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General Notice

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

No. 675

2022

AMENDMENT TO REGULATIONS PRESCRIBING THE NATIONAL NUMBERING PLAN FOR USE IN THE PROVISION OF TELECOMMUNICATIONS SERVICES IN THE REPUBLIC OF NAMIBIA, NUMBERING LICENCE FEES AND PROCEDURES FOR ANUMBER LICENCES: COMMUNICATIONS ACT, 2009

The Communications Regulatory Authority of Namibia, in terms of Sections 81(5) and 129 of the Communications Act, 2009 (Act No. 8 of 2009), amends the Regulations Prescribing the National Numbering Plan for Use in the Provision of Telecommunications Services in the Republic of Namibia, Numbering Licence Fees and Procedures for Number Licences as published in Government Gazette No. 7613, General Notice No. 445 dated 30 August 2021 as set out on the Schedule.

H. M. GAOMAB II
CHAIRPERSON OF THE BOARD OF DIRECTORS
COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

SCHEDULE

AMENDMENT OF THE REGULATIONS PRESCRIBING THE NATIONAL NUMBERING PLAN FOR USE IN THE PROVISION OF TELECOMMUNICATIONS SERVICES IN THE REPUBLIC OF NAMIBIA, NUMBERING LICENCE FEES AND PROCEDURES FOR NUMBER LICENCES: COMMUNICATIONS ACT, 2009

Amendment of regulation 39

1. Regulation 39(1)(e) of the Regulations is amended by the substitution for Annexure D of the following Annexure.

ANNEXURE D

Regulation 39(1)(e)

CHARGEABLE FEE

In terms of regulation 39(1)(e) the Authority hereby determine the reference value.

The reference value is set at Zero Namibian Dollars and Forty-One Cents (N\$ 0.41).

Number	Weight	N\$ (fees payable)
3 Digit Numbers	=1 000,000	=410,000
4 Digit Numbers	=100,000	=41,000
5 Digit Numbers	=10, 000	=4,100
6 Digit Numbers	=1, 000	=410
7 Digit Numbers	=100	=41
8 Digit Numbers	=10	=4.1
9 Digit Numbers	= 1	=0.41

Annual Number Fee = number x weight x reference value

ANNEXURE E

DISCUSSION PAPER ON REVIEW OF NUMBERING FEES FOR CRAN

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1. Introduction

In 2016, CRAN set out *Regulations prescribing the National Numbering Plan for use in the Provision of Telecommunications Services in the Republic of Namibia, Numbering Licence Fees and Procedures for Number Licences*. The fees prescribed in these regulations were charged for the first time in 2018 and then subsequent years. In 2021, the regulations were revised in line with section 81(5) of the Communications Act, 2009 (Act No. 8 of 2009) which provides that “*the Authority must allocate numbers in return for a fee that is no greater than necessary to compensate for the management costs of the numbering plan and control of its use.*” The essence of the review was to ensure that the fees charged are no greater than necessary to compensate for the management costs of the numbering plan and the control of its use.

The objectives of the Act guide all of CRAN’s actions: The fees CRAN collects are subject to the objectives of the Act, which fit in with the general trend towards liberalisation, privatisation, and increased competition in order to meet the objectives of affordability and increased penetration.

In 2021 CRAN allocated the costs as prescribed in the Act to the numbering to determine the numbering fees for 2021.

2. Economics of Numbering

The rise of new services and the advent of competition have given to telecommunication numbers a significant economic dimension. Any economic considerations around numbers arise for two main reasons:

- First, a fairly administered numbering plan can facilitate competition in service provision and thus bring benefits to users by reducing tariffs and by increasing the quality standards in services provided. In order for competition to flourish, however, operators and service providers should be treated on an equal basis regarding access to number resources.
- Second, numbers become important tools in the hands of value-added service providers. Given that most of these services are highly profitable for operators, the allocation of specific number ranges to provide exclusive access to services such as mobile telephony, personal communication and premium rate services increases the value of numbers. Moreover, it is recognised that a limited range of numbers contain “higher” value than others, because their memorable structure brings benefits to the called party. (OCDE/GD(95)117)

As competition increases and new numbering requirements emerge, it becomes universally recognised that “*telephone numbers are a national resource and should be for the customer – not for the operators to brand*” (OFTEL, 1993a). New operators and service providers need to have access to numbers and have the right to utilise them in a way that best suits their needs and can facilitate service provision.

Not all number ranges have the same value to users. Different users may have more value to a number than others based on how easy it is to remember and what it might be utilised for. Numbers are, therefore, a scarce resource that should be managed and paid for taken the economic value of the number into consideration.

3. Current Numbering Fees

The current numbering fees, as set in 2021, are as follows in Table 1:

Table 1: Current numbering fees

3 Digit Numbers	= 480,300
4 Digit Numbers	= 48,030
5 Digit Numbers	=4,830
6 Digit Numbers	=480.30
7 Digit Numbers	=48.03
8 Digit Numbers	=4.803
9 Digit Numbers	= 0.4803

4. CRAN Management Costs of Numbering Plan

The total cost of managing the numbering plan and the control of its use includes cost for the numbering audit, legal fees, calculation of fees and compliance management. The costs from 2018/2019 to 2023/2024 are as follows:

	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
Management costs per financial year (N\$)	6,696,309	7,654,700	1,188,154	1,856,715	1,909,451	1,985,099
Numbers	41,208,451	48,988,851	3,217,751	4,276,311	4,276,311	4,276,311
Cost/number (N\$ cents)	0.16	0.155	0.4803	0.43	0.44	0.46
<i>Source:</i>	<i>AFS for CRAN 2018/19 – 2020/21</i>			<i>Draft AFS</i>	<i>Budget</i>	<i>Projection</i>

The variation in the numbers were due to licensees utilising short codes for other purposes than emergency. The first number audit therefore, indicated a large quantity of numbers utilised by licensees, which resulted in over-recovery for CRAN in the 2018 and 2019 financial years. When the licensees realised the cost associated with such numbers, these numbers were withdrawn to a more realistic utilisation of numbers as presented in 2020/2021 in Table 2 above.

CRAN collected total revenue from numbering in 2021/2022 in the amount of N\$1,975,527. This resulted in an over recovery of N\$ 118,812.00 from the budgeted amount of N\$ 1,856,715.

The methodology used allows for any over- or under recovery to be subtracted or added in the following year to ensure that the numbering fees collected by CRAN only pay for the management of the numbering plan as envisaged in the Act. Therefore, an amount of N\$ 118,812.00 must be subtracted from the 2022/2023 budgeted amount to ensure cost recovery. The reason for the over-recovery was due to more numbers being utilised by the licensees holding number licenses, as provided during the number audit.

This resulted in more revenue than what was budgeted for. It was, therefore, necessary to subtract the over recovery amount as calculated in Table 3 below.

Table 3: Reconciliation of Numbering Cost and Revenue	
2021/2022	
Total Budgeted Cost	N\$1,856,715
Total Revenue	N\$1,975,527
<i>Over recovery</i>	<i>N\$ 118,812</i>
2022/2023	
Total Budgeted Cost	N\$ 1,909,451
Less: over-recovery	N\$ 118,812
Total Revenue required	N\$ 1,790,639
Total Numbers	4,276,311
Cost per number	N\$ 0.41

5. Conclusion

In light of the above and pursuant to section 81(5) of the Communications Act, the new fee for numbering for 2022/2023 shall be set at N\$ 0.41.

6. References

OECD (1995-01-01), "The Economic and Regulatory Aspects of Telecommunication Numbering", OECD Digital Economy Papers, No. 12, OECD Publishing, Paris. <http://dx.doi.org/10.1787/237502514428>.
