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## REQUIRED MEASURE 1(B) – PROCESS FOR TELSTRA TO PROVIDE RELEVANT NOTICES TO WHOLESALE CUSTOMERS ASSOCIATED WITH PULL THROUGH ACTIVITIES BY NBN CO

### OVERVIEW AND SUPPORTING SUBMISSION

Telstra Corporation Limited

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**SUMMARY:** This document explains the key features of Telstra's processes for providing relevant notices to Wholesale Customers associated with Pull Through Activities by NBN Co, developed in accordance with the Migration Plan.

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## Summary

The Migration Plan provided by Telstra to the ACCC on 23 August 2011 (the **Migration Plan**) provides for Telstra to prepare a number of "Required Measures". The Required Measures are documents setting out the processes, business practices, systems, interfaces and other matters that Telstra was not in a position to establish or specify at the time the Migration Plan was lodged.

Telstra lodged Required Measure 1(a) with the ACCC on 15 August 2012. Required Measure 1(a) concerns the process Telstra will use to obtain relevant consents and releases from Wholesale Customers associated with Pull Through Activities by NBN Co.

Required Measure 1(b) complements Required Measure 1(a), and sets out the process Telstra will use to provide relevant notices to Wholesale Customers associated with Pull Through Activities by NBN Co. These notices will be given in the event that, in carrying out Pull Through Activities, NBN Co encounters an Exception Event or needs to install a temporary cable. Required Measure 1(b) specifies how Telstra will:

- Receive notification from NBN Co of an Exception Event or the installation of a temporary cable at a Premises;
- Process that notification in Telstra's systems; and
- In turn, notify affected Wholesale Customers of the relevant event.

This submission explains Required Measure 1(b) and sets out how it, and the process used to develop it, accords with the *Telecommunications (Migration Plan Principles) Determination 2011* (the **Migration Plan Principles**).

## 1. BACKGROUND

Required Measure 1(b) concerns the process Telstra will use to provide relevant notices to affected Wholesale Customers associated with Pull Through Activities by NBN Co. During such Pull Through Activities, certain Exception Events may occur, of which NBN Co is required to provide notice to Telstra. In turn, Telstra will process those notifications and will notify the affected Wholesale Customers, which is the process set out in Required Measure 1(b).

This submission explains Required Measure 1(b) and sets out how the Required Measure, and the process used to develop it, accords with the Migration Plan Principles.

The attached document is Required Measure 1(b).

## 2. MATTERS FOR THE ACCC TO TAKE INTO ACCOUNT

Required Measure 1(b) has been lodged with the ACCC for approval under clause 5.4 of the Migration Plan.

The ACCC is required to consider the following important factors and objectives when determining whether to approve these Required Measures:

- (a) Under clause 5.4(d) of the Migration Plan, the ACCC must approve the Required Measure if it is satisfied that it complies with the Migration Plan Principles.
- (b) The objectives of the Migration Plan set out in clause 2, including the objective of giving Telstra reasonable regulatory certainty in connection with the activities it is required to undertake in the course of migration.
- (c) Under clause 28.2 of the Migration Plan, the ACCC must have regard to:
  - i. the costs associated with implementing the arrangements
  - ii. the effectiveness of the arrangements; and
  - iii. the proportionality of what is proposed (which is to say, the relative costs and benefits of the arrangements).

These factors have been taken into account by Telstra in developing Required Measure 1(b). Telstra believes the ACCC should accept Required Measure 1(b).

## 3. THE PROCESS TO NOTIFY WHOLESALE CUSTOMERS

### 3.1. OVERVIEW

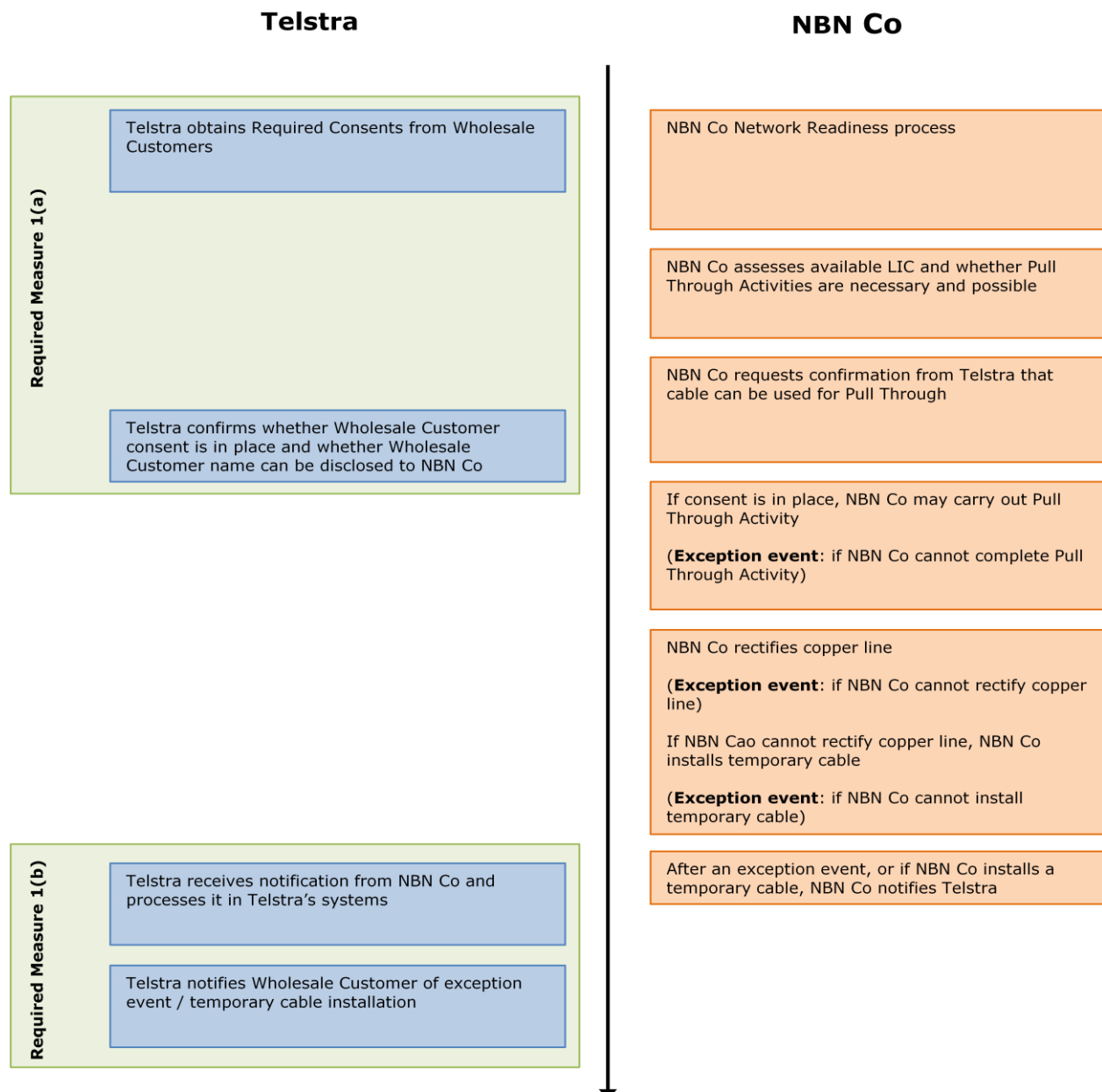
A Pull Through Exception Event is a circumstance that prevents NBN Co personnel from being able to complete Pull Through Activities or Cable Rectification (which may be necessary as a result of Pull Through). Required Measure 1(b) sets out three instances in which an Exception Event might arise:

- Where NBN Co is prevented from passing fibre through the Lead In Cable (LIC) to the Premises and Cable Rectification is not completed, such that Pull Through Activity is not able to be successfully completed, for example where an end user withholds or withdraws consent for NBN Co to be at the Premises during Pull Through Activities;
- Where NBN Co cannot return the previous (or a replacement) Copper Line back into the LIC as part of Cable Rectification, and so Telstra's copper services cannot be reconnected, for example due to bad weather; and
- Where NBN Co has not been able to complete Cable Rectification and has been prevented from installing a Temporary Cable, for example due to an unmanageable workplace health and safety risk.

NBN Co is obliged to notify Telstra of a Pull Through Exception Event as soon as practicable. In addition to the Exception Events described above, NBN Co will notify Telstra if NBN Co installs a Temporary Cable, which is being used to supply a Wholesale Service. Telstra must then, in turn, notify the affected Wholesale Customer or Customers.

It is helpful to understand the place of Required Measure 1(b) in the context of the end-to-end pull through process as Telstra currently understands it will operate. This is set out in Figure 1 below, which also indicates where Pull Through Exception Events might arise.

**Figure 1 High- level overview of the pull through process, showing elements to which Required Measures 1(a) and 1(b) relate**



Required Measure 1(b) is concerned with Telstra's obligation to notify affected Wholesale Customers, rather than the definition and management of Pull Through Exception Events per se.

NBN Co will notify Telstra of a Pull Through Exception Event or of the installation of a Temporary Cable by contacting Telstra's help desk. Once this occurs, the process that Telstra will deploy is, in outline, as follows:

1. Telstra help desk staff will receive and process the notification from NBN Co in Telstra's NTT system, including:
  - a. loading that information into NTT;
  - b. matching the details of the affected Premises against details in Telstra's own systems to identify any affected Wholesale Customer(s);
  - c. updating Telstra's assurance system for recording faults; and
  - d. send advice of the notification to the designated point of contact for Telstra Wholesale for onward communication to the Wholesale customer or customers;
2. Telstra Wholesale will give notice to the Wholesale Customer or customers affected using at least one channel of communication, within 4 hours of NBN Co's original notification in the majority of cases; and
3. The relevant Telstra Wholesale Customer should then acknowledge receipt of the notice, which Telstra will record and store, and may initiate their own customer communications with the end-users at the Premises.

### 3.2. THE RATIONALE FOR THIS PROCESS

The objective of Required Measure 1 (b) is to establish a process for the communication of information received from NBN Co to affected Wholesale Customers when an Exception Event occurs or Temporary cable is installed as required under clause 10.2 of the Migration Plan. The rationale is that Telstra's process will ensure that Wholesale Customers are informed of Exception Events at their customers' premises as a result of NBN Co's Pull Through activity, to enable Wholesale Customers to manage their end-users, and to have some visibility of what is occurring in respect of their end-users.

Required Measure 1(b) is consistent with the Migration Plan, which has already been accepted by the ACCC as being consistent with the Migration Plan Principles. Nevertheless, we set out below two of the principles we believe are most relevant, and why this Required Measure should be accepted.

Migration Plan Principle 8 requires Telstra to facilitate the management by wholesale customers of the migration of their customers in a way that minimises the period of any service outage. It is noted that the duration of any service outage is not within Telstra's control. However, the notification task undertaken by Telstra will assist Wholesale Customers to manage their own end-user's migration experience when an Exception Event occurs. For example, Required Measure 1(b) assists Wholesale Customers by:

- ensuring Wholesale Customers will receive a notice from Telstra when NBN Co's has advised that its Pull Through activity is unable to be completed as expected, or a Temporary Cable has been installed;
- providing the prompt conveyance by Telstra of the information from NBN Co to Wholesale customers about the Exception Event. In most instances this will be within 4 hours of NBN Co informing Telstra that an Exception Event has occurred. This will allow Wholesale customers to initiate their own communications with end users;
- ensuring the notifications received from NBN Co are recorded and stored in Telstra's systems; and
- providing initial checking of information received by NBN Co about the location with Telstra's records to identify the affected Wholesale Customers.

In these ways Required Measure 1 (b) is compliant with Migration Plan Principle 8.

In accordance with Migration Plan Principle 21, which provides for equivalent treatment of Wholesale Customers and Telstra's Retail Business Units in the implementation of disconnection processes, the communication process in Required Measure 1 (b) ensures that Wholesale Customers are informed promptly after Telstra is told by NBN Co. of Exception Events or Temporary Cable installations that impact them. This is consistent with the requirements for the development of the Required Measure under clause 10.2 of the Migration Plan.

Lastly, Required Measure 1(b) uses Telstra's existing processes to comply with the obligation in the Migration Plan to promptly give notice to the affected Wholesale Customer about Pull Through Exception Events and installed Temporary Cables. It relies on existing IT systems, the newly developed IT system NTT and IT systems for email.

## 4. CONSULTATION WITH NBN CO AND WHOLESALE CUSTOMERS

Clause 5.3 of the Migration Plan requires Telstra to include within the Work Plans developed in respect of the Required Measures an engagement strategy for consulting with Wholesale Customers where the Required Measure will be likely to involve any system or process modifications by Wholesale Customers or will establish a process which Wholesale Customers will need to use for the purposes of the Migration Plan. Such provision for consultation with Wholesale Customers is required by Migration Plan Principles 23 and 36(b). In addition, Clause 30(c) of the Migration Plan requires Telstra to consult with NBN Co in the development of Required Measures.

Telstra foreshadowed this consultation in the *"Work Plans for the development of Required Measures"*, dated 25 May 2012.

Telstra has engaged with NBN Co in the development of Required Measure 1 (b) as follows:

- In early July 2012, Telstra provided a copy of Required Measure 1 (b) to NBN Co;
- During September 2012, NBN Co provided high level feedback to Telstra that the process was at this time were not formally agreed; and
- During October detailed discussions were held with NBN Co and agreement was made on the process.

Telstra has engaged in consultation with Wholesale Customers in the development of Required Measure 2 as follows:

- On 1 November 2012, Telstra published draft Required Measure 1(b) on [telstrawholesale.com](http://telstrawholesale.com) and on the Telstra Wholesale Customer Portal (TWCP);
- Telstra wrote to Wholesale Customers notifying them that the Required Measure 1 (b) was available for comment;
- Telstra provided Wholesale Customers with two weeks to provide their responses to Required Measure 1 (b). An online feedback form was made available to assist Wholesale Customers to provide written feedback;
- Telstra received feedback from one Wholesale Customer in relation to Required Measure 1 (b). The Wholesale Customer made a number of suggestions. Telstra considered that the feedback did not require changes to the Required Measure 1 (b) prior to lodgement with the ACCC.

## 5. REPORTING AND COMPLIANCE

Clause 25.1(b) of the Migration Plan requires Telstra to include in each Required Measure a proposed approach to monitoring compliance by Telstra with that Required Measure. Such provision for reporting is required by MPP 31.

Required Measure 1 (b) puts in place quarterly reporting frameworks against three key metrics. These metrics are designed to provide the ACCC with sufficient information to monitor Telstra's compliance with the Notification process set out in Required Measure 1 (b).