

DIGICEL JAMAICA LIMITED

# OUR – JAMAICA COMMON SHORT CODE SCHEME

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## CONSULTATION DOCUMENT - RESPONSE

**Legal & Regulatory Department**

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This is a direct response to the OUR Document No: TEL2012002\_CON002 by Digicel.

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## INTRODUCTION

Digicel welcomes the opportunity to comment on the proposed Jamaican Common Short Code Scheme. The need to develop a regulatory framework for the provision of premium and value added services is timely. This consultative process is a step in the right direction and should progressed to the implementation a Common Short Code Scheme which will enable a diversity of services chief among these services should be Mobile Banking and Mobile Commerce.

There are several issues that should be ventilated before the JCSCS is developed and become operational. One of the salient issues is the current situation as it relates to premium services and the use of short codes at present.

The current position in regards to premium service is that each mobile service provider was allocated one hundred special service numbers in the 444 range to be used on their networks for the provision of special services. In addition service providers can apply for additional special service numbers in the 444 range if the need arises. From time to time Digicel applies to the OUR for a 444 number it the proposed service that is to be offered cannot be used in conjunction with one of the existing 444 numbers that were previously assigned to Digicel. Normally, special services that require a "vanity number" will prompt Digicel to make an application to the OUR for example 444-3263 (which spells 444-FAME). These numbers however, are supposed to be used on a temporary basis. This has sometimes proved challenging to Digicel, and in some instances the roll out of some premium services had to be aborted as the number that is needed to offer the service is not available for assignment or it is only being assigned on a temporary basis. Given the proposed Jamaican Common Short Code Scheme, Digicel would like the OUR to provide further information as to the proposed Scheme impact on the current premium service regime.

In **Determination Notice 3.8** the OUR allocated twenty five (25) short codes to be used for intra-network services, Digicel would like to know what is the plan for these codes. Digicel sees no need to change this system as it relates to the use of these 1XX short codes. In the same determination notice the OUR reserved thirty four (34) short codes for further expansion, Digicel believes that these reserved 1XX codes should be released to service providers for further intra- network use as the twenty five 1XX codes are near exhaustion.

It should be borne in mind that these that codes are not used to offer special or premium service on Digicel's network but are used to facilitate access to add on services, provide subscribers with further

information on Digicel's products and services. In most instances subscribers are not charged to use these codes. The same situation applies for Vertical Service Codes. The difference between these codes and the 1XX that were assigned to service providers in **Determination Notice 3.8** is that these codes are unique to GSM networks. These VSCs are also used by Digicel for subscribers to access further services on Digicel's network. To use these code an application has to be submitted to the OUR for an assignment.

In Digicel's answer to question one a wide range of services were proposed by Digicel, the list of service is not exhaustive however, Digicel believes that special attention should be given to Mobile Banking. Mobile Banking and Mobile Commerce will have positive effects on the Jamaican economy. In countries that have Mobile Banking and Mobile Commerce they experience rapid economic growth and development. The Jamaican experience with the liberalization of the telecommunication industry is instructive in the treatment of Mobile Banking and Mobile Commerce. The introduction of Mobile Banking and Mobile Commerce could have similar effect. The OUR should work with the stake holders namely, the telecommunications industry, the banking sector and the Bank of Jamaica to develop the regulatory framework for the introduction of Mobile Banking and Mobile Commerce in order to fast track the implementation of the service in Jamaica.

#### **Further Benefits to be derived from Mobile Banking/Mobile Commerce**

- Increase and manage more commerce - Consumers and merchants have access to bank assets/e-cash at all times
- Bring ecommerce and m-commerce to the masses - Empower Jamaicans to join Web and Mobile commerce
- Mobile channel is the ideal way to target the unbanked - maximum outreach with already available technology
- Makes it easier and safer for visitors - Arriving visitors set up mobile account using exiting mobile services
- Manage Government Payments (G2P) more efficiently – cheaper – reduces the cost by approximately eighty percent (80%) (Honduras case study).

#### **The use of Short codes in Mobile Money**

Some examples of how short codes would be used are as follow:

- Register for Mobile wallet subscribers send SMSs to short code for each Mobile Money Operator
- Transfer money from one individual to another – using a short code as the service number
- Bill payments – send commands to short code
- Donations – send commands to short code number

### **Examples of Mobile Wallet/Mobile Banking**

Kenya: Safaricom launched M-Pesa in partnership with Vodafone

Kenya: Zain is re-launching ZAP, their mobile money product,

Kenya: Telkom is looking at launching Orange Money

Uganda: MTN has launched MTN Mobile Money

Uganda: Uganda Telecom is investigating mobile financial services

Millicom is looking at launching TIGO Cash across their African operations

Ghana: Flash me cash is a mobile banking solution that has been launched in Ghana and Nigeria

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## 1. What other premium rate services do you think will be of interest to this market?

- Adult Entertainment
- Business Information Lines
- Directory Enquiry
- Premium MMS
- Mobile Advertising
- Mobile Lottery
- Mobile Banking
- Mobile Payments Traffic information
- Local business performance information
- Local Stock market data
- International economic and stock market data
- Gaming via mobile devices
- Charity donations
- Chat services
- Social Media and interactivity
- Consumer research
- Mobile transactions
- Weather updates
- Breaking news updates
- Location based services such as finding places of interest such as restaurants, cinemas etc.
- Entertainment updates such as upcoming parties, sporting events etc.
- Emergency information services – Police, Fire Department, Hospital locations
- Office of Disaster Preparedness and Emergency Management updates
- Neighborhood Watch updates

## 2. What issues do you find presently are affecting access to mobile and fixed networks for access seekers?

- The current Act governing the telecommunications industry does not make provision for service providers to give access to their networks to third parties seeking to interconnect in order to provide content. This issue will have to be addressed by all stakeholders going forward. Secondly, the Act only makes mention of public voice networks in treating interconnection, content providers are not legally able to interconnect as the Act did not make provision for content.
- The OUR also needs to develop guidelines for the provision of access by mobile and fixed networks based on international best practice. This will provide access seekers with a level playing field to provide value added services to consumers
- Security – due to the inherent risks the telecommunications provider may expose themselves to by allowing third party access, access should only be granted to third party access seekers that meet the fit and proper criteria. Ideally Digicel would prefer to have third party access seekers interconnect indirectly. There needs to be a clear

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definition of what is a legitimate access seeker. Third party access seekers should have a clear sustainable business plan along with funding for the business. The business plan must be feasible and sustainable, for a protracted period of time.

- 3. What other considerations do you believe are necessary to facilitate the interoperability of networks?**
  - Change in/ clear definition as to what services are interoperable across mobile networks, focus is currently on voice.
  - Further redefinition should include internet protocol (IP) based services and multimedia messaging.
  - Mandatory maintenance of mission-critical industry directories, connecting content providers, operators and users around device type, provider ID, routing data, location, presence and user profile data.
  
- 4. Do you believe that there are some entities that may need short code numbering resources that are not being catered to by the existing regulatory framework? In this regard what changes do you feel would be necessary to facilitate them?**
  - Yes; third party content providers; although they might not have a network there should be a system or policy in place where they are able to access short codes or numbering resources as long as they are in compliance with the guidelines concerning the use of short codes and they are able to produce an agreement with at least one of the service providers agreeing to give them third party access to their network whether directly or indirectly.
  
- 5. What is your view on a short code registration system for newer providers? How would you like to see this system run?**
  - There should be a short code registration system however; this should be for new providers. The industry could adopt one of the many examples cited by the OUR in the consultation document; preferable what pertains in the United Kingdom could be copied. However, there would likely be adjustments to this policy. As stated earlier the legal and regulatory frameworks have to be implemented. Digicel believes that the service providers should manage the operation of the short code system with the giving OUR oversight.
  
- 6. Do you believe that premium rate services should be designated a specified service?**
  - Yes; this will facilitate the management of the service under the existing regulatory frame work. However, the OUR should undertake to have the necessary regulatory framework in place in order to keep abreast with the expected rapid development in this market. In designating premium services specified services this will enable the rapid roll out of premium and value added services. The expected exponential growth in value added service will benefit both the industry and consumers. This will also foster tariff transparency and creates an avenue for the interoperability of services across different networks. As in the case with SMS, there is not regulatory framework for this service across networks however, subscribers are able to send text messages across networks because of the interoperability of the different networks in the industry and the desire of the consumers to communicate by via text messages irrespective of the network that there subscribes to.

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- 7. What considerations should be given to the issue of tariff transparency?**
  - All rates from all providers must be made publicly available on each company's website. Terms and conditions for each service must also be made publicly available as well as any additional charges for the use of the services. The number range can also be used to indicate a higher tariff as in the case with the current special services number range 444. When a customer dials a 444 number the customer knows from the outset a higher tariff is charged to access that particular service. The service providers can also inform the customer via the print and electronic media when the service is being marketed. In addition number resources should be assigned a tariff based on predefined zoning which will aid in determining reasonable subscriber pricing and interconnect rates.
  
- 8. What particular arguments should be made to facilitate tariff transparency in services that will be utilizing short codes (for example price points, tariff dependent numbering ranges etc.)?**
  - There should be a mandatory requirement for any service or content provider receiving a provider's license to use a short code, that the provider makes the price for the service public. The OUR however, should not seek to set prices for providers, prices should be determined by the interaction of the providers and their customers. Because of the nature of the service, in that it is not an essential service; providers will not have an incentive to set prices highly as the service is likely to be elastic in that if the price is too high the demand for the service will decrease. The OUR should allow prices to be determined by the market which will promote competition amongst providers and invariable benefit customers and the industry as well. Providers will have an incentive to innovate and offer new and cutting edge services to the market at a reasonable rate to the consumers.
  
- 9. What prospective services do you envisage will require special tariff considerations?**
  - All premium and value added services will require special tariff consideration. Mobile payments as typical fees for these services are transactional fees as opposed to flat-rate. Transaction fees are a percentage of the value – example 2.5% which is used for Visa/MasterCard Transactions.
  
- 10. What particular mechanisms should be put in place to protect subscribers who may wish to participate in premium rate subscription services that utilize short codes?**
  - Mandatory opt-out/ exit feature should be made available by the content provider. Subscribers should not be locked into the service outside of a pre-agreed subscription or usage term.
  - Content provider must provide opt-out/ exit details on sign-up to the subscriber.
  
- 11. Should specific charging limits be set for premium rate subscription services purchased by subscribers during a given timeframe (You may refer to Annex 3 for date on charging policies in selected countries)?**
  - No – the customer should know their purchasing power. Consumers they are expected to behave rationally when using the service.
  - However there should be referential or advisory charging limit on a per transaction basis, service providers should be given the opportunity to determine rates based on

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the free market system which is the interaction between the service providers and the consumers, without third party interference. As stated earlier service providers have no incentive to price skim given the elastic nature of the services that are to be provided. When the regulator set prices this stifles the opportunity for growth and development of the market.

**12. What are your views on privacy of consumer data and what should be done to protect it, especially where 3<sup>rd</sup> parties are involved in the provision of these services?**

- The Telecommunications Act (2000) makes it unlawful for service providers to disseminate subscribers' information without their consent. The law is clear on this and there is no need for further safeguards as it pertains to service providers. Although the telecoms act does not explicitly treat content providers, it is agreed that premium service will be treated as specified services in order to bring it under the ambit of the telecoms act therefore, third party access providers will have to comply with the law. All customer information must be kept confidential by network operators as mandated by law. Third party service providers will only have access to consumer information given to them by the consumers that have entered into a direct service agreement with. These providers have to keep subscribers' information confidential or suffer the consequence if they unlawfully disseminate subscribers' information. That being said providers can further safeguard subscribers' information by making sure that data passed over any medium to third parties for the purpose of providing the subscriber with service, should have appropriate encryption rules. Demographic information such as age, race, gender, income, name, etc. should not be disseminated to third parties without the prior written consent of the subscriber.

**13. What are your views on SPAM and what measures are being taken to protect consumers against SPAM?**

- Operators should deploy an anti-spam framework in tandem with an opt-in and opt-out database.
- Subscribers should not receive unsolicited content other than operator related messages or promotions. All services are subscription based/ opt-in on our network and offers means for easy opt-out/ exit. Any provider that knowingly SPAM their subscribers or caused their subscribers to be SPAM should be fined after investigation and it is proven that the provider is responsible.

**14. What measures should be put in place to monitor connected agents (aggregators etc.) that terminate messaging volumes to the carrier's gateway?**

- Anti-spam policies should be implemented to disallow connected agents from terminating messages to subscribers who are not a part of their customer/ opt-in database.
- Third party must share their customer/opt-in database with operators.
- A cap should be put on the volume of messages the third party is able to terminate using transactions per second (TPS) and an overall cap on messages per day. Additionally there should be "do not disturb" or blackout periods.



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**15. Do you believe mobile content should be rated? If so, what system should be used to classify mobile content be rated?**

- Yes as content may be age specific and rated in a manner similar to the ratings for cable television content
  - i. **G** (General) appropriate for all ages with little or no violence and little to no sexual content.
  - ii. **13+** appropriate for children 13 and up with moderate violence, language, and some sexual situations. Persons under 13 should be accompanied by an adult.
  - iii. **16+** appropriate for children 16 and up with strong violence, strong language, and strong sexual content.
  - iv. **18+** only to be viewed by adults and contains extreme violence and graphic sexual content/pornography.

**16. What measures should be used to protect against content that could be considered offensive for vulnerable groups such as children etc.?**

- Access to content should be based on submission of government issued identification from which age details are added to a subscriber registration system. Adult content must be easily identifiable based on the short code that is used in conjunction with that service. To access any adult content the customer has to access the service directly from the operator by coming to the providers' place of business to activate the service with their Government Issue identification card.

**17. Do you believe short code numbering range should be used to classify content categories as a means of protecting the consumer?**

- Short code ranges should be used to classified content, as stated earlier the short code that will be used in adult content should be easily identifiable. This is a safeguard from having underage children subscribing to the service.

**18. Should a time limit be set on how long customers should have in lodging a complaint? How long should this be?**

- Yes, customer should have a six week time limit to make a complaint against a service provider.

**19. What measures do you think should be put in place by operators and 3<sup>rd</sup> party service providers, who may be utilizing their networks to provide a premium rate service, to treat consumer complaints?**

- Each service provider must develop and publish its Service Level Agreement (SLA) which should include reimbursements for inadequate service, free service offer as compensation, and timelines for the resolution of customer issues and complaints. The SLA should explicitly state what the consumer should expect from the provider in terms of service and the steps that should be taken if those expectations are not met. This SLA should also specify different tiers of customer impacting issues and the resolution times and mechanisms for addressing each.
- Customer complaints should be divulged to the network provider and a maximum response time on all complaints should be set in the SLA. Customers should be able to

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lodge complaints directly to the third-party using a similar method they used to access the service being provided.

**20. What barring measures and facilities do you think should be provided to the users of any service?**

- Opt-out service – these services are usually subscription based so any form of customer initiated exit feature would be appropriate. Subscribers should be able to opt out of a service within a given time frame after subscribing. However, it should be borne in mind that there is a cost to the provider to provide the service to the consumer initially, therefore, the consumer is expected to pay the initial cost if he opts out.

**21. Do you think that consumers should have the option for universal barring for all chargeable premium rate services?**

- No, as universal barring is not offered for any other service that occurs on the home network – premium services are generally barred on roaming and that offers sufficient buyer protection.
- These services are generally subscription based and unsolicited; customer can exit the service if they no longer wish to receive content.
- Service barring may require additional resources on the operator side and may include a change in how systems are managed and possibly require new systems.

**22. What categories of services do you believe will be relevant to the Jamaican market for the purpose of defining service ranges?**

- Mobile Payments
- Premium Data (includes SMS and MMS)
- Premium Voice
- Mobile Lottery
- Mobile Banking
- Entertainment including adult entertainment

**23. What approach do you support for the management of short codes; should it be through an industry group or simply left the regulator?**

- This should be through an industry group similar to the model in the United Kingdom.

**24. If you support the formulation of an industry group: who should comprise this body; what specific issues would you like them to consider as a body?**

- There could be a Short Code Management Council (as in the UK) consisting of members from the industry. The members of the council would be chosen from the three service providers, Digicel, Flow and LIME, the OUR could have non-voting members on the council. The council could deal with the assignment of short code, interconnection dispute and other issues that will contribute to the seamless operation of the CSC

**25. What information do you believe that prospective applicants should provide as well as what other information do you believe should be considered from the list given above?**

- Applicants for short codes should be a registered company. Applicant should provide copies of their Articles of Incorporation, information of the directors and shareholders. In addition they should also provide a letter of good standing from the Companies Office

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of Jamaica, business plan and an agreement from one of the service providers giving them third party access to their networks. There should also be a set timeline for making decisions on a short code application and a system should also be put in place for appeal where an entity is refused an application for the assignment of a short code. Ideally, the registration system should be automated.

**26. What other considerations should be given in the CSC scheme as described above?**

- The scheme should as a precursor see the appointment of an industry group to approve/ reject applications and champion reform in this area as fitting.

**27. What further requirements should there be for services utilizing short codes?**

- Applicants should declare mobile or fixed network that will be used for service provision and/ or their aggregator.

**28. What particular features of the Industry experiences highlighted do you think will be applicable to Jamaica?**

- Prospective Use of Short Codes
- Management of Short Codes
- Eligibility Criteria for Assignment and Use of Short Codes