

TELECOMMUNICATIONS NUMBERING ADVISORY COMMITTEE

Review of Mobile Number Utilisation Rate for New Mobile Number Application (II)

Purpose

This paper states the Telecommunications Authority (TA)'s views and decisions of the review in the utilisation rate as the underlying minimum criterion for new mobile number applications.

Review of Mobile Number Utilisation Rate

2. In NAC Paper No.11/1999, the TA proposed to increase the mobile number utilisation rate from 50% to 75% in evaluating new mobile number applications. The paper was circulated to Members of the Telecommunications Numbering Advisory Committee and the mobile network operators (the "operators") for their comments. Six submissions from the operators were received. A summary of their views and comments is attached in Annex.

3. All operators were concerned that there would be operational difficulties in the administration and distribution of mobile numbers to sales outlets if the mobile number utilisation rate of 75% were applied. Four operators (HTHK, CWHKTCSL, NWPCS and SUNDAY) proposed that 60% utilisation rate could be adopted to promote the efficient use of mobile numbers.

TA's Decisions

4. Having considered the views and comments of the operators, the TA decides that the 60% mobile number utilisation rate as the minimum criterion should be adopted with immediate effect in order to improve the efficient utilisation of mobile numbers.

5. Regarding the proposed utilisation rate increase to 75%, the TA realises that operators might experience some difficulties in the administration and distribution of mobile numbers to their sales channels if the utilisation rate is increased immediately from 50% to 75%. However, the TA considers these difficulties could be resolved over time by suitably amending the internal operational procedures to achieve better control and management of their numbering resources.

6. The Office of the Telecommunications Authority (OFTA) will examine further the operational difficulties with raising the utilisation rate further from 60% to 75%. OFTA will seek further explanations from operators on the nature of the problems in more concrete terms, and how these difficulties could be overcome by realigning internal operational procedures over a period of one year. It is TA's intention to raise the utilisation rate to 75% in one year's time.

7. The TA will amend the "Code of Practice Relating to the Use of Numbers and Codes in the Hong Kong Numbering Plan (Cap.269)" to incorporate the above decisions.

Office of the Telecommunications Authority
24 August 1999

**Summary of Comments from Mobile Network Operators
on the Review of Mobile Number Utilisation Rate**

<p>Hutchison Telecommunications (Hong Kong) Limited (HTHK) :</p>	<p><u>First Submission (to OFTA's letter dated 9 July 99)</u></p> <ul style="list-style-type: none"> • The 75% utilisation rate will fail to allow a comfortable buffer for unexpected sale upsurges. • Port-out numbers inevitably increase the actual utilisation rate and reduce the buffer for future assignment. • HTHK proposes to increase the current number utilisation rate from 50% to 60%. <p><u>Second Submission (to NAC Paper No.11/1999)</u></p> <ul style="list-style-type: none"> • The utilisation rate is not acceptable from an operational point of view. HTHK has been experiencing almost insurmountable difficulties with the existing number utilisation level, and a higher 75% utilisation rate will become an insuperable obstacle to its future sales growth and retail outlet expansion. • If an increase in utilisation rate is definitely required to efficient use of mobile numbers, 60% is the maximum rate that HTHK will be able to cope with.
<p>Cable & Wireless HKT CSL Limited (CWHKTCSL) :</p>	<p><u>First Submission (to OFTA's letter dated 9 July 99)</u></p> <ul style="list-style-type: none"> • Over 10% of the numbers out of a numbering block are regarded as bad or poor numbers by customers. • The distributed database nature of system architecture has an impact on the number utilisation rate. Numbering blocks assigned to the database are in general required to be larger than the capacity of the database so as to maximise the database usage and the rate of return on the associated investment.

	<ul style="list-style-type: none"> • Non-voice services such as data and fax are becoming increasingly popular and their uses will no doubt be further escalated in future. Service focus of the mobile industry is shifting from voice to non-voice services with the arrival of technologies such as General Packet Radio Services (GPRS) and Enhanced Data Rate for GSM evolution, and third generation technology which will be commercially available in 2002. The tremendous upsurge in the demand for such non-voice services will result in larger requirement on the existing number resources. • CWHKTCSL recommends the minimum mobile number utilisation rate criterion should be increased initially to 60%, subject to periodical reviews at, say, six-month interval. <p><u>Second Submission (to NAC Paper No.11/1999)</u></p> <ul style="list-style-type: none"> • While there is a need for measures to be implemented to reduce the amount of unused numbers, CWHKTCSL is concerned that the proposal of raising the minimum utilisation rate to 75% may prove too stringent a requirement for mobile operators to meet. • CWHKTCSL maintains its recommendation for the maximum mobile number utilisation criterion to be raised to 60%, subject to periodical reviews at 6-month interval.
<p>New World PCS Limited (NWPCS) :</p>	<p><u>First Submission (to OFTA's letter dated 9 July 99)</u></p> <ul style="list-style-type: none"> • NWPCS considers that the minimum utilisation rate of 50% should remain unchanged. • With comparatively small amount of unused numbers, NWPCS is facing difficulties in administering and distributing mobile numbers amongst its sales channels. Further increase in such utilisation rate criterion will create even higher pressure to mobile number resources, taking into consideration its rapid customer growth and the normal lead-time of 2 months for opening a new level.

	<p><u>Second Submission (to NAC Paper No.11/1999)</u></p> <ul style="list-style-type: none"> • As a compromise for the effective use of mobile number resources, NWPCS will support the adoption of 60% as the criterion for new mobile number application, as proposed by the three operators in the previous submission.
<p>Peoples Telephone Company Limited (PEOPLES) :</p>	<p><u>First Submission (to OFTA's letter dated 9 July 99)</u></p> <ul style="list-style-type: none"> • The proposed utilisation rate of 75% is on the high side and will become definitely a threat to business. PEOPLES will be constrained by the scarcity of buffer numbers particularly when the new numbers are not made ready for use due to long lead time and set-up time. • It asks OFTA to shelf the proposal for the time being and maintain the status quo of the industry. <p><u>Second Submission (to NAC Paper No.11/1999)</u></p> <ul style="list-style-type: none"> • Under the keen competition amongst operators, it needs expanding sales channels and introducing new products to stimulate business growth. The demand for numbering consumption is naturally increasing. Such sudden increase in utilisation rate will then create difficulty in business operation, for example, administering mobile numbers amongst sales channels.
<p>Mandarin Communications Limited (SUNDAY) :</p>	<p><u>First Submission (to OFTA's letter dated 9 July 99)</u></p> <ul style="list-style-type: none"> • SUNDAY agrees with OFTA that numbering, same as frequency, is a very precious resource. In reviewing OFTA's position to effectively improve the utilisation of mobile number resources, SUNDAY would like to propose to increase the utilisation rate criterion to 60%.

	<p><u>Second Submission (to NAC Paper No.11/1999)</u></p> <ul style="list-style-type: none"> • SUNDAY would like to propose to increase the utilisation rate criterion to 60%.
<p>SmarTone Mobile Communications Limited (SmarTone) :</p>	<p><u>First Submission (to OFTA's letter dated 9 July 99)</u></p> <ul style="list-style-type: none"> • Any increase in the 50% numbering utilisation rate will have significant impact to its overall network planning and service rollout strategies. • Increase of mobile number utilisation rate will have adverse effect on delivery time of new and advanced services to customers. • 14 working days are required in applying new number blocks from OFTA. Also, there is 6 weeks lead-time for CWHKT to open new number blocks. Adding with the lead-time for internal provision, therefore a lead-time of 3 months is expected. The increase to 75% utilisation rate will be a heavy burden to numbering planning and the lead-time will then be totally unacceptable in providing satisfactory services to customers. • Customers are increasingly demanding on choosing mobile numbers because the market is so competitive. The increase in utilisation rate will result in poor flexibility for operators to create new subscription. SmarTone believes that the increase of the utilisation rate will have adverse impact on cellular penetration. <p><u>Second Submission (to NAC Paper No.11/1999)</u></p> <ul style="list-style-type: none"> • The increase of mobile number utilisation rate to 75% will seriously affect the mobile network operators in operational and engineering aspects. These include the creation of number shortage to customers, impact on the distributed database nature of system architecture, impact to network planning, long lead-time for opening new number levels and difficulties in distributing mobile numbers to sales channels. This will then degrade the quality of service provided to the final customers. The increase of mobile number utilisation rate is not appropriate at this moment.