



Number portability and its impact on competition in the market

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Kristina Mikoliūnienė
Deputy director of Networks regulation department
Communications Regulatory Authority (RRT)



Challenges:



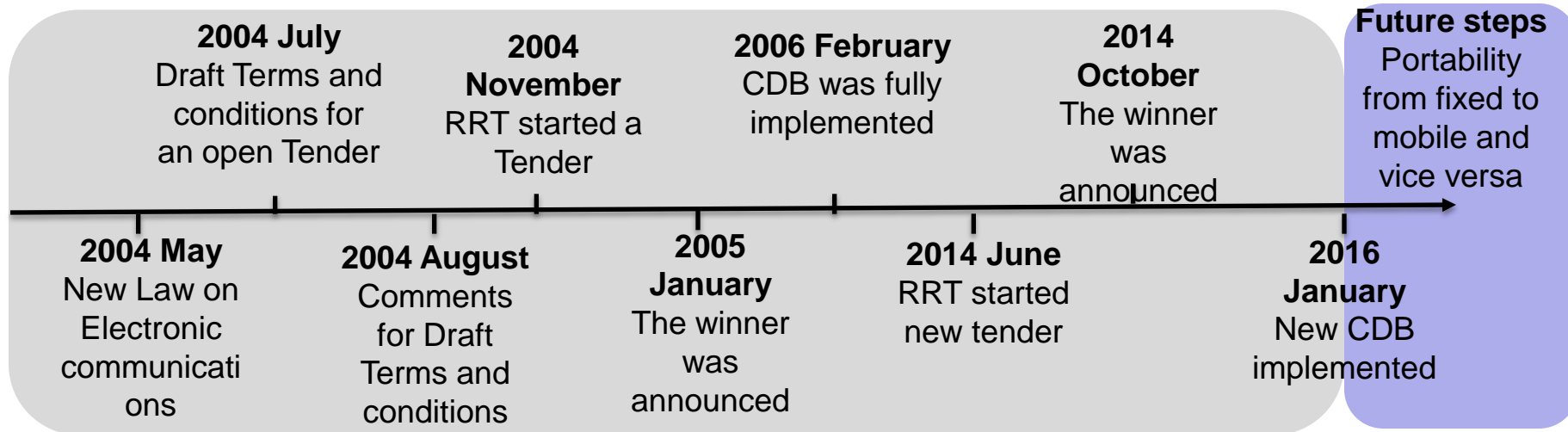
- **Requirements in European Legal Acts** - Directive 2002/22/EC of the European Parliament and of the Council of 7 March 2002 on universal service and user's rights relating to electronic communications networks and services (**Universal Service Directive**) (Article 30 – Number Portability).
- **Requirements in National Law:** Law on Telecommunications (2002-07-01/2004-04-30) and new **Law on Electronic Communications** (2004-05-01) which state NP implementation:
 - under the terms, conditions, and schedules within the timeframe prescribed by RRT;
 - obligation were due by 1 January, 2004.
- **General requirement for RRT - increase competition and consumer benefit.**

Challenges:



1996	
1997	Singapore
1998	France, Germany
1999	UK, Hong Kong, Netherlands, Iceland
2000	Spain, Italy, Switzerland
2001	Sweden, Australia, Denmark, Norway
2002	Germany, Belgium, Portugal
2003	France, USA, Finland, Ireland, Greece
2004	South Korea, Slovakia, Lithuania, Iceland, Hungary, Cyprus, Austria
2005	Taiwan, Slovenia, Malta, Luxembourg, Latvia, Estonia, Croatia
2006	Pakistan, Saudi Arabia, South Africa, Poland, Oman, Japan, Czech Republic
2007	New Zealand, Egypt, Singapore, Romania, Bulgaria, Canada, Morocco, Malaysia
2008	Brazil, Turkey, Mexico
2009	Ecuador, Dominican, Republic, Peru, India, Jordan
2010	Russia, Georgia, Azerbaijan, Serbia, Albania, Nigeria, Kuwait, Panama, Sierra Leone, Congo DR, Sudan, Belarus, Ghana, Kenya, Uganda, Zambia, Zimbabwe, Ukraine
2011	China, Tunisia, Libya, Algeria, Namibia, Moldova, Tanzania

NP history in Lithuania:



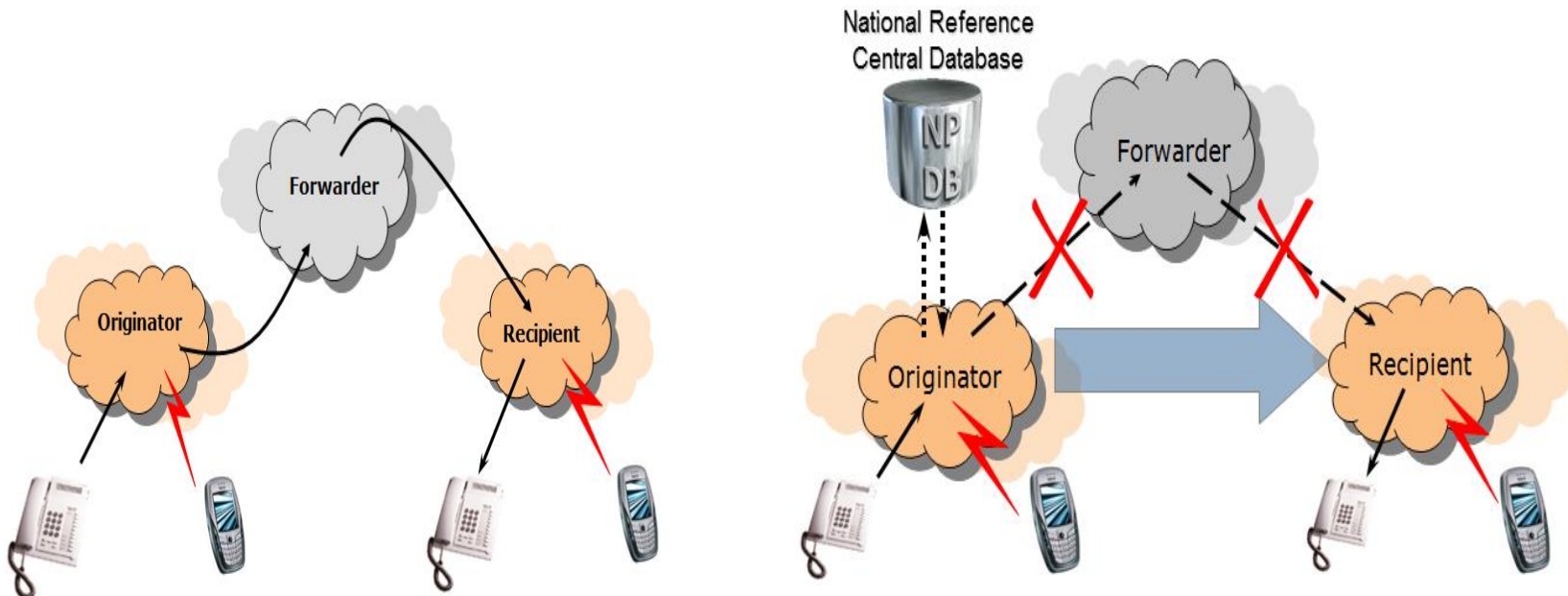
- In **February 2003** RRT first time raised the issue of NP implementation organizing a seminar for market players.
- Due to tight time schedule there was decided together with Market players to implement NP through 'call forwarding' and to treat it as an intermediate step towards CDB solution.
- In **October 2003**, RRT published *Terms and Conditions for NP implementation: Call forwarding intermediate step; CDB solution for 10 years;*
- In **March 2004** first mobile number was ported (SMS/MMS not available on ported number).
- In **November 2004** RRT started tender to select CDB administrator, which will maintain CDB for 10 years;

NP – Lithuania's technical solutions:



in Lithuania NP technically is implemented via CDB.

Call forwarding solution



Lithuania applies recipient leads approach

NP – tool to increase competition and protect users' rights



- RRT saw following NP implementation advantages:
 - ✓ NP removes barriers that were restricting customers' choice and freedom.
 - ✓ Customers do not feel discomfort and subsequences that automatically appear due to new telephone number.
- NP lead to increased competition, which conditions a lot of positive subsequences such as:
 - ✓ price decrease;
 - ✓ broader spectrum of services.

What makes the NP successful?



Implementation:

- ✓ RRT is guiding the process of implementation, intervene if necessary;
- ✓ Clear understanding and distribution of responsibilities between RRT and Market players;
- ✓ Technical implementation of NP should in principle be decided by Market players. RRT decided main principles.

On Consumer's side:

- ✓ High subscriber awareness and perception;
- ✓ Low (or no) porting fees (costs) for subscriber;
- ✓ Accessible / Easy / Smooth NP process;
- ✓ Short porting time.

NP – it works in Lithuania

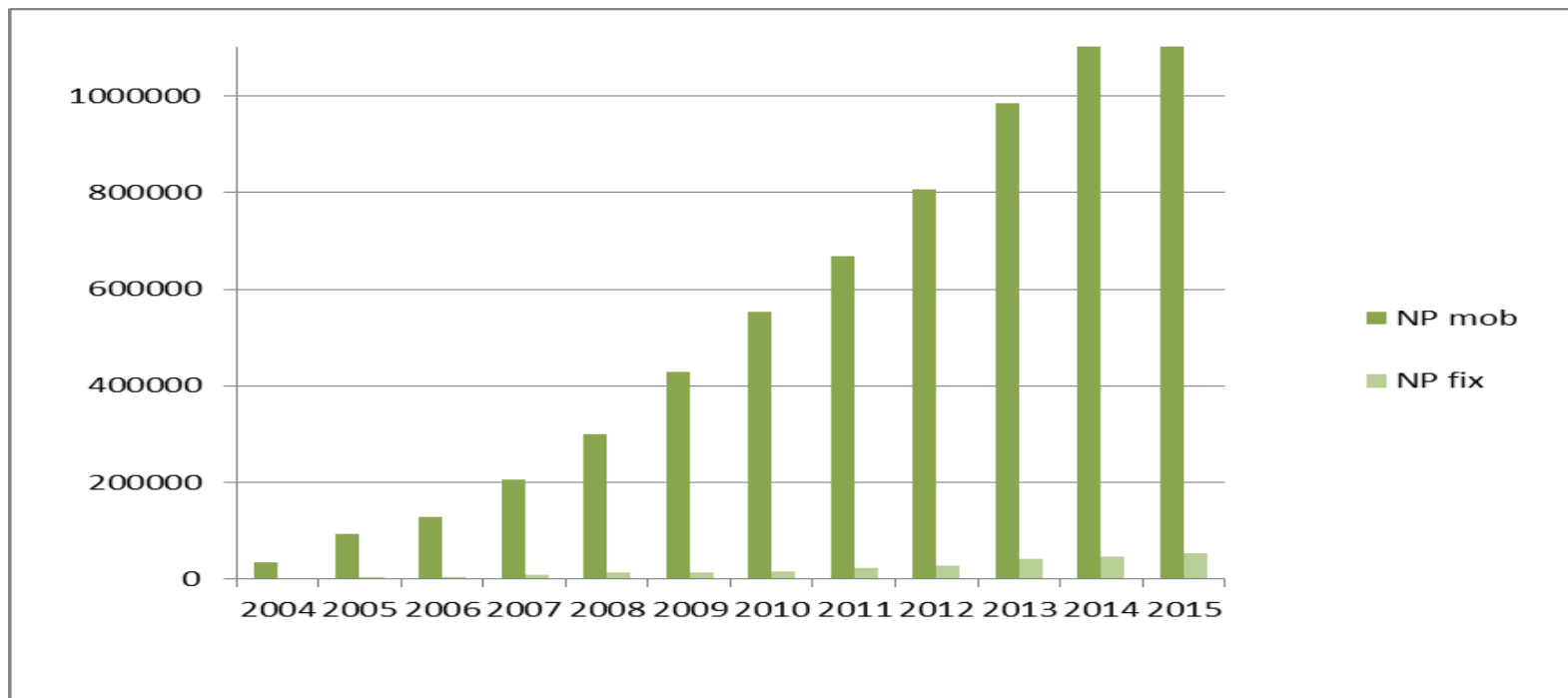


- The subscriber's number porting process must be carried out in such a way that the provision of public telephone services to the subscriber should be cut for no longer than 6 hours.
- Tariff Transparency: At the moment BEEP tone.
- Information about which operator's network the number belongs to is available on the Internet at <http://numeracija.rrt.lt/>.

Ported numbers - total:



Total number of ported numbers:	1 288 484	26,84 %
– In mobile networks	1 234 820	29,15%
– In fixed networks	53 664	9,47 %



NP process should not take more than 1 working day.



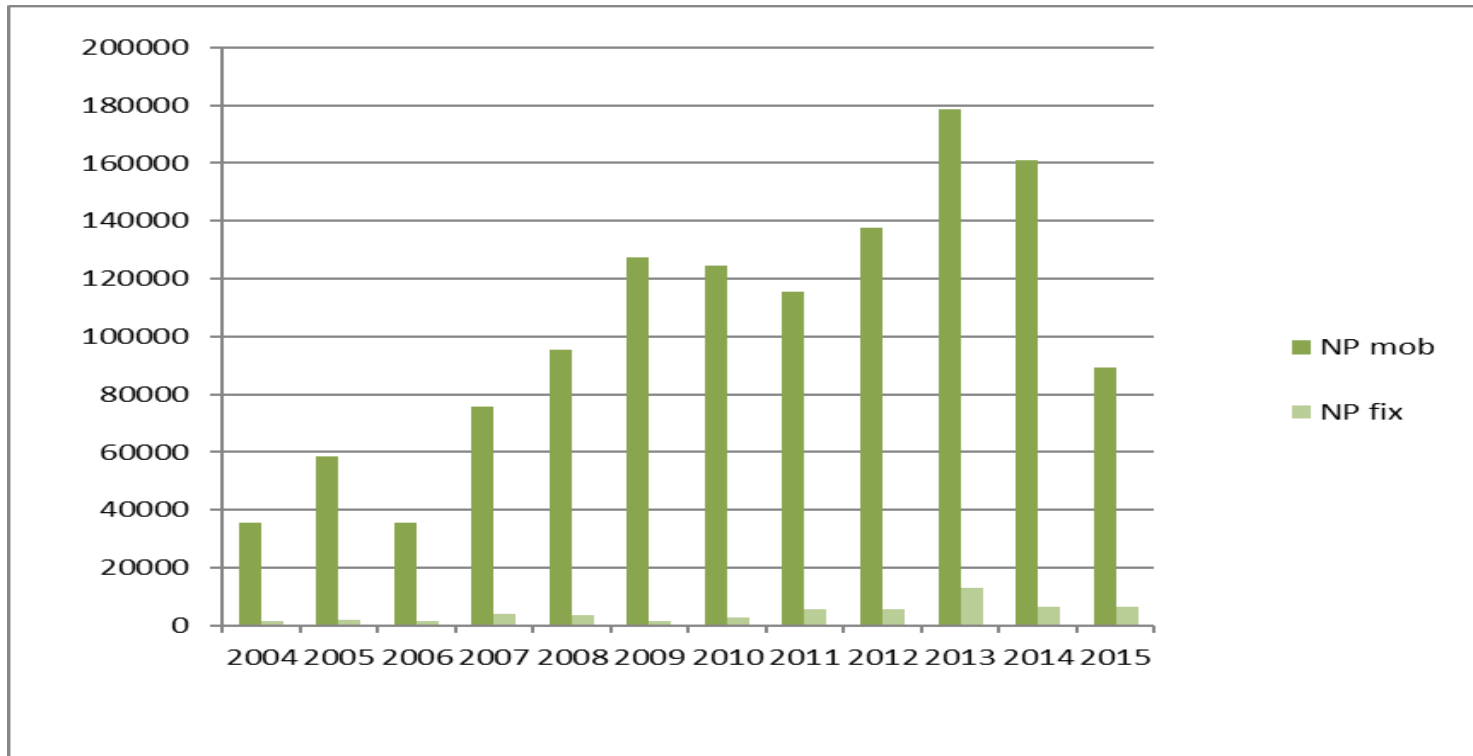
Ported numbers – year after year



Min - fix 1503 in 2009; mobile – 35457 in 2004

Max – fix 12966 in 2013; mobile – 178552 in 2013

Changes in regulation – 2005; 2011



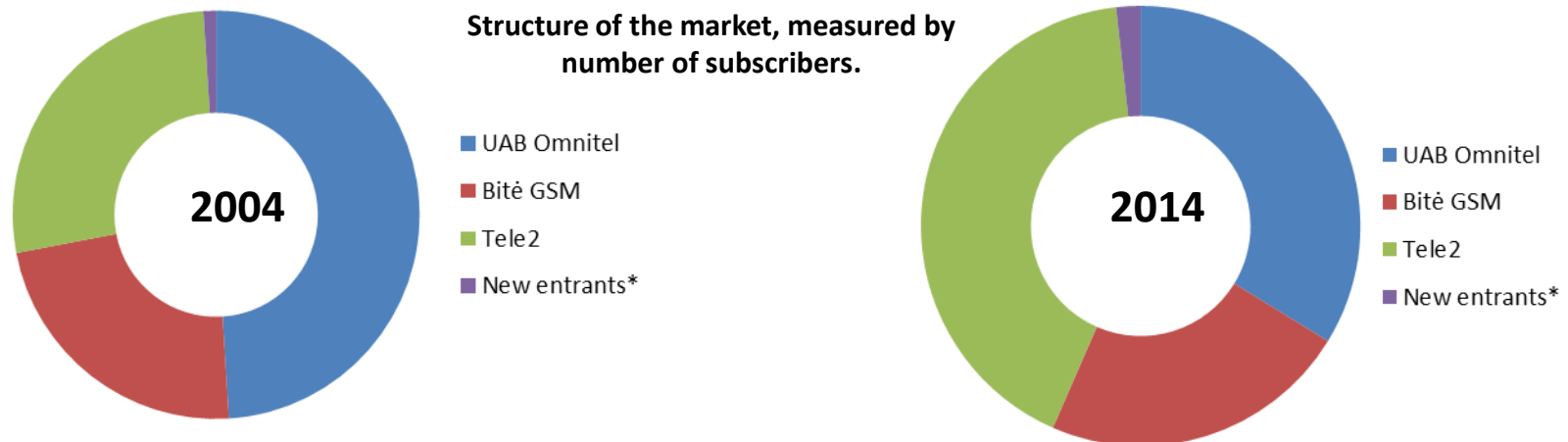
Case study – practical aspects of NP



In March 2009, UAB Omnitel introduced new retail „Personal“ plan based on his/her „personal“ needs. This „Personal“ plan was introduced automatically, without prior agreement of subscriber.

Regulation allows Operator to introduce automatic plans, at the same time Subscriber is allowed to terminate an Agreement in case of disagreement with new automatic conditions.

During the first week after the introduction of automatic “personal” plan mobile operator lost 13.000 subscribers (per month – 25.000).



Lessons learned:



- Deep knowledge and understanding about NP;
- Strong competition in the retail market;
- Almost first implemented NP;
- NP system is working without obstacles;
- Experience in sharing our expertise.

Future steps

Portability from fixed to mobile and vice versa.





Thank You!

Questions?

Communications Regulatory Authority
Algirdo str. 27A
LT-03219 Vilnius
Lithuania
<http://www.rrt.lt>