

# **ANALYSIS OF RESPONSES TO THE 3<sup>RD</sup> CONSULTATION ON THE INTRODUCTION OF SERVICE PROVIDER NUMBER PORTABILITY (SPNP) IN KENYA**

## **1. Introduction**

Service Provider Number portability (SPNP) is a telecommunications network feature that enables end users to retain their telephone numbers whenever they decide to change service providers and/or service types.

The general regulatory framework on telecommunications numbering system and by extension number portability is provided for under *Part III (Section 27) of The Kenya Communications Act, 1998 (the Act)* and *Part IX (Sections 62 & 63) of The Kenya Communications Regulations, 2001(the Regulations)*.

SPNP is a key factor in enhancing competition in a multi-operator environment. This is because the feature enables customers who wish to take advantage of benefits offered by other network operators in the market to migrate without having to worry about the prospects of having to be out of contact with business associates, friends, family, etc. This inherently facilitates more competition by allowing seamless Customer churns.

## **2. Analysis of Responses**

### **2.1. Background**

The 3<sup>rd</sup> consultation which closed on 28<sup>th</sup> August 2009 was mainly on the issues that had been raised by respondent as well as suggestions and/or solutions that the Commission was offering against the said issues raised by respondents in the 1<sup>st</sup> and 2<sup>nd</sup> consultation. The specific areas which the 3<sup>rd</sup> consultation process zeroed on and which respondents were guided to comment on were as follows:

- *Whether a further study, in particular a cost benefit analysis, is necessary to justify the implementation of Service Provider Number Portability;*
- *The methodology and framework;*
- *The timeframe;*
- *The cost recovery proposal;*
- *Operational issues namely; tariff transparency, call processing and porting process;*
- *Whether specific regulations are required and the scope of such regulations.*

Comments from six respondents namely M/S Safaricom, Zain, Yu, Telkom Kenya and Institute of Economic Affairs (IEA-Kenya) were received in this phase. A summary of the comments is as shown below while the details are contained in Annex 1.

**i. Cost Benefit Analysis**

Two of the respondents insisted on the need to carry out cost benefit analysis before implementing Number portability, while the rest (three) felt that the benefit of giving subscribers to migrate with their number is enough justification for immediate implementation. They argued that the call for a comprehensive cost benefit analysis is just but a delay tactic.

**ii. Methodology and framework**

All the respondents were agreeable with the reference central data base (RCDB) methodology. However, some respondents demanded that the relationship between the RCDB provider and the operators should be defined. The Commission had proposed to license a Service Provider Number Portability (SPNP)/RCDB Provider.

**iii. Timeframe**

Most of the respondents proposed the timeframe be extended by six months from 31<sup>st</sup> December 2009, the date suggested by the Commission for implementation, to allow development of procedures and system upgrades after the SPNPP licensing.

iv. **Cost recovery proposal**

The respondents proposed that the cost of porting and querying should be discussed and agreed upon when the SPNP Provider is in place. Most of them felt that it was high and can easily discourage porting. The Commission had proposed a figure of Kshs. 1000 in order to ensure that only serious porters apply for the service.

v. **Tariff transparency, call processing and porting process**

The intervention factors mitigating loss of tariff transparency was accepted as proposed by the Commission. The Commission had proposed a short tone to warn callers that the numbers that they are about to call has been ported out. Some of the respondents proposed as addition an SMS with tariff breakdown. They further suggested that the porting duration be in terms of hours, 60 hours for a start to be reduced to 2 hours with time. The Commission had proposed three days.

vi. **Specific regulations are required and the scope of such regulations**

All the respondents indicated that regulations are very critical in this regard. A proposal was made on the scope of the said regulations as follows:

- technical standards,
- operator, provider and subscriber obligations,
- porting fees,
- porting duration,
- subscribers' rights,
- practice and procedures of SPNP and operators,

- Code of SPNP Practice between operators,
- Role of the regulator.

## Annex 1

<b>1. Further views are invited on whether a further study, in particular a cost benefit analysis, is necessary to justify the implementation of Service Provider Number Portability.</b>				
<b>Telkom Kenya</b>	<b>Institute of Economic Affairs (IOEA)</b>	<b>Safaricom</b>	<b>Zain</b>	<b>YU</b>
<p>It cannot be sufficiently emphasised that the introduction of SPNP is a sure guarantee to enhancing competition and competitiveness in the market. Telkom Kenya therefore appreciably notes the intention of the Commission to introduce SPNP. In addition, the introduction of SPNP is a catalyst for the introduction of new and innovative services, the enhancement of quality and the wider roll-out of the respective networks and services. We would add that there are a multitude of studies already published that help in understanding the cost-benefit analysis; therefore further analysis would seem superfluous and would only serve to delay implementation.</p>	<p>Having reviewed the documentation detailing the procedures undergone thus far, the IEA-Kenya is inclined to agree with the Communications Commission of Kenya's position that there is no justification for a cost benefit analysis on the merits of Service Provider Number Portability. To proceed with another cost benefit study would not only consume time and more resources but would surely lead back to the fact that fine policy decisions would have to be taken again. As stated, the proper metrics for determining the need for Service Provider Number Portability is to improve the scope of competition in the industry as opposed to determining its value on abstract economic terms.</p>	<p>As mentioned in our earlier submissions, we believe that a detailed and transparent costbenefit analysis should be undertaken by the Commission before Number Portability is introduced to verify whether the benefits expected to be achieved after the introduction of Number Portability outweigh the cost of implementing this intervention in the Kenyan market.</p>	<p>To achieve the successful implementation of SPNP, we believe that the Commission should carry out a comprehensive cost-benefit analysis to ascertain whether the implementation of the technology would prove to be profitable for the Kenyan telecommunications operators.</p>	<p>The skewed structure of the Kenyan market with the dominant operator having almost 80% market share mandates the introduction of SPNP as a regulatory measure to facilitate the development of a level playing field for new entrants in the mobile services sector.</p> <p>There is no cost benefit analysis required for such a regulatory intervention to facilitate fair competition &amp; consumer choice in the mobile services sector. The issue of cost benefit arises only in terms of optimising the methodology for implementing SPNP in Kenya.</p>
<b>2. Further views are invited on the aforementioned implementation methodology and framework.</b>				
<b>Telkom Kenya</b>	<b>Institute of Economic Affairs (IOEA)</b>	<b>Safaricom</b>	<b>Zain</b>	<b>YU</b>
<p>The Commission proposes to implement a centralized database methodology where the issue of latency has been observed as a central point of failure. Telkom Kenya's view on this is that this latency is not significant enough to warrant a dismissal of the whole solution. The Central reference database, with a local replica dbase at each operator for ACQ, is the best long term solution and provides a</p>	<p>In the view of the IEA-Kenya, the implementation methodology is most probably an engineering function and so this is not an area in which we wield any competence. For that reason, the commentary in this</p>	<p>Safaricom's further comment on this issue, given that a third party will be required to establish the Number Portability database and porting solution, is that a detailed Project Plan should be availed to all operators and such plan should cover:</p> <p>How the operators will interface with the database provider;</p> <p>Interoperability of operators' infrastructure with that of the database provider (standards to be</p>	<p>Zain Kenya would be agreeable to the use of a reference centralised database methodology for SPNP as proposed by the Commission. We wish to point out that numerous studies on this implementation methodology indicate that</p>	<p>Reference centralised database methodology and the licensing of an independent SPNP operator has been adopted in major emerging markets like India, as the preferred approach for SPNP implementation.</p> <p>A separate workshop may be conducted involving industry</p>

<p>stable latency (negligable) for ported and non ported numbers. Any other routing technique depends partially on the donor operator and has different latencies for ported and non ported numbers which might confuse customers.</p> <p>Telkom Kenya therefore supports the choice of methodology and does not see latency as a significant problem.</p>	<p>regard is to judge the solution chosen in terms of the degree to which it ensures the existence of a common database from which calls can be ported conveniently for users who have changed providers. Such a common database</p>	<p>used);</p> <p>Infrastructure expected from operators (fibre optic/microwave links);</p> <p>The milestones for implementation (time lines, procurement etc);</p> <p>Guarantee of security (network/database); and</p> <p>Detailed SLA committing to agreed quality of service levels with all operators.</p>	<p>the simplicity of using a centralized database solution is the reason why so many countries adopt this approach and it has become the best practice for handling number portability administration worldwide.</p>	<p>players &amp; external consultants to validate the optimal technical methodology for implementation of SPNP in Kenya.</p>
<p><b>3. Further views are invited on the aforementioned timeframe.</b></p>				
<p>Telkom Kenya</p>	<p>Institute of Economic Affairs (IOEA)</p>	<p>Safaricom</p>	<p>Zain</p>	<p>YU</p>
<p>Telkom Kenya wishes to commend the Commission for the intention to license the SPNP database operators by December 31 2009. However we would add that the Commission ought to consider a specific mention of the actual implementation date in the next stage of correspondence and in the regulations as this would be important towards crystallizing the date of going live after the licensing of the SPNP Reference Database Operators. of correspondence and in the regulations as this</p>	<p>Having widely published the notice requiring submission of comments on this policy question, the IEA-Kenya is satisfied that the implementation timeframe has allowed sufficient time for contributions to this discussion. The 90 days limit established for licensing of the database operators is arguably tight but the Communications Commission of Kenya appears to be capable of seeing to its adherence.</p>	<p>We have noted the Commission's proposed time table for implementation of Number Portability. We, however, for the reasons detailed below, propose the following timetable for implementation of this intervention if it is to proceed.</p>	<p>Zain Kenya is not agreeable to the proposed timeline as we believe that adequate time should be provided to mobile service providers to upgrade their infrastructures to enable appropriate re-routing of calls to subscribers who have ported out of their network, which would involve a major capital expenditure.</p> <p>We would recommend that the proposed time line be extended by at least a 6 month period to facilitate the development and implementation of a process for handling such routing and data management, which is critical to the success of SPNP implementation as any inefficiency will directly lead to inefficiency in transmission and switching capacity and thus ensure the successful implementation of SPNP in Kenya.</p> <p>We believe that it should be the Commission's goal to establish a realistic implementation timeframe, while also recognizing that the expediency by which mobile number portability is implemented will result in greater choice for consumers and enhancement of competition among mobile service providers.</p>	<p>The indicated roadmap till the licencing of SPNP operator by 31 st December 2009 would need to be expanded in terms of the proposed implementation time frames, since there are processes to be undertaken in the interim period between issue of SPNP license &amp; launch of SPNP in Kenya.</p> <p>As per the proposed time line, the tender should be issued by the 1 st October' 09 and the SPNP operator licence issued by 31 st December' 09.</p> <p>Post-this, there are a series of actions to be initiated by mobile operator to ensure that their various technical systems &amp; processes (routing, billing, rating</p>

<p>would be important towards crystallizing the date of going live after the licensing of the SPNP Reference Database Operators.</p>				<p>etc) are integrated with those of the SPNP operator. Further, interface specifications need to be defined and SPNP guidelines need to be established. Hence, a more detailed implementation time frame is desired which incorporates the roadmap beyond the licencing of the SPNP upto the introduction of the</p> <p>SPNP in Kenya. This interim period from the date of licensing of SPNP operator to the launch of SPNP should not exceed 6 months.</p>
<p>4. <i>Further comments are invited on the aforementioned cost recovery proposal.</i></p>				
Telkom Kenya	Institute of Economic Affairs (IOEA)	Safaricom	Zain	YU
<p>Telkom Kenya notes that the Commission has arrived at a maximum cost per port (KES.1,000/-) yet the process of identifying a SPNP Database Reference Manager has not begun which would in turn lead to a determined business model based on which a figure can be arrived at. The basis of the assumption of this cost by the Commission is unclear at this point and perhaps premature. Telkom Kenya is persuaded that we ought to perhaps have waited until the outcome of a tender/RFP of potential SPNP Database Managers, where a winning bid would be identified based on their</p>	<p>Again, the cost recovery proposal should heed the particular characteristics of the Kenyan telecommunications services market. The most significant one is that there has been immense growth in subscriber numbers but the majority of Kenyans are still not owners of a facility dedicated use of services. From the perspective of competition it is also clear that there is a degree of competition for those that are already guaranteed access to services. Coming from this background, the IEA-Kenya considers that the person initiating the change in service provider should bear the cost of that change but that it is in the interest of the industry in general that the cost should not be prohibitive for any consumer who may wish to change providers. To that extent therefore, the IEA-Kenya is concerned that the maximum fee as suggested in the consultation document may provide an aggressive anchor and significant barrier. At the same time, the number portability cost should</p>	<p>Safaricom has noted the cost recovery framework proposed by the Commission. While we appreciate that the independent SPNP Database Manager is expected to absorb the database set-up costs, the costs to be taken up by the operators are not clarified.</p> <p>The collection fee of Kshs. 1000/-, Database Query Fee of Kshs. 1/- (as a maximum) and the One-Time porting fee of not more than Kshs 1/- have been proposed without a</p>	<p>We note that the one-off fee of Kshs. 1,000 to be collected by the SPNP Database Operator for the SPNP Reference Database Set-up and Upgrade costs is too high, particularly if it is to be paid by the recipient</p>	<p>SPNP reference Database set-up and Up grade Costs</p> <p>One-off fee proposed to be paid by porting subscribers/recipient network needs to be optimised such that it does not affect the affordability for porting customers &amp; serve as an exit barrier, thereby negating the effectiveness of the mechanism for leveling the competitive field. The revenue share arrangement may be established through mutual negotiation rather than pre-determined at 90% to be</p>

<p>business model which would then give us formulae about how to arrive on how much the one off fee would be.</p> <p>The figure arrived at by such a business model ought to factor in to the total cost of the solution both the capex and opex costs. It is our submission that the process should begin with the governance structure, followed by the business model. It may be that after the assessment of the winning business model, the figure arrived at will be lower than or perhaps closer to the estimated KES.1000-. Telkom Kenya's concerns also relate to whether this figure of KES.1,000/- will actually be published in any rules/regulations on SPNP. We submit that this figure is not published or mentioned specifically in such regulations, or if the same has to be published then there be a caveat that the figure be subject to further discussion and</p> <p>agreement after the bidding process.</p> <p>It is our further assessment that any capex and opex porting costs to be arrived at ought to be absorbed by the Operators (recipient operator in a recipient led system) as any attempts to pass this cost directly to customers will be an added barrier to porting. Telkom is not aware of the customer being directly charged to port in any other country.</p> <p>It would be helpful if the Commission</p>	<p>take account of the distribution of subscribers among the variety of network operators in Kenya and prevent the use of costs as an anti-competitive device.</p> <p>It is also essential to situate the policy on the fact that there is a requirement for subscribers registration. This will rightly result in a number being assigned to an individual and to that extent, the number is in some respect that subscriber's property. This state of affairs too suggests that the cost recovery method should be sensitive to the fact that the subscriber is not punished for taking the option of migrating from any service provider. At the same time, the costs of migration from one network to another may be real but they should not allow a subscriber's costs for migration to be raised unduly.</p> <p>The costs of number portability will also fall on the service provider on whom the subscriber is porting out. The Consultation Paper has correctly recognized the costs existence of these setup and the operator specific costs proposed that these be borne by the service providers. In addition to the view that these costs should be internalized to the network holders, the IEA-Kenya considers that the choice is correct for two reasons. The first reason being that the operators ought to be placed in a position to compete to obviate the necessity for migration in the first instance and secondly that placing the operators in competition with one another would ensure that they would refine their systems towards opting for the most effective portability solutions. It is true that when an operator's outward portability numbers begin to show up as a significant operational cost, then that operator would take that as a signal to improve its customer experience to avoid such departures. At the same time, consumers who are keen on pricing may read higher costs as comprised of a large migration cost and see in that a signal that the network to which they are subscribed is not competing well in subscriber retention.</p> <p>So the cost recovery proposal is supported by the IEA-Kenya because it appropriately internalizes to the cost of number portability in the network providers and the individual</p>	<p>discussion of the total costs that will be incurred in setting up the SPNP database and operators' expected costs. This amounts to pre-negotiating the charges without a detailed analysis of all attendant costs. We believe that this pre-empts a cost based approach at arriving at the appropriate charges and would request the Commission to set aside this aspect until all set-up, up-grade and administrative charges are known before cost-based charges can be agreed as well as revenue share between operators and the independent SPNP Database Manager.</p>	<p>network. We would wish to obtain a clarification from the Commission on how this cost was arrived at and whether it is a cost chargeable per subscriber.</p> <p>We further wish to point out that the one-time porting fee to be charged only to those customers who wish to port would be a deterrent to price-sensitive customers for who even the smallest changes in price would affect their calling patterns and use of the network, leading to increased customer resistance to SPNP.</p>	<p>transferred to the SPNP operator.</p> <p>Operators Specific Set up and Upgrade Costs Each operator should absorb this internally.</p> <p>One-off fee proposed to be paid by porting subscribers/recipient network needs to be optimised such that it does not affect the affordability for porting customers &amp; serve as an exit barrier, thereby negating the effectiveness of the mechanism for leveling the competitive field.</p> <p>The revenue share arrangement may be established through mutual negotiation rather than pre-determined at 90% to be transferred to the SPNP operator.</p> <p>To be borne by operators - Cost recovery mechanism should focus on porting cost with a margin to amortise the capital investment over the license period. The data query fee or any other mechanism should be optimal since any substantial cost in this category would be passed on to the subscriber, leading to higher tariffs and mitigating the effectiveness of SPNP.</p>
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<p>analysed any potential impact of the database management opex costs on interconnect charges between operators with a view to ensuring that the latter are not driven unrealistically high.</p>	<p>subscribers. Clearly, the service providers will merely consider these as part of the capital costs of running and maintaining the networks and it is unlikely to be a disabling burden for any network with a substantial number of subscribers in Kenya.</p>			
<p><b>5. Further comments are invited on the aforementioned operational issues namely; tariff transparency, call processing and porting process.</b></p>				
<p>Telkom Kenya</p>	<p>Institute of Economic Affairs (IOEA)</p>	<p>Safaricom</p>	<p>Zain</p>	<p>YU</p>
<p>Loss of Tariff Transparency: The Commission has proposed the use of a short tone/announcement to inform callers that the number they are porting to has been ported and the call will therefore be charged at a rate applicable to off-net calls. Telkom Kenya appreciates the rationale for having such a notification to subscribers however this aspect of tariff transparency constitutes a potential barrier to competition and thus increased porting. It is germane to point out that the successful implementation of SPNP is based fundamentally the blending of a practical technical solution, proper costing and apportionment of costs as well as a set of subscriber sensitive SPNP regulations, whose focus would be to ensure minimal to no barriers to competition and porting. It is important for the Commission to manage the perceptions of the consumers as regards SPNP in a fashion that conveys SPNP as a straightforward, seamless and hassle free process. Telkom is not aware of the use of short tone/announcements for ported numbers in any other country with SPNP. The issue of tariff transparency is concerned directly with making a call to a ported number which previously would have been on-net and post porting is off-net and therefore may incur a higher charge at the expense of the caller.</p> <p>However, SPNP contributes to the increase in competition in the Kenyan market which will also</p>	<p>Loss of tariff transparency is probable but this will be among the decisions that the subscriber who opts to migrate must consider because it would affect the ability of other callers to reach the ported number. The loss of tariff should not be overstated because there are cheap technological fixes to the issue. One of these that the Consultation paper has suggested is that of warning tone followed by a short message stating that the number has been out-ported and will therefore attract separate tariffs. Given the experience with voice services that Kenyans have already, it is the view of the IEA Kenya that such a warning will suffice for alerting callers that different charges will apply and that the tariffs applicable will involve interconnection charges. As an example of a comparable service, all operators already carry a warning tone and voice message that warn a subscriber about insufficiency of funds. In a situation of greatly enhanced infrastructure and broadband availability, this would be a cheap and easily integrated semce.</p> <p>Service Provider Number Portability occurs within an environment where different operators exist and where connection between them is already in existence. So in seeking to change service providers, the subscriber would have to understand that this means that the relay of calls and related services will be across a network. Because these are the considerations that must be weighed up in the decision to change subscribers, it is unlikely that a subscriber who opts to port-out a number will be invariably concerned with any delays that occur. Indeed, should the proportion of subscribers who choose to change subscribers rise, then this would provide the Communications Commission of Kenya as the industry regulator with the opportunity to review the delays to ensure that they are not made worse with a</p>		<p>Zain Kenya welcomes the Commission's proposals to address the issue of tariff transparency, particularly the use of a short tone/announcement, which we note could potentially give the caller the option to abandon the call at no charge.</p> <p>We wish to point out that under the tone alert approach, the aural signal should be generated and inserted by the originating mobile network and receipt should not be dependent on the functionality of the originating customer's handset. Zain Kenya would further propose the use of an SMS information service which would provides the correct tariff information on input by the user of the number which</p>	<p>Loss of Tariff transparency: The proposed short tone announcement to inform callers may be validated for its effectiveness in ensuring tariff transparency. Any gaps in the implementation may be suitably addressed.</p> <p>Delays in processing: Further clarity is required in terms of the likely delay in call processing to ensure that these delays to ported numbers are not in violation of the established compliance norms. More specific details and a review of the QOS norms may be required.</p> <p>Porting process: A 3</p>

<p>see the rise in cross-net call tariffs, where on-net and off-net calls are priced identically, therefore addressing the issue of tariff transparency. In our view, such transparency measures would add a significant yet unnecessary cost to the implementation of SPNP. If the same has to be implemented then we would suggest an opt-IN by the customer.</p> <p>Call Processing: It has been suggested that the use of a centralized database methodology will result in latency on calls to ported numbers. It is Telkom Kenya's view that if the solution is implemented well, the delays will be insignificant and unnoticeable to the calling party. Any delays experienced will not involve a structural issue within the system, rather an implementation flaw that can be fine-tuned out of the system gradually. As an added comment, ACQ has a stable delay for calls while any other methodology introduces different delays for ported and non-porting numbers.</p> <p>Duration of Porting Process: The proposed porting time of 3 days in Telkom Kenya's view constitutes a significant barrier to porting. The shorter the porting time the more beneficial porting is to a subscriber as any concern about missing calls during the porting process will be minimised. It is our considered submission that a delay of three</p> <p>days will lead to a fear of porting by subscribers because it may effectively mean loss of service for three days.</p> <p>The perception by customers about the actual time of porting is more important than the actual disadvantage of delays in porting. If the customers perception is that porting is too long and cumbersome a process, whether or not a delay in</p>	<p>view to discouraging subscriber departures.</p> <p>Service Provider Number Portability occurs within an environment where different operators exist and where connection between them is already in existence. So in seeking to change service providers, the subscriber would have to understand that this means that the relay of calls and related services will be across a network. Because these are the considerations that must be weighed up in the decision to change subscribers, it is unlikely that a subscriber who opts to port-out a number will be invariably concerned with any delays that occur. Indeed, should the proportion of subscribers who choose to change subscribers rise, then this would provide the Communications Commission of Kenya as the industry regulator with the opportunity to review the delays to ensure that they are not made worse with a view to discouraging subscriber departures.</p> <p>As part of its regulatory functions in an increasingly dynamic market, the regulatory institution should develop appropriate metrics for measuring and comparing call completion rates for the ported numbers over time. Here too, the improvements in infrastructure quality and capacity has the potential to reduce the delays substantially and bring the delay as closely as possible to match calls and services within a network.</p> <p>In considering the most appropriate duration for the porting process, it is proposed that the Consultation Paper has provided an unduly large period of a maximum of three days. Given the fact that most telecommunications services that are affected by Service Provider Number portability have digital capability, the coordinated duration should be</p> <p>defined in hours as opposed to days. For instance, instead of stating that the applicable time limit is to be a maximum of three days, it should be converted to read 72 hours so that the countdown commences as soon as the application is made. The definition of the duration in hours removes the ambiguity related to whether the material day of application counts or not. With regard to the most appropriate duration, the IEA-Kenya is aware that first instance implementation will require a larger period before portability is</p>		<p>will be called.</p> <p>It is noteworthy that the above impacts will require several changes by mobile service providers in their internal business operations, marketing strategies and customer relationship and we welcome the Commission's response on the same.</p> <p>As the process of porting a number may involve a disruption in service to the customer, Zain Kenya undertakes to ensure that its consumers are protected against network failure by ensuring the efficient use of its network so as to minimize the time that no service is available and avoid the porting subscriber experiencing any break in the service.</p> <p>It is our considered</p> <p>view that the Commission should employ stringent measures on the SPNP Database Operator to ensure that the porting transition shall occur in as seamless a manner as possible and any break in service shall be</p>	<p>day period for the porting process to be completed may be high compared to the 24-hr norm recently proposed by the European Union for the porting of mobile numbers. Since we are likely to adopt global best practices in the implementation of SPNP we should strive to achieve the benchmarks proposed in other markets like the EU for greater efficiency in implementing SPNP.</p>
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<p>porting occurs, the customer will already be reluctant to port anyway. The recommended porting time within the European Union is 24 hours. Most jurisdictions tended to implement SPNP with an initial porting time of 48 hours later reduced to anywhere between 3 to 24 hours. We wish to recommend to the Commission that porting time of 24 hours be commenced with a later reduction to three hours. If however the three days has to be retained then it needs to be stipulated in the SPNP regulations that after a specified period (perhaps three months) this will move to 24 hours.</p>	<p>effected. In spite of this, the mere fact that most of the procedures are digitized should ensure that the real change occurs promptly. It is therefore proposed that the maximum duration be defined as 60 hours from the time of application for portability and payment by the subscriber for the first six months and that this period be progressively reduced by at least 50% every six months. The aim should be to ensure that a portability period of 2 hours is attained within 2.5 years. The compression of the period of portability would add to the competition by raising the cost of losing subscribers to any service provider. This would</p> <p>ensure that network portability becomes an additional tool for ensuring focus of subscribers through innovation and for sharpening customer service standards which are presently unsatisfactory.</p>		<p>minimised.</p> <p>Zain Kenya is agreeable to the</p> <p>proposed maximum porting period of 3 days from the date of requesting to port. It is our considered view that short port lead times will be, in principle, beneficial to consumers as this will mean that numbers can be ported and services with a new provider can commence within the shortest possible period.</p>	
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**6. Further comments are invited on whether specific regulations are required and the scope of such regulations.**

Telkom Kenya	Institute of Economic Affairs (IOEA)	Safaricom	Zain	YU
<p>Telkom Kenya considers the need for SPNP regulations absolutely vital to the crystallising of the practice and procedures of SPNP. This will minimise the amount of uncertainty about implementation and remove the chances any latitude or even narrow interpretation on how to implement SPNP. The proposed regulations ought to contain interalia; a flow-chart to elucidate the flow of the process from beginning to end, the governance structure for the management of the SPNP database operators, details on the respective roles, what is expected and who occupies what role, the lead times allotted for each stage in the process, and a draft form that is to be filled out</p>	<p>The Institute of Economic Affairs (IEA-Kenya) considers that the regulatory policy for Kenya's communications industry must implement an effective Service Provider Number Portability (SPNP) and thereby accord the property rights to numbers to the subscribers.</p> <p>In our view, the regulatory policy should place competition at the forefront of justification of this policy initiative as a way for ensuring further industry growth through innovation and improvement of consumer experience. Outside the comments made above, it is our view that the Consultation paper was sufficiently appraised and that the thorough surveillance of the operation of</p>	<p>As mentioned above, the Commission has not indicated any Regulations that will administer the introduction and subsequent management of Number Portability between licensed operators. Whereas the current Regulations make reference to number portability, clear Regulations detailing technical standards, operator's obligations, porting fees, porting duration, subscribers' rights among other issues should be created in order to have a Number Portability system that works. We therefore believe that</p>	<p>Zain Kenya is of the view that the setting up an efficient regulatory procedure is important to achieving the successful implementation of SPNP. We are of the view that clarity is required on issues such as penalties for non-conformance to the time frame guidelines and sharing of porting charges between the</p>	<p>As specified earlier, further interactions in the form of workshops is desired to address the technological issues leading up to the implementation of SPNP. Further discussions are also proposed on the cost issues, implementation guidelines. The procedure for licensing of the SPNP operator would also need to be elaborated.</p>

by the customer when requesting for porting.	the Service Provider Number Portability will suffice to meet the goals of this policy reform measure.	before implementing this proposal the Commission should put in place the relevant regulatory framework.	recipient operator and the customer.	
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