



14 June 2024

Mr. Polume Lume
Director Economic Consumer & International Affairs
NICTA Head Office
Section 43, Lot 19 & 20
Frangipani Street, Hohola, Port Moresby
Papua New Guinea

Dear Sir

Re: Vodafone response to NICTA's consultation on mobile number portability processes and rules – April 2024 (UPDATED)

Vodafone is pleased to comment on NICTA's Phase 2 Consultation Document on the proposed business rules for Mobile Number Portability (MNP).

Vodafone understands that NICTA wishes to consult with interested parties on the technical feasibility and functional MNP features which are appropriate for the specific context of the PNG telecommunications market, with a view to proceeding with the implementation and introduction of MNP services.

Vodafone supports NICTA's activities in seeking to implement and launch MNP in the PNG telecommunications market.

Vodafone emphasizes that international studies of MNP have highlighted that key success factors for MNP to have an enduring, positive impact on switching behavior include:

- A simple porting process
- Strong and clear metrics for the porting of numbers (e.g. '90% of ports within three hours') which is monitored by the regulator
- Limitations on the ability of the donor party to slow the process of porting with the intention of offering inducements to existing customers to stay
- Reasonable cost-oriented porting charges, to the extent levied by donors or recipients
- High consumer awareness of the ability of consumers to port.

As noted in NICTA's response in relation to the first public consultation in October 2023, Vodafone provided a short submission providing high level support for MNP.

In this submission, we provide a more comprehensive response that addresses both the phase 1 questions where NICTA has sought more information, and the phase 2 questions. Vodafone would be pleased to discuss its responses with NICTA.

Response to 1st phase questions

With respect to the phase 1 questions, Vodafone is largely in agreement with the feedback and commentary of NICTA. Some specific comments and confirmation are provided in the table below. Where NICTA has sought further comment specifically from Vodafone, we have also provided a response.

NICTA Question	VODAFONE RESPONSE
Question 1 – Recipient or Donor Led	Agree with NICTA comment
Question 2 – centralized or decentralized porting	Agree with NICTA comment
Question 3 – licensing the NPC	As with NICTA's comment, Vodafone notes that the key element is whether there is likely to be a common interest and alignment between the NPC and licensed operators, rather than whether the NPC should be licensed. In principle, it would seem that contractual provisions should be sufficient to govern relationships between the NPC and licensed operators but NICTA may need to undertake some coordination functions.
Question 4 – NPC location	Vodafone would be interested to further understand the likely tradeoff between the cost of a locally-hosted solution compared with a solution hosted overseas. If the cost is not very different, then it would seem preferable for a local solution.
Question 5 – direct or indirect routed	Agree with NICTA comment
Question 6 – market impact	Agree with NICTA comment
Question 7 – set up costs	Vodafone has for some time looking into MNP, at the request of many of our customers and subscribers. From our own assessment, Vodafone is willing to pick up its own cost to facilitate MNP, as this is in the best interest of the country, the industry and its people.
Question 8 – customer porting charges	Vodafone agrees that a minimum charge can be levied so there is no abuse of this service by customers and subscribers. If the cost is high, it will defeat the purpose of this whole exercise. Vodafone may even waive these charges initially to give customers and subscribers the freedom to choose.
Question 9 – donor porting charge	Agree with NICTA comment
Question 10 – implementation timing	While Vodafone agrees that a shorter period is preferred. Our own initial assessment shows



NICTA Question	VODAFONE RESPONSE
	that this is possible within 6 months from the date of the Minister's decision.
Question 11 – MNP working group	Agree with NICTA comment
Question 12 – porting times	Vodafone agrees with NICTA that there is little reason for porting times of more than 24 hours. PNG should be no different as globally this is possible well below 24 hours.
Question 13 – validation of porting requests	Agree with NICTA comment
Question 14 – porting process	Agree with NICTA comment
Question 15 – post-paid consumers	Agree with NICTA comment
Question 16 – win-back protection	Agree with NICTA comment
Question 17 – onward porting restrictions	Agree with NICTA comment
Question 18 – real time porting	Agree with NICTA comment
Question 19 – multiple customer number ports	Agree with NICTA comment

Response to 2nd phase questions

Fixed number portability

Vodafone is in favor of keeping the Fixed number portability (FNP) separate to this mobile number portability (MNP) consultation process.

Paying for the NPC's costs

Vodafone notes the proposal of Digicel that each party bear an equal share of the fixed setup costs of the portability service provider.

Digicel's argument is that cost recovery should proceed on the basis of cost causation (i.e. as each mobile network operator has caused the cost to be incurred, each network should share the cost equally).

Vodafone's view is that in determining reasonable cost recovery, it is also relevant to consider the beneficiaries of MNP and the concept of 'beneficiary pays'. In that light, while Vodafone and its customers are likely to be a beneficiary of the introduction of MNP, it is also evident that the increase in competition resulting from MNP will benefit all customers, regardless of network and regardless of whether they actually switch and use MNP. Furthermore, and as argued by Buehler, Dewenter & Haucap, there are other benefits:

- to all customers (including those of Digicel) who place calls to ported numbers, as without MNP these customers would have to bear additional costs when calling switching customers (e.g. updating address books), and

- to all customers that value the stronger property rights that MNO affords their favored mobile number.¹

In that light, Vodafone notes that a beneficiary pays approach would suggest that a more reasonable approach to the allocation of NPC costs would also consider the number of subscribers served by each mobile network. That would better reflect the significant benefits that Digicel's customers are likely to enjoy from the introduction of MNP, even if they do not switch. Moreover, such a cost allocation approach would also be more equitable to Vodafone, which has a far smaller base of subscribers over which to spread the fixed NPC costs. Also, with beneficiary pay approach, it's up to the network operators if they would levy this or not. Vodafone may wavier this at least initially to give the customers and subscribers freedom of choice.

With respect to NICTA's comments, we are unclear of the basis saying that it is most common for costs to equally shared. In Vodafone's understanding, a range of models of cost recovery are used globally, including charging per port, or a hybrid of porting and fixed charges split between operators. Vodafone also notes that NICTA should also consider the status of the market at the time of MNP introduction, as the competitive impacts of different charging regimes may differ depending on initial market shares.

Cost benefit analysis

Vodafone largely agrees with the position of NICTA that:

- in the period since the original CBA was undertaken, the economics of implementing and operating an MNP clearinghouse have materially changed which should only make a new CBA more supportive for number portability.
- there have been structural changes to the PNG mobile network operator sector and NICTA is minded to update the CBA exercise already undertaken in 2017.

Lastly, Vodafone is in favor of treating mobile number portability solution separate to that of fixed number portability.

Queries

For any queries, please contact, Mr. Justine Prakash, Chief Technology Officer through email on justine.prakash@vodafone.com.pg or cell phone (+675) 81100001.

Yours sincerely



Pradeep Lal
Regional Chief Executive Officer

¹ "Mobile Number Portability in Europe" (Stefan Buehler, Ralf Dewenter & Justus Haucap - July 2005)