge will then be per block size, rather than per number in a block, and could change demand on new number ranges requested by operators from ICASA, while maintaining block integrity.

6. **What is the mean porting timeframe, in hours, have your subscribers experienced? Do you consider it to be reasonable? If not, please indicate what challenges have you experienced and what measures could be taken to reduce the porting timeframe.**

Geographic number porting takes 10 days on average. Reduction of this period is difficult as other networks operators are involved, but the aim should be to reduce it to no longer than 3 days. During managed ports where the mean time is negotiated, Telkom is placed under pressure and dictates the process based on staff availability (especially during low staff attendance periods like holidays). The NPC allows for instantaneous porting, but fixed line operators and small operators find this hard to deal with due to technical constraints and other limitations.

7. **Do you think the current geographic porting at the local area code exchange promotes effective number portability? If not, please elaborate and propose alternatives if any**

Local exchange area is not firmly defined in the Regulations, ICASA attempted to define the term in a clarification letter, but the explanation was not sufficient to justify the constraints. In Neotel's view only routing should be regulated. The Local exchange area constraint is not a telecommunication structure concept, but only a Telkom implementation issue. Alternatives to this concept include the illumination of exchange areas and work purely on geographic codes as it is imbedded in the numbering plan. This is however not perceived as an issue from the NPC's side as the ownership of the number falls in the ambit of the NPC's concern and not its allocation within the defined boundary. It is important to note that routing is the only issue applicable to number porting and it is not by definition or implementation a geographic boundary concern. In conclusion, the local area code exchange does not promote effective number portability, but it actually hinders the benefits of porting.

8. **What other non-geographic numbers do you think should be subjected to number portability besides mobile numbers? Please elaborate**

All numbers should be allowed to be ported, and only regulated short codes can be excluded.

Universal A type numbers for example the 112 code for emergencies and B type should remain network locked. This can then be allocated to a network operator and a carrier pre-select code can apply for access.

The origination fee principle can be applied to all types of share call applications as implemented on the Toll Access calls in September 2016.

9. **Do you think the port back waiting period of two (2) months in the current number portability regulations promotes effective number portability? If not, please elaborate and propose alternatives if any**

The port back waiting period should be shortened. From the NPC's side it is essential as it forms a customer protection mechanism and protects operators from kneejerk reactions and corresponding increases in cost for porting.

10. Which provisions of the Number Portability regulations including the functional specifications do you think should be reviewed to improve the efficiency and effectiveness of porting?

The current regulations are adequate and implementable, however the Authority should expedite the non-geographic number and toll-free number porting. And lastly, the geographic local exchange area constraints should be removed as they currently protect the incumbent fixed operator and stifles competition in the fixed network market. This will promote competition and benefit the customers.

11. Do you think the number of days it takes to port should be increased or decreased? Please elaborate and provide alternatives if any

The number of days stipulated in the current regulations should be reduced to speed up the process. Moreover, Neotel contractually negotiates the number of days to port with other network operators, in most instances the period is reduced to 5 days. This should also correspond with a reduction in the approval window. Geographic ports after approval by both networks can be instantaneous if no technical involvement is required, but currently Telkom is the prime responder in terms of routing.

12. Do you think the current recipient led porting process is effective? Please elaborate and provide alternatives if any

The recipient operator has the right incentive to drive the process. Changing this to donor initiated porting process could see disputes/complaints increase exponentially. It is foreseen that donor initiated porting will result in huge delays. In this regard Neotel advocates the recipient led process.

13. Do you think there should be a standard/uniform call routing mechanism? Please elaborate

Routing should be done internally by the network operator. External routing will induce cost and disputes could increase. Small operators are currently being advantaged in that they essentially incur no expenditure of daily downloads. An all call query will necessitate huge costs to small operators and mean live connectivity and availability of SS7 switches that will increase set up costs.

14. **Do you think the processes and procedures for resolving subscriber complaints and providing subscribers remedies are efficient? Please elaborate.**

In Neotel's experience the processes and procedures for resolving complaints is not efficient, in most instances the customer does not know who to contact and alternatively contacts the NPC directly. The number porting process should be enforced and policed by ICASA for the current regulations to be effective. There should be a regulatory requirement obligating licensees to publish the complaints procedure, the requirement can be incorporated in the current regulations or the Standard Terms and Conditions regulations.

15. **Do you think that consumers are adequately protected by the Number Portability regulations? If not, please elaborate and provide alternatives.**

In Neotel's opinion the current regulations do not adequately protect consumers, the lacking element is monitoring and enforcing by ICASA.

16. **Please submit any other information that you believe the Authority should consider.**

Neotel submits the following issues:

1. Non-geographic porting is essential to promote effective competition. This can be facilitated by the NPC using the Mobile Number porting design.
2. Changes to NPC as it currently works has massive cost implications and should be avoided where possible. This is evident in the reduction in price per port at inception of the NPC till today, as any company would face huge set-up costs that have to be covered by porting.

<p>3. The perception that cost of porting is high should be evaluated against the lifecycle of the customer, as it is low in that relation.</p>
<p>4. It is important to invite the NPC to submit feedback to the Authority directly or invite them to be present at hearings to ensure that different perspectives is presented and all information is obtained</p>