

Our ref: 48448
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**Australian
Competition &
Consumer
Commission**

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By email: Jane.vanBeelen@team.telstra.com

Dear Jane

Changes to wholesale service qualification and associated systems to support Telstra's Structural Separation and Migration Plan commitments

I am writing in respect of Telstra's obligation under clause 13.5 of the Structural Separation Undertaking that the service qualification systems used to process requests from wholesale customers are to be of equivalent reliability and response accuracy as those used to process requests from retail business units.

I note that Telstra has advised the ACCC that systems changes will be required to enable this obligation to be met as the NBN is built and Telstra's obligations to cease the sale of new copper based services, and to disconnect or refuse subsequent orders for such services, as part of the migration of copper services. These obligations are reflected in clauses 9, 14 and 17 of the Telstra Migration Plan that the ACCC accepted in February 2012.

Telstra provided this advice in correspondence, and briefed the ACCC more fully in a meeting held on 7 June 2012. Based upon Telstra's advice, it appears that

- Systems changes will be necessary so that Telstra can provide wholesale customers with accurate service qualification responses as the national broadband network is built and Telstra's cease sale, disconnect and order refusal obligations come into effect as part of the migration of copper services.
- The relevant systems include those used to undertake service qualifications as well as perform associated address matching.
- The systems changes would need to be in place ahead of Telstra's initial cease sale, disconnect and order refusal obligations coming into effect – which are currently anticipated to arise from March 2013.
- Systems changes have the potential to disrupt wholesale customers – however the extent to which this would in fact eventuate will depend upon the particular revisions and how they are implemented.
- Telstra intends to engage directly with its wholesale customers in respect of these systems changes.

Given the above, I am writing to encourage Telstra to commence its engagement with wholesale customers as soon as practicable, so that any necessary systems changes

- can be implemented on time and in a manner that minimises cost and disruption to wholesale customers, and
- promote service qualification systems of equivalent reliability and response accuracy for wholesale customers and retail business units.

As a first step in this process, the ACCC would welcome Telstra publishing a work plan that provides

- a high level description of this issue including the technical or system functionality that needs to be developed
- a timeline for development and implementation of this functionality, and
- an engagement strategy for consulting with wholesale customers

I would also appreciate Telstra continuing to keep the ACCC informed of progress it makes in this regard.

This approach is broadly consistent with Telstra's obligations in respect of systems development for Required Measures that is set out in clause 5.3 of Telstra's Migration Plan.

As this matter is of broad interest to wholesale customers, the ACCC will publish a copy of this letter on its website.

If you would like to discuss any aspect of this letter please contact Ed Seymour on (03) 9290 1886.

Yours sincerely



Michael Cosgrave
Group General Manager
Communications Group