
TELSTRA CORPORATION LIMITED

Required Measure 5 – Process for Managed Disconnection of Direct Special Services and Special Service Inputs – Ethernet Lite BDSL and Wholesale BDSL

Submission in support

6 December 2016

INTRODUCTION

Telstra is pleased to submit the following Required Measure to the Australian Competition and Consumer Commission (**ACCC**) for review:

- Disconnection Process for Special Services and Special Service Inputs for the SS Classes Ethernet Lite BDSL – P, N and B and Wholesale Business DSL – P, N and B.

Special Services (and Special Service Inputs) are various types of (typically business) services that are delivered over Telstra's copper network for which there was not initially a replacement product available over the national broadband network (NBN). For this reason, these Services were given an extended timeframe for disconnection in order to allow time for replacement product functionality to be developed. nbn co. can develop replacement services that allow retail service providers to migrate their copper based special services onto the NBN. nbn co. achieve this by publishing a white paper for the Special Service by class (i.e. by the access technology used or proposed to be used to connect the Premises to the NBN) which sets an initial disconnection date for that special service class (for services that are in rollout regions that have already, or will reach their rollout region disconnection dates). Following this initial date, Special Services in SS Classes that are covered by the product functionality in nbn's White Paper and that are in Rollout Regions that subsequently reach their Rollout Region Disconnection Date (**RRDD**) are disconnected in accordance with the disconnection processes that apply to non-special services.

Clauses 5.2 and 22.5 of Telstra's Migration Plan (**Plan**) set out the process by which disconnection arrangements are to be developed for Special Services once a Special Service Disconnection Date (**SSDD**) has been determined for an SS Class. Telstra must complete development of these disconnection arrangements within 6 months of an SSDD being determined, including a minimum of 20 Business Days industry consultation with Wholesale Customers, nbn co. and the Australian Competition and Consumer Commission (**ACCC**), before informing the ACCC, Wholesale Customers and nbn co. of its intention to publish a Required Measure 5 (**RM5**).

RM5 outlines the processes by which Telstra will permanently disconnect Special Services (**SS**) for which replacement product functionality is provided by nbn co.'s White Paper 1 – Ethernet Lite and Wholesale BDSL as well as Special Service Inputs that are used to supply services that are equivalent to Ethernet Lite and Wholesale BDSL. nbn co.'s White Paper 1 titled '*Temporary Special Services White Paper Ethernet-Lite and Wholesale BDSL on the nbn™ Ethernet Bitstream Service*' was published on 30 September 2015 (**White Paper 1**). Importantly, RM5 only applies where these services are supplied to premises to which nbn co. will deliver services using Fibre to the Premise (**FTTP**), Fibre to the Basement (**FTTB**) or Fibre to the Node (**FTTN**), collectively **Covered SS Classes**. RM5 outlines the process we will use for Managed Disconnection of Direct Special Services and Special Service Inputs in Covered SS Classes at the SSDD, or at subsequent RRDDs. This RM5 does not currently cover Premises connected or proposed to be connected using nbn co.'s hybrid fibre-coaxial cable or any new Access Technology which nbn co. may introduce.

Where the Direct Special Service or Special Service Input in a Covered SS Class is only required to be disconnected on a later RRDD, the RM5 largely applies the same disconnection processes that apply to standard PSTN, ULLS and ADSL services as set out in Required Measure 2.

Direct Special Service and Special Service Input in a Covered SS Class that are required to be disconnected immediately following the SSDD (because the Service is supplied to a Premises which is

in a Rollout Region with a Disconnection Date on or before the SSDD) are referred to in RM5 as **Covered Special Services**. Telstra supplies various products that rely on these Covered Special Services including:

Wholesale

- Wholesale BDSL
- BDAS Lite
- BDAS Standard
- Ethernet Access over Copper

Retail

- Connect IP Ethernet Lite
- Business IP Ethernet Lite
- Ethernet Lite
- Business Performance Network Ethernet Lite
- Connect IP Telephony Ethernet Lite
- GBIP Ethernet Lite
- IP COIN
- 1-Touch Video
- TID Ethernet Lite
- TBB Ethernet Lite

The processes proposed in RM5 comply with the Migration Plan Principles (**MPPs**), specifically MPP 18(6) as RM5 sets out the process and timelines by which Telstra Wholesale customers will be advised when Telstra intends to disconnect an SS/SSI from its network. In addition, this RM5 consultation process complies with MPP 28 which sets out the process by which Telstra must consult on new or replacement schedules to the MP. RM5 provides sufficient clarity to industry to support the orderly disconnection of Covered SS Classes following the SSDD and subsequent RRDDs. Wherever possible, the disconnection arrangements in RM5 utilise existing disconnection processes and terms that apply to non-special services to ensure familiarity and reduce points of potential confusion for Wholesale Customers.

Importantly, this process provides industry with longer than the 36 month disconnection timeframe between a White Paper being issued until the SSDD (that applies in respect of subsequent White Papers) to develop retail service product offerings using replacement products available over the NBN. This timeframe is consistent with the recent variation to the Plan.

This RM5 has been developed in response to nbn co's White Paper 1. As more White Papers are released, Telstra will publish additional RM5s as required. This RM5 has been published on the Telstra Wholesale website and Wholesale customers are being invited to provide feedback by 6 January 2017. Following this consultation, Telstra will update RM5 as required and will notify the ACCC, industry and nbn co. of its intention to publish RM5 before 29 January 2017.

01 Key developments in RM5

Many aspects of the Managed Disconnection process for Covered Special Services (and those Direct Special Services and Special Service Inputs in Covered SS Classes that are only disconnected on a later RRDD) will be the same as those for standard services, however there are certain areas which have varied disconnection arrangements. Further, certain disconnection processes differ between services that are subject to disconnection immediately following the SSDD and services subject to disconnection following the RRDD that are subsequent to the SSDD. These processes are detailed in the table and diagram below.

Development	Implications
Disconnection Date	<p>There are four possible mandatory disconnection scenarios that may apply to Direct Special Services and Special Service Inputs in a Covered SS Class. These are:</p> <p>(i) disconnection of Covered Special Services following the SSDD (these services will be disconnected following the SS Principal Disconnection Window and no extension to disconnection that is comparable to the In-Train Order process for standard services will apply in this scenario). For this RM5 the SSDD is 12 November 2018.</p> <p>(ii) disconnection of Direct Special Services and Special Service Inputs in a Covered SS Class following the RRDD where the RRDD is after the SSDD.</p> <p>(iii) disconnection of Direct Special Services and Special Service Inputs in a Covered SS Class supplied to Premises which Telstra has been notified are Changed Technology SS Premises and qualify for an extension to disconnection under the Plan.</p> <p>(iv) disconnection following Telstra announcing a Final Sunset Exit (after the SSDD).</p>
Final Sunset Exit	<p>Notwithstanding any nbn co. activities relating to SS, Telstra may elect to conduct a product exit for products that are supplied as Direct Special Services if either of the following commercial drivers become apparent:</p> <p>(i) platform or technology obsolescence; or</p> <p>(ii) in Telstra's reasonable opinion it becomes no longer commercially viable to support the product.</p>
Cease Sale	<p>Different cease sale arrangements apply depending on when the Direct Special Service or Special Service Input in a Covered SS Class faces disconnection.</p> <p>Cease sale will occur on the later of:</p> <p>(i) 6 months before the SSDD (for SS/SSI in a Rollout Region which is already subject to cease sale). For this RM5 this date is 12 May 2018.</p> <p>(ii) Rollout Region Ready For Service + 10 Business Days for SS/SSI that only become subject to cease sale after the date that is 6 months before the SSDD, consistent with the application of cease sale for other services within the Rollout Region.</p>
Order Stability Period	<p>Telstra will apply an SS Order Stability Period from the date that is 20 Business Days before the SSDD until the date that is 25 Business Days after the SSDD to Covered Special Services.</p>

	<p>If the Disconnection Date for the Rollout Region is after the SSDD, Telstra will apply the Order Stability Period that applies to standard services in accordance with clauses 22.8 and 13 of the Plan.</p> <p>There is a different list of order types that are allowed to proceed during the Order Stability Period for Special Services than those that are allowed for standard PSTN, ULLS and ADSL services due to the different characteristics of these SS. This is because many of the standard order types which were allowed to proceed during the Order Stability Period for standard services are not relevant to Special Services. These are outlined in Attachment A to the RM5.</p>
<p>Communication with Wholesale customers</p>	<p>Telstra is proposing to provide Wholesale Customers with notification from no later than 8 months before the SSDD of any Covered Special Services that are active at 9 months before the SSDD to provide additional time for Wholesale Customers to arrange migration of these Services well ahead of mandatory disconnection. This is significantly earlier than Telstra provides notification of mandatory disconnection in respect of standard Services. Telstra has proposed this earlier notification of disconnection in recognition of the greater complexity associated with Special Services and the longer timeframes that may be needed to migrate the Covered Special Services by the SSDD, given that no extended period following the SSDD applies to these Services that is equivalent to the ITO period provided in respect of standard PSTN and ADSL services.</p> <p>However, given these services are much more closely managed by Wholesale Customers than standard NBN services, it is likely that Wholesale Customers are already very aware of the SSDD that applies to their customers' services.</p> <p>Telstra will then provide Wholesale Customers with updated information on Covered Special Services heading for disconnection from SSDD – 6 months, updated monthly up until 2 months prior to the SSDD. These updated lists will be provided on a reasonable efforts basis within 5 Business Days of the list being generated, and will be provided to Wholesale Customers before or at the same time as the equivalent information is provided to Telstra's Retail Business Units.</p> <p>At SSDD –1 month Telstra will provide Wholesale Customers with the SS Final Disconnection List which includes Covered Special Services that are still active and are heading for disconnection at the SSDD.</p> <p>Where the Direct Special Service or Special Service Input in a Covered SS Class is in a Rollout Region with a Disconnection Date after the SSDD, these Services will be treated in the same manner as standard services after the SSDD, and disconnection of these Services will be notified in accordance with the existing processes set out in Required Measure 2.</p>
<p>Dispute process</p>	<p>Telstra has put in place a dispute process whereby Wholesale Customers can notify Telstra of services that they consider should not be subject to disconnection. The permitted reasons for a dispute regarding disconnection under RM5 are similar to those in Required Measure 2, with a few variations that accommodate the different characteristics of Special Services. Reasons for raising a dispute include:</p> <ul style="list-style-type: none"> (i) A data error which places a service on the disconnection list inappropriately (ii) The service is a Double Ended service and is therefore subject to disconnection only when the other end of the service reaches its Disconnection Date (iii) A service is provided to a premise that was notified to Telstra as being a Changed Technology SS Premise and is consequently not subject to disconnection at this time.

	<p>Telstra will respond to any dispute notified to it within 20 Business Days (compared to 10 Business Days for standard PSTN, ULLS and ADSL services). Disputes relating to a service being supplied to a Premises that was notified to industry and Telstra as a Changed Technology SS Premises can be raised at any time (given that Access Technology changes can occur at any time).</p>
Disconnection	<p>Covered Special Services that are required to be disconnected following the Special Services Disconnection Date will be disconnected during the SS Principal Disconnection Window (from SSDD +1 Business Day up to and including the date that is 25 Business Days after the SSDD).</p> <p>In accordance with clause 22.5(c)(i) of the Plan, no process that defers disconnection that is comparable to the In-Train Order process which applies in respect of standard services will apply to Covered Special Services. This means that these services will need to have migration activities complete by the SSDD or they will be disconnected by SSDD +25 Business Days.</p> <p>Where the Direct Special Service or Special Service Input in a Covered SS Class is in a Rollout Region with a Disconnection Date after the SSDD, the existing In-Train Order process set out in Required Measure 2 will apply.</p>
Change of Access Technology	<p>This RM5 only deals with the situation in which there is a change in the Access Technology used to make a Premises NBN Serviceable so that a Direct Special Service or Special Service Input forms part of a Covered SS Class.</p> <p>If there is a change in an Access Technology such that a Direct Special Service or Special Service Input no longer forms part of a Covered SS Class and a disconnection obligation applies to that Service, it will fall off the relevant disconnection lists notified under this RM5 and be disconnected in accordance with either the applicable RM5 that applies to the new SS Class, if any, or Required Measure 2.</p>
Double ended services	<p>Services that are Double Ended will not be subject to disconnection until the later of the relevant disconnection dates (SSDD or RRDD) of the A or B ends in accordance with clause 22.11 of the Plan.</p>
Reporting	<p>Telstra will incorporate SS reporting into our Migration Plan Compliance Report lodged with the ACCC on a quarterly basis. This will provide the ACCC with visibility over the volumes of SS disconnection for Covered Special Services (to be disconnected following the SSDD) at key milestones that are of relevance in a similar manner as is currently provided for non-special services. Where disconnection of Special Services and Special Service Inputs occurs following a subsequent RRDD, Telstra will report on disconnection of these services as part of its reporting on the disconnection of standard services.</p>

02 Diagram outlining disconnection of Special Services

Proposed timeline for disconnection of Covered Special Services subject to disconnection following the SSDD

