



21 October 2019

Mr Robert Wright  
General Manager, Insurance, Water and Wireline Markets Infrastructure Regulation  
Australian Competition and Consumer Commission  
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Mr Rod Middleton  
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Dear Mr Wright,

**Additional forbearance request regarding disconnection deferral arrangements for Special Services at certain Commonwealth High Security sites**

In August 2017 and again in December 2018, the ACCC provided forbearance from existing disconnection obligations under the Migration Plan in respect of Commonwealth High Security (CHS) Sites. This forbearance was required to provide additional service continuity protection in cases where the sensitive nature of those CHS sites required additional time to allow nbn co to make them serviceable. Following an agreement with nbn co, we are now requesting further forbearance from existing disconnection obligations under the Migration Plan in respect of Special Services at a relatively small number of CHS Sites (approximately 40 locations currently identified), reflecting their continuing sensitive nature and the fact delays have arisen with their migration to their selected technology solution.

**Background**

Telstra currently supply Special Services comprising Megalink, DDS Fastway, ISDN and Frame Relay to various CHS Sites. Whilst certain CHS Sites may now have been made nbn-serviceable by nbn co, the scheduled timeframe for the migration of services at these sites have been delayed due to high complexity, security and integration challenges. This delay also reflects the Commonwealth agency responsible for CHS Sites having decided in conjunction with their RSP, to undertake a full platform migration, independent of the underlying access technology (and therefore services will not specifically be migrating to the nbn).

The migration of the impacted Special Services at affected CHS Sites is expected to be completed by 30 June 2021. The parties have therefore agreed, having regard to the sensitive nature of these CHS Sites and in the interests of service continuity, to delay the date by which Telstra must perform the managed disconnection of the Special Services at the affected CHS Sites until after that date.



### Details of Forbearance Requested:

The forbearance we seek from the ACCC again relates to Telstra's managed disconnection obligations contained in clause 22 and schedule 7 of the Migration Plan, as well as for clause 14 and schedule 3 where Special Services at CHS sites may be disconnected after an applicable Special Services Disconnection Date, and otherwise in accordance with a Rollout Region Disconnection Date (**RRDD**).

The arrangements will be applied without regard to whether Telstra Retail or Telstra Wholesale customers supply Special Services to the impacted CHS sites.

Telstra will notify nbn co of the defined list of CHS Sites within the Fixed Line Footprint. This list may be updated from time to time as agreed between the parties. In turn, Telstra will be entitled to continue to provide Special Services at CHS Sites appearing on the list up until 30 June 2021 (being the **Extended CHS Site Disconnection Date**), whereupon we will then commence and complete the service disconnection step within 20 Business Days (**BDs**) after this date. The permanent disconnection step must then complete by the date that is 55BDs after the Extended CHS Site Disconnection Date.

For clarification, Telstra and nbn co have agreed that no In-Train Order (**ITO**) Period will apply to the Extended CHS Site Disconnection Date. The justification being that CHS Sites to be protected are currently not intending to migrate to the nbn. To the extent these premises are to instead migrate in accordance with the RRDD in which the CHS Site is located, the ITO Period will apply as per usual arrangements where an nbn connection order exists.

Further, if any services subject to this proposed extension are Double Ended Special Services, they will be disconnected in accordance with clause 22.11 of the Migration Plan.

### Next Steps:

Telstra will provide notifications on an equivalent basis to impacted Wholesale Customers and our Retail Business Unit in relation to the CHS Sites subject to the Extended CHS Site Disconnection Date, to enable the disclosure of information to customers and end-users as part of the usual customer notification processes.

Please do not hesitate to contact Peter Walsh on (03) 8694 3854 if you would like to discuss our approach to this issue or if you have any concerns with this proposal.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Iain Little', is positioned below the 'Yours sincerely' text.

Iain Little  
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