

# TELIKOM LIMITED



28<sup>th</sup> December, 2023

**Mr. Kila Gulo-Vui**

Chief Executive Officer

National Information and Communication Technology Authority

Punaha ICT Haus

Frangipani Street, Hohola NCD.

Dear Mr. Gulo-Vui,

**Subject: Public Consultation on the Proposed Business Rule for Mobile Number Portability**

We thank NICTA for giving us the opportunity to submit our comment on NICTA's Public Consultation on the Proposed Business Rule for Mobile Number Portability dated 20<sup>th</sup> October, 2023.

Telikom understands NICTA's intentions to implement the competition policy of government as legislated in the **NICT Act**. In particular NICTA's attempts to address the unbalanced state of competition in the public cellular mobile market in PNG through the provision of Mobile Number Portability (MNP) among other measures such as recommending to Minister ICT to make a Retail Services Determination on Digicel successfully in 2013 and then again but unsuccessfully a few years later. Telikom also notes that one of the two triggers for introducing MNP i.e. with the entry of a third mobile network operator, Vodafone PNG.

Telikom is mindful that while MNP is good for competition and customer choice it requires capital expenditure with ongoing operational expenses to the recipient and donor operators. Cost benefit analysis done by NICTA consultant in 2016 was based on separate companies of Bmobile-Vodafone and Citifon, Telikom PNG. Telikom has taken this as the minimum cost as subsequent amalgamation of both Bmobile and Telikom PNG into now Telikom Limited does not necessarily mean that cost of set-up and operation of MNP would have reduced. Cost is therefore the major concern that Telikom does not want affecting the effectiveness of MNP in addressing competition and not benefiting Telikom in the medium to long term.

Telikom is also equally concerned about customer data security in the MNP space whether the porting center is physically located locally or overseas. Telikom's preference is for a local porting center in order for appropriate licensing by NICTA of the porting services operator however mindful of higher costs to operators relative to that of a foreign hosted porting centre.

We look forward to further discussions if required in relation to any of the responses we made, more particularly in relation to the cost and benefits to Telikom Limited.

Yours sincerely,

**TELIKOM LIMITED**

**Amos Tepi**

Chief Executive Officer





## **Telikom Limited**

### **Response to NICTA's Public Consultation on the "PROPOSED BUSINESS RULE FOR MOBILE NUMBER PORTABILITY"**

Friday 29 December 2023

## **TELIKOM LIMITED**

### **NICTA Public Consultation on Business Rules for Mobile Number Portability**

#### **Introduction**

Telikom thanks NICTA for the opportunity to participate in NICTA's public consultation on Mobile Number Portability (MNP) in particular to submit its views in response to the questions listed in the Consultation Paper dated 6 October 2023, titled '**Mobile Number Portability: Public consultation on the Proposed Business Rule for Mobile Number Portability**'.

The responses below are not exhaustive; where Telikom provides a response and agrees in principle or otherwise to NICTA's reasons, this does not in any way, mean the waiver or concession of Telikom's rights.

#### **Responses to NICTA questions; implications and considerations**

##### **Q1. RECIPIENT-LED OR DONOR-LED MNP**

**The MNP process of moving a customer's number from one provider to another can be achieved by either recipient led (the customer requests porting through the new recipient operator) or donor led (the customer porting approaches their current operator to seek permission to leave). Please state your preference and outline your reasoning?**

Recipient-led MNP process appears to be the standard industry best practice. In the recipient-led MNP process, the customer is encouraged to choose the *recipient operator* knowing the recipient operator will assist facilitate the porting. Telikom prefers Recipient-led MNP process and agrees with the reasons stated in the discussion paper.

##### **Q2. MNP ADMINISTRATION – CENTRALIZED OR DECENTRALIZED PORTING**

**It is proposed that MNP is to be managed and operated in PNG through a centralized MNP system, which will track all PNG mobile numbers, manage the porting process between recipient and donor operators and provides some ancillary administration functionality. This approach enables a standardized porting process to be operated across all PNG providers. Please provide your comments and views regarding this proposed approach.**

Telikom anticipates the set-up cost is relatively higher than alternate methods or configurations such as Peer-to-peer/Decentralized solutions. Centralized database system appears to be the current international best practice. Telikom prefers MNP to be managed and operated in PNG through a centralized MNP system. Furthermore, Telikom prefers that NICTA consider public funds to help meet the high set-up costs.

##### **Q3. LICENSING OF NPC**

**By proposing to adopt the centralised driven MNP approach, it is proposed that the successful provider of the NPC will be licenced by NICTA to provide MNP services and will be required to contract directly with the licenced PNG operators. Please provide your comments and views regarding this proposed approach.**

Telikom anticipates that the terms and conditions of the NPC takes into account the interests of the operators considering the operators provide the fundamental service (mobile connectivity). Telikom prefers licensing the NPC provider under an arrangement where the NPC provider can under an appropriate contractor arrangement with the mobile operator(s). A regional NPC hosted in PNG is supported for security of data considering there would be more PNG customer data to handle and risk in the process.

#### **Q4. LOCAL OR OVERSEAS BASED NPC**

**It is proposed that the NPC may be either operated from PNG or hosted overseas. Please provide your comments and views regarding your preferred approach.**

Telikom prefers that the best arrangement that attracts the minimum costs to operators, in particular to the smaller operators. Telikom also prefers that if hosted overseas, data security needs to be adequately guaranteed.

#### **Q5. PNG TRAFFIC ROUTING – DIRECT OR INDIRECT?**

**It is proposed that all fixed and mobile traffic to ported and non-ported numbers originated and terminated in PNG will be directly routed by the originating network to the terminating network using the All Call Query approach. All Call Query direct routing is widely used in MNP implementations across the world and is considered to be the most operationally efficient and reliable form of routing in MNP jurisdictions. Please provide your comments and views regarding this proposed approach.**

Telikom is of the view that All Call Query (ACQ) Direct Routing (DR) should be the preferred approach. The discussion paper does highlight clearly the reasons for preferring ACQ DR over the other alternatives. Telikom considers that direct routing should be the preferred best option in the recipient led MNP process as “it eliminates the reliance on the donor service provider and the associated headaches that can come from routing inefficiency, costs, and management.” Telikom however notes that ACQ is a relatively costlier option to start up and operate.

#### **Q6. MNP IMPACT ON PNG MARKET**

**Introducing MNP is likely to enhance competition and choice in the PNG telecommunications market. Please provide your comments about this statement.**

Telikom agrees that MNP provides for the opportunity for improvement in competition and choice in the telecommunications market. How MNP is actually set up and implemented needs to be carefully planned/designed and carried out so that the opposite effect is avoided.

#### **Q7. OPTIMISING IMPLEMENTATION AND OPERATING COSTS RELATED TO MNP**

**It is proposed that each operator and the successful provider of the NPC will be responsible for their set-up costs to prepare for the implementation and launch of MNP in PNG and that such set-up costs shall not be recoverable from consumers or other stakeholders. Please provide a cost estimate of set-up investment your organisation is likely to incur in preparing for the possible introduction of MNP into PNG, and your comments and views regarding this proposed approach.**

Telikom notes the MNP set-up investment cost estimates that NICTA consultants produced in 2017 which amounted to around USD 7 million for both Bmobile and Citifon for that time under the then corporate arrangements. Telikom considers these estimates as a guide for the time being while detailed estimates are yet to be finalized.

#### **Q8. NO PORTING SERVICE CHARGES AND LEVIES**

**It is proposed that recipient operators will NOT be allowed to charge customers for porting their numbers at the discretion of each recipient operator. Donor operators are not permitted to charge customers for porting out numbers from their network. Please provide your comments and views regarding this proposed approach.**

Telikom recommends that NICTA being the regulatory body should be the determiner of Porting Charges to avoid price discrimination behavior by mobile network operators.

Telikom also notes that “Not permitting **donor** operators to charge customers for porting out” is already a regulatory bias and in favor of the **recipient** network operator. This is considering the fact that competition is still currently in favor of the dominant market player, Digicel, already leaving the Telikom and Vodafone at a losing advantage.

Telikom prefers that the **donor operator** apply a charge on the **recipient operator** at a reasonable rate determined by NICTA.

#### **Q9. DONOR PORTING CHARGES**

**It is proposed that donor operators shall be permitted to charge recipient operators for reasonable costs which are directly attributable to the actual efficient processing of porting requests. NICTA reserves the right to set a maximum limit to donor porting charges. Please provide your comments and views regarding this proposed approach.**

Telikom supports the proposal that donor operators be permitted to charge recipient operators for reasonable costs attributed to efficient processing of porting requests.

Telikom understands that NICTA will share the details of costs and methods to determine maximum limit to donor porting charges with the operators for their input before making the final determination.

#### **Q10. MNP IMPLEMENTATION APPROACH**

**It is proposed that MNP will be implemented and launched to the PNG public within 20 months of the conclusion date of this consultation. Please provide your comments and views regarding this proposed approach.**

Telikom prefers that in principle all operators must thoroughly prepare [including acquiring of funding] for the implementation. Telikom therefore considers that a minimum of 24 months is preferred after the conclusion of the consultation before implementation of MNP. For avoidance of doubt, Telikom prefers that the conclusion of the consultation refers to the date the Minister makes a response to NICTA’s report.

#### **Q11. MNP WORKING GROUP**

**It is proposed that the implementation and preparations for the launch of MNP in PNG will be managed by a cross stakeholder working group reporting to NICTA, but NICTA shall be responsible for setting the key MNP process and functional details and implementation timeframes etc. Please provide your comments and views regarding this proposed approach.**

Telikom agrees in principle that there needs to be MNP working group (MNPWG) that among other functions is to oversee the actual implementation and launch of MNP.

Telikom requests that the terms of reference of the MNPWG be disclosed to stakeholders and agreed by each stakeholder formally.

Key MNP processes and functional details and Implementation timelines must first be agreed formally by stakeholders before NICTA formally directs them into effect.

#### **Q12. PORTING TIMES IN PNG**

**It is proposed that all customer MNP porting requests will be completed within one working day from the date of the customer's validated and signed porting request. Please provide your comments and views regarding this proposed approach.**

Telikom agrees that the completion of a porting request is completed in the shortest time possible.

Telikom prefers that 24 hours can be the minimum length of time to complete a porting request. Telikom understands that depending on the number of porting requests being processed at one time a request may take longer than 24 hours.

Customers should be encouraged to make a porting request ahead of a maximum period of time before the go-live date/time. For the avoidance of confusion, this does not imply that a porting request is made and accepted by the **recipient operator** after which the customer requests the **recipient operator** to actually implement the request later. It is preferable that the customer gives the notice within a reasonable time in advance.

#### **Q13. VALIDATION OF PORTING REQUEST**

**It is proposed that data transfer during the porting process between the recipient and donor operators is minimised to ensure an efficient and robust consumer porting experience with minimal unnecessary porting failures or rejections. It is proposed that porting data transfer will be restricted to MSISDN/ number being ported and donor operator name. Porting process security and integrity will be provided by independent customer validation for each porting request by SMS.**

**Please provide your comments and views regarding this proposed approach.**

Telikom considers the security of confidential customer data is very important and that very minimum amount of such data be exchanged for porting information verification and validation purposes.

Telikom supports the customer data transfer for verification/validation purposes between donor and recipient operator must be minimized to MSISD, Customer confirmation via SMS/Email and Donor operator's name.

Telikom supports the use of secondary customer validation mechanisms such as SMS and email.

#### **Q14. SIMPLIFIED AND SECURE PORTING PROCESS**

**It is proposed that once a customer's porting request has been authorised by the customer, validated by the NPC and passed to the donor operator for approval, the porting request must proceed to completion unless legitimately rejected by the donor operator in compliance with the rejection reasons determined by NICTA. Once a validated porting request has been passed to the donor operator by the NPC it cannot be amended or cancelled by any party. Please provide your comments and views regarding this proposed approach.**

Telikom supports simple and secure MNP process.

Telikom understand that all operators through the MNP Working Group will have a say in what should be a legitimate reason for a donor operator rejecting a porting request.

#### **Q15. DEBT AS AN EXCUSE TO PREVENT PORTING OF NUMBERS BY DONOR**

**It is proposed that post-paid consumers can port their number if the total billed and unbilled account balance is less than the deposit held by their current operator, provided their service is not barred or suspended from making outbound calls at the time the consumer's porting request is processed by the recipient operator. It is proposed that debt cannot be used to prevent pre-paid consumers porting their number. Please provide your comments and views regarding this proposed approach.**

Telikom prefers that post-pay customers address their debt situation before their port out requests are accepted.

Telikom also prefers that MNP should not be used as a way of avoiding the payment of debts by customers.

#### **Q16. WIN-BACK PROTECTION**

**It is proposed that once the customer's validated porting request has been passed to the donor operator by the NPC, the donor operator will not be permitted to contact the customer during the period the porting request is being processed. Once the porting request has been successfully completed, for a period of 60 calendar days the donor operator will only be permitted to contact the customer for the sole purpose of recovering any outstanding payment or debt and will under no circumstances contact the customer during this period with the purpose of soliciting the customer to return to the donor operator's network. Please provide your comments and views regarding this proposed approach.**

Telikom expects the possibility of win-back and supports a win-back prohibition period of 60 days.

#### **Q17. ONWARD PORTING RESTRICTIONS**

**It is proposed that customers will not be permitted to port their number to another operator within 60 calendar days of their previous successful porting request. Please provide your comments and views regarding this proposed approach.**

Telikom supports a 60 day porting restriction on customers who's porting requests have been successfully processed.

#### **Q18. ANCILLARY PORTING FUNCTIONS**

**It is proposed that only real-time porting of customer numbers will be allowed and customers will not be able to defer or delay porting requests to later dates. Please provide your comments and views regarding this proposed approach.**

Telikom supports real-time porting in principle.

#### **Q19. MULTIPLE NUMBER PORTING REQUEST**

**It is proposed that the porting process will allow the porting of multiple customer numbers within a single porting request (where "multiple number" is defined as two or more numbers belonging to the same customer account), both contiguous and non-contiguous number ranges, to support the efficient porting of multiple number blocks. Please provide your comments and views regarding this proposed approach.**

Telikom supports multiple number porting from a single request and same customer account held by donor operator however in the manner and form that requires no complex processing and introduction of extended timeframes to process.

## **Conclusion**

Telikom considers that this consultation to set the business rules for MNP is important and necessary for the introduction and set-up of MNP services in PNG. While the above responses may be brief, they indicate the preferences of Telikom in terms of the rules NICTA is anticipating to establish for MNP.

Best international practice, avoidance of huge costs to small mobile network operators, customer data security, shortest possible porting timeframes and reasonable porting charges are some of the principles for the rules to be established.

Telikom therefore anticipates that it could respond to other stakeholders' responses and where necessary, may add more detail to these responses.

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