

TELSTRA CORPORATION LIMITED

Telstra's Varied Migration Plan

Submission in support

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Executive Summary

The need for Telstra to make variations to the Migration Plan has been triggered by the Government's shift to a multi-technology model (**MTM**) rollout for the National Broadband Network (**NBN**), and the consequent renegotiation of the Definitive Agreements between NBN Co and Telstra.

The Varied Migration Plan meets the requirements of the Telecommunications (Migration Plan Principles) Determination 2015 (**Varied MPPs**). Telstra believes the Varied Migration Plan will deliver better outcomes for end users and industry by maintaining the core principles of equivalence between wholesale and retail customers while providing for the more efficient and timely disconnection of services from our legacy HFC and copper networks.

Original migration model applied across MTM

The Varied Migration Plan applies the foundations of the original Migration Plan consistently across fibre-to-the-premises (**FTTP**), fibre-to-the-node (**FTTN**), fibre-to-the-basement (**FTTB**) and NBN hybrid fibre-coaxial (**HFC**) technology. This includes: NBN Co (consistent with its obligations under the Definitive Agreements), not Telstra, determining ready for service dates (**RFS Dates**) and the fixed footprint in Rollout Regions; an 18 month Migration Window during which customers are encouraged to take up services on the NBN; and mandatory disconnection on an equivalent basis of remaining retail and wholesale services on our legacy networks at the end of the Migration Window.

However, the Varied Migration Plan contains important differences in migration and the availability of service continuity because parts of the Telstra local fixed network infrastructure are being incrementally transferred to NBN Co as part of the MTM rollout.

Variation of the Migration Plan for the MTM also provides an opportunity to make adjustments to reflect what has been learnt from the experiences of migration in the early regions where the NBN has been rolled out.

HFC and Information Security

As required by the Varied MPPs, the Varied Migration Plan provides regulatory certainty for Telstra and includes an explicit prohibition on Telstra accepting orders to supply HFC wholesale services on Telstra's HFC network. The Varied Migration Plan also ensures that there is flexibility for end users to acquire HFC plans from Telstra now and select an alternative provider on migration to the NBN.

Also as required by the Varied MPPs, the Varied Migration Plan maintains the information security requirements in the current Migration Plan for FTTP only – there are mechanisms other than the Migration Plan that may be used to protect competition. The approach mandated by the Varied MPPs reflects, among other things, the steps which have been taken by the Minister to increase transparency for all retail service providers (**RSPs**) about the NBN Co rollout along with a range of other protections governing FTTB, FTTN and HFC information received by Telstra.

End-to-end migration extends beyond the disconnection process

Migration to the NBN is a unique and transformative step for industry and so far it has been a mixed experience for many end users regardless of their service provider on Telstra's network and their RSP on the NBN. Some issues have arisen from the lack of an end-to-end migration process that involves all key stakeholders, including NBN Co, Telstra in its capacity as the disconnecting network provider, service providers and RSPs (including Telstra), and 'over the top' service providers, such as providers of medi-alarms or security systems. What has become apparent is that the Migration Plan cannot be the vehicle for an end-to-end migration process because the Migration Plan only applies to Telstra in its role as disconnecting network provider.

The need for a more holistic approach to migration has been recognised by the Commonwealth in its development of the Migration Assurance Policy¹ (**MAP**), which is intended to reflect this wider context and work has been undertaken by the Communications Alliance² to start addressing these issues.

The Varied Migration Plan helps create the foundations for industry to develop a viable end-to-end migration process by delineating more clearly the responsibilities of Telstra as the disconnecting network provider which the Varied Migration Plan should cover and the responsibilities of others such as NBN Co, service providers and RSPs (including Telstra).

Tangible improvements in disconnection

The Varied Migration Plan makes specific changes to the disconnection process to alleviate problems experienced with the migration process to date, including:

- Extending the migration window for premises which are not NBN Serviceable six months prior to the Disconnection Date, which will give more time for NBN Co to resolve serviceability issues before Telstra will disconnect;
- Making soft dial tone (**SDT**) available across retail and wholesale line rental services for a limited period after the Disconnection Date, providing users with both a safety net and a final prompt to arrange an NBN connection;
- Extending the final disconnection cut-off date for In-Train Order Premises to 120 business days post the Disconnection Date, which will give NBN Co and RSPs more time to fulfil orders for NBN services before disconnection of legacy services takes place (including arrangements during 2015 to allow more time for completion of In-Train Orders placed with NBN Co, before disconnection of the legacy service);
- Coordinating Disconnection Dates across Rollout Regions into a set day per month, making the migration processes simpler and easier for service providers to manage; and
- Embedding in the Varied Migration Plan the Telstra-specific aspects of the arrangements already announced to industry as 'Fibre Service Access Modules (**FSAMs**) 32 and beyond'.

When combined with NBN Co's commitments to improve performance on serviceability and connections as it rolls out its network, Telstra is confident these changes will improve the experience of people transferring their services to the new network.

¹ Department of Communications, *Implementation of the National Broadband Network: Migration Assurance Policy Consultation Paper*, September 2014.

² Communications Alliance Ltd, Industry Guideline G652:2014, NBN Migration Management.

1. Overview

On 27 February 2012, the ACCC approved Telstra's current Migration Plan. It covers the migration of legacy services from Telstra's copper and HFC networks to the NBN FTTP network.

Following a change in government policy, Telstra and NBN Co commenced renegotiating the Definitive Agreements to provide for the implementation of the new MTM rollout for the NBN.

On 14 December 2014, Telstra and NBN Co entered into amended Definitive Agreements. The amended Definitive Agreements are conditional on a number of matters, including ACCC approval of a varied Migration Plan. Under the amended Definitive Agreements, Telstra has agreed to incrementally transfer its legacy copper network and HFC network to NBN Co, which NBN Co may then use to deploy the NBN as an FTTN, FTTB or HFC architecture.

On 27 January 2015, the Minister for Communications issued the Varied MPPs. Under the *Telecommunications Act 1997* (Cth) (**Telecommunications Act**), the ACCC must accept the Varied Migration Plan if it complies with the Varied MPPs.

In March 2015, Telstra lodged its draft Varied Migration Plan with the ACCC.

This submission explains the draft Varied Migration Plan, including:

- The consequences for Telstra's continued capability to supply legacy services when NBN Co decides to deploy the NBN using an FTTN, FTTB or HFC architecture incorporating the same infrastructure over which Telstra is providing its legacy services;
- Refinements to the disconnection process that have been agreed between Telstra and NBN Co, intended to improve the end user and industry experience with managed disconnections occurring at the end of the 'Migration Window' - reflecting the 'FSAMs 32 and beyond' approach publicised by Telstra in its notification to wholesale customers on 21 November 2014 and subsequently updated in the Telstra Wholesale Disconnections Manual (the ACCC also sought industry feedback on the FSAM 32 proposal in December 2014);
- The more sophisticated 'end-to-end' understanding of the migration process, which has developed over the period since the Migration Plan was originally approved and was recently reflected in the MAP consultation paper issued by the Minister for Communications,³ together with related industry guidance issued by the Communications Alliance;⁴
- Where necessary, new commercial elements agreed under the amended Definitive Agreements have been reflected in new provisions dealing with the disconnection of common areas in 'multi-dwelling units' (**MDUs**); and
- How these and other changes made by the Varied Migration Plan satisfy the Varied MPPs by ensuring equivalence in the disconnection process between Telstra's retail and wholesale customers, and providing reasonable regulatory certainty for Telstra.

2. The Regulatory Framework

A varied rather than new Migration Plan

Telstra has submitted a varied rather than an entirely new Migration Plan because the legislative framework does not allow Telstra to withdraw its Migration Plan, and so changes necessary to deal

³ Available here: http://www.communications.gov.au/__data/assets/pdf_file/0009/243189/Consultation_paper_-_FINAL.pdf.

⁴ Communications Alliance Ltd, Industry Guideline G652:2014, NBN Migration Management.

with the MTM NBN model needed to be made as variations to the existing arrangements, rather than through a replacement Migration Plan.⁵

Varying the current Migration Plan is consistent with a common goal shared by relevant stakeholders to ensure, to the extent possible, stable regulatory arrangements throughout the rollout of the NBN.

Adapting the current Migration Plan also reflects the reality that NBN Co's shift to an MTM rollout does not require a significant redesign of the fundamental pillars of the migration process which was used for an NBN FTTP rollout. The same core model – an RFS Date decided by NBN Co, an 18 month Migration Window, and a mandatory disconnection period – continues to apply as NBN Co connects end users to NBN FTTB, FTTN, HFC or FTTP.

Compliance with the Varied MPPs and Specified Matters Instrument

In order for the ACCC to accept the Varied Migration Plan, it has to comply with two new instruments made by the Minister on 27 January 2015:

- The Telecommunications (Migration Plan – Specified Matters) Instrument 2015 (**Specified Matters Instrument**) (subsections 577BC(3) and (4) of the Telecommunications Act) – which sets out those matters that may be included in a Migration Plan, and matters that must not be dealt with; and
- The Varied MPPs (section 577BB of the Telecommunications Act) – which sets out the principles with which the Migration Plan must comply for it to be approved by the ACCC.

In Annexure B, Telstra has mapped each of the Varied MPPs to the relevant compliant clauses in the Varied Migration Plan.

Further changes to the Migration Plan

A key learning from FTTP migration so far is that it is not possible to predict all of the challenges which may arise in the course of the NBN rollout and migration implementation. Many of the lessons learned from FTTP migration are relevant to migration to the NBN FTTB, FTTP and HFC – and are reflected in the changes to the Varied Migration Plan.

New, unanticipated challenges are still likely to arise with an MTM migration. Therefore, the Varied Migration Plan must have adequate flexibility to allow disconnection and other associated processes to continue to develop over the coming months and years to reflect the operational realities of the MTM rollout. Similar flexibility will be needed in the industry processes developed from the MAP, by NBN Co and by Communications Alliance.

The Varied Migration Plan provides for this flexibility in the disconnection arrangements in a number of ways, including:

- Providing for Telstra to consider whether variations should be made to align the Varied Migration Plan with relevant parts of the MAP Policy Statement made by the Minister (including as it changes over time) (clause 2.4);
- A process for Telstra to update, within seven months of the Varied Migration Plan being approved, the existing technical processes set out in 'Required Measures' under the current Migration Plan and to lodge these amended processes with the ACCC for approval (clause 5); and
- A simplified process for modifying the Order Stability Period (**OSP**), to ensure that this can be done quickly and flexibly, where changes are being made that reduce the impact of any restraints on wholesale customers or end users (clause 13).

⁵ See section 577 BF(4) of the *Telecommunications Act 1997* (Cth).

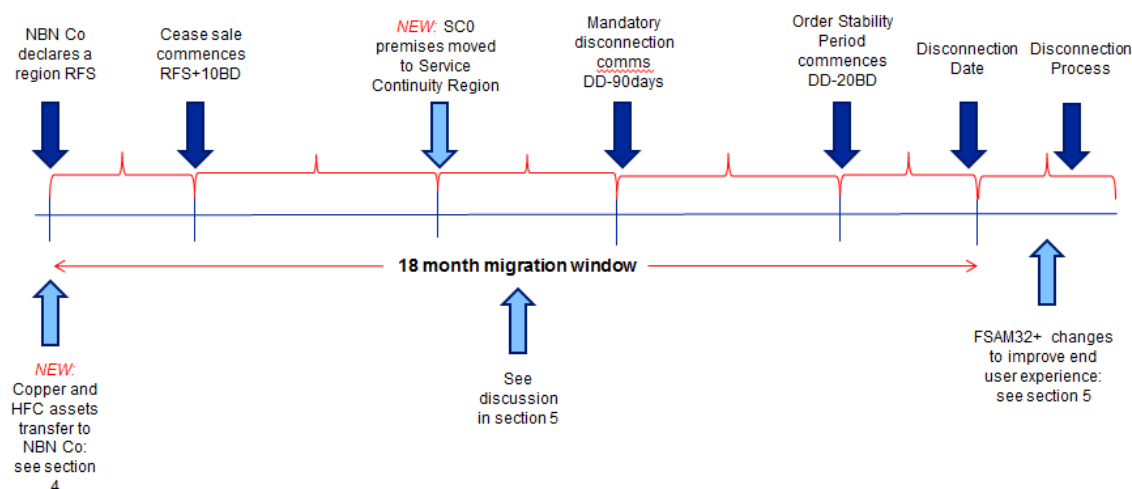
3. What hasn't changed in the Varied Migration Plan

As noted above, the core elements of the Migration Plan remain the same for the MTM rollout as applied to the NBN FTTP rollout, including:

- The core principle of equivalence is applied to our wholesale and retail customers on equivalent services on the copper network in a way that allows for different migration and disconnection experiences depending on the method of migration. The principle of effective and timely disconnection of services from our networks also continues to apply, but adjusted to mitigate some of the risk of negative outcomes for end users (as discussed below).
- Telstra's disconnection of copper and HFC broadband services as part of the NBN migration will continue to follow the region-by-region rollout being undertaken by NBN Co, so that NBN Co will determine both the timetable and location of services to be disconnected, as the NBN footprint extends into new areas.
- For most premises, the Varied Migration Plan still stipulates an 18-month Migration Window commencing on the date that NBN Co announces that a region has become ready for service. A Disconnection Date is set at the end of this period following which Telstra will progressively disconnect all remaining copper or HFC services (which are not subject to an exception) that have not been migrated to the NBN. Each Rollout Region has a Disconnection Date, calculated by reference to the RFS Date pronounced by NBN Co.
- Leading up to the Disconnection Date, Telstra may put an OSP in place that limits the types of orders for legacy copper and HFC services that can be processed, so that Telstra can stabilise its databases leading up to the Managed Disconnection process.
- There are a limited number of exceptions to the general obligation to disconnect premises on a region by region basis. The most important involve a set of 'Special Services', which will be disconnected at a subsequent time, as NBN Co's wholesale products support the development of replacement products or when a type of special service is otherwise withdrawn by Telstra. This different disconnection approach will also continue to apply to equivalent services supplied by wholesale customers of Telstra using unbundled local loop services (**ULLS**).
- Subject to a short moratorium in relation to orders for new services at premises that are likely to be NBN Connected using FTTB and FTTN (see below), the existing Cease Sale restrictions will still apply to requests for new copper and HFC services in the NBN Rollout Region from 10 business days after the RFS Date for that region. Cease Sale operates in relation to premises that are NBN serviceable, or 'Frustrated Premises'. This means that once a premises becomes serviceable by the NBN, or if it otherwise meets the criteria of a Frustrated Premises, it cannot be supplied with a new legacy copper or HFC service except in limited circumstances.
- The Varied Migration Plan sets out the business as usual (**BAU**) disconnection/service cancellation processes that will be used to disconnect services as part of migration, as well as the process that will be used to permanently disconnect premises. The general principle of using standard processes (including standard industry processes) wherever possible will remain unchanged.
- The ACCC will continue to be responsible for overseeing compliance with the Varied Migration Plan and Telstra will continue to provide compliance reporting to the ACCC on a quarterly basis. The ACCC has the option to request technical input from the independent telecommunications adjudicator from time to time. The ACCC may also direct Telstra to vary the Varied Migration Plan where, in light of operational experience, it no longer complies with the General Principles of the Varied MPPs.

The following diagram outlines the key milestones in the Migration Window:

Diagram: Key migration processes within the 18 month migration window



Maintaining these foundations will assist in delivering a simplified and consistent migration experience for end users irrespective of the NBN technology deployed in particular areas – particularly as NBN Co may use different technology in the same rollout area, possibly between neighbouring premises. Therefore, our approach in varying the Migration Plan has been, wherever possible, to make the provisions of the current Migration Plan technology neutral between FTTP, FTTN, FTTB and NBN HFC.

Changes in the migration processes either reflect inherent consequences of NBN Co's decision to re-use Telstra infrastructure transferred to NBN Co or an effort to improve the end user experience based on our learnings with FTTP migration. These changes are discussed in the following section.

4. Changes in the Varied Migration Plan needed for MTM

The original migration approach to the NBN FTTP network

In April 2009, the Government established NBN Co, with responsibility for progressively overbuilding most of Telstra's existing copper and HFC networks and replacing them with a nationwide FTTP network covering at least 93% of premises.

Because the FTTP rollout involved an 'overbuild' of the existing copper network, the connection of services on the NBN occurred as a separate and distinct activity to the disconnection of services on the legacy network. It was therefore possible for the legacy networks and services to remain in place, at least for a time, even after an NBN connection has been established. In terms of managing the migration of end users this had a number of implications, including that:

- Service providers retained some control over the timing of disconnection (given that connection of the NBN does not result in any kind of automatic disconnection) – this gave service providers some flexibility in the sequencing of connection to the NBN and disconnection from the Telstra network during the migration window;
- A new industry process to manage 'churn' between different service providers over the same infrastructure was not needed, because the 'losing' service provider could continue to supply its service until the end user cancelled it – whereas in an FTTB or FTTN scenario, the process of connecting the new service (i.e. jumpering) has an immediate impact on the continued supply of the old service, requiring a new transfer process to be developed to manage this interaction, and its impacts on both the 'gaining' and 'losing' service providers; and
- NBN Co did not need to inform Telstra of connections to the NBN because the Telstra legacy network was unaffected, with the exceptions of pull through and mandatory disconnection.

The MTM NBN rollout

Under the MTM rollout model, where NBN Co wishes to use our copper and HFC networks to deliver an NBN service, we will progressively transfer ownership and the operational and maintenance responsibilities for the relevant copper and HFC assets to NBN Co. In most cases, this transfer will occur in the period leading up to the RFS Date in a Rollout Region. These asset transfer arrangements mean that the same network assets can be used for a time in the Rollout Region to supply both legacy services and new NBN services at different premises.

At the individual premises level, the impact on legacy services supplied over the physical copper infrastructure now owned by NBN Co will depend on decisions of the end user and the NBN RSP:

- If the end user decides to migrate all of their voice and broadband services provided on a copper line to the NBN, and NBN Co is using an FTTN or FTTB architecture, NBN Co will connect the NBN service by de-jumpering the copper loop, sub-loop or other infrastructure now owned by NBN Co from the Telstra network so that it can be used to supply their layer 2 service. The practical effect will be that the copper path is no longer available to Telstra to provide legacy retail or wholesale services over that copper line.
- If the RSP informs NBN Co that the end user wants to retain their existing legacy telephony service over a copper line, NBN Co will split the copper spectrum so that the NBN layer 2 spectrum can be provided through the higher band and the Telstra legacy telephony service can continue to be provided (apart from any service interruption associated with jumpering) through the lower band. The legacy telephony service can then be cancelled during the migration window through the business as usual Telstra processes or if not by the Disconnection Date, through the mandatory disconnection processes under the Varied Migration Plan.

As Telstra will no longer own the copper network in areas where NBN Co has rolled out their network, Telstra will have no control over much of this process. Moreover, service providers (including Telstra) on legacy networks will not have the level of control over the timing and sequencing of NBN connection and legacy service disconnection that is possible with migration to an NBN FTTP service.

The forms of migration to FTTN and FTTB are outlined below and are also illustrated in the diagrams set out at Annexure A.

New FTTB / FTTN transfer processes

The practical effect of the above scenarios is that an effective migration and transfer process will need to be developed to manage transfers to FTTN and FTTB infrastructure. To progress this aspect, at the request of Telstra and NBN Co, Communications Alliance has now formed a working group focused on FTTB/FTTN service transfers.

The purpose of this working group is twofold:

- To consider the interim arrangements developed by NBN Co and Telstra to facilitate early FTTB and FTTN connections, allowing deployment of the MTM NBN to commence as soon as possible; and
- To lead the development of the long term industry code or set of guidelines governing transfers from the Telstra network to FTTB/FTTN services on the NBN and other third party networks.

The Varied Migration Plan explicitly recognises the 'linkage' with these general industry transfer arrangements, and reflects Telstra's intention to develop disconnection processes consistently with them. This is addressed in the explanatory note immediately after clause 9.3 in the Varied Migration Plan.

Telstra anticipates that this working group will consider key FTTB/FTTN transfer issues such as how hand-back/service restoration should operate and how NBN transfers will interact with existing number portability processes. The advantage of the working group arrangement is that it provides a platform for the industry as a whole to engage with various elements of the transfer process to

ensure that the interim and final end-to-end processes operate smoothly. It is also consistent with how similar technical processes were developed such as churn and porting arrangements.

Cease Sale arrangements in relation to MTM technologies

To avoid uncertainty around the start date for Cease Sale in relation to the MTM technologies, and so that Telstra and industry can implement the system changes required, Telstra has proposed that the Cease Sale provisions will not apply until 1 August 2015 in respect of new orders for services to premises which are intended to be connected to the NBN by FTTB and 1 October 2015 in respect of premises which are intended to be connected to the NBN by FTTN.

This gives industry time to operate under and refine the interim FTTB and FTTN arrangements that are being put in place as outlined above, before Cease Sale commences at these premises.

5. Changes to disconnection processes to improve end user and industry experience

Formalising improvements already being implemented

For the migration process to be successful there must be a substantial improvement in the end user experience. This work was already underway in the NBN FTTP environment, and we believe that these changes should be applied to the migration processes for the MTM NBN rollout.

In April 2014, Telstra, following agreement with NBN Co and consultation with the Federal Government and the ACCC, implemented changes to the managed disconnection process under the Migration Plan as it applied in the first 31 FSAMs where the NBN was made available.

Taking into account feedback from wholesale customers and experiences gained in these initial FSAMs, in November 2014 Telstra communicated a modified disconnection approach to apply to all future Rollout Regions (the **FSAM32+ arrangements**). These FSAM32+ arrangements were developed with NBN Co and were also the subject of public consultation by the ACCC from December 2014 to January 2015.

The FSAM32+ arrangements recognise the need for improvements to the migration process in two areas:

- End users and service providers, including Telstra, require a high degree of confidence that premises will be made serviceable by NBN Co as early as possible in the migration window in order to encourage customers to migrate to the NBN and for service providers to be able to confidently market NBN services to their customers. This is especially the case during the lead up to the Disconnection Date, when it is critical that all premises are serviceable so that orders for NBN services can be placed and all remaining services can be migrated to the NBN before Telstra is required to disconnect them from the legacy networks.
- Subject to the important role of mandatory disconnection for all legacy services at the end of the relevant migration window, flexibility is needed to ensure that customers are aware of the need to place an NBN order if they want to maintain their services, and that they are not left without a service, even if they place an order late in the migration window.

To the extent that the FSAM32+ arrangements relate to NBN Co's rollout and connection process, NBN Co is responsible for implementation. However, to the extent the changes involve Telstra's disconnection activities, these are incorporated in the scope of the Varied Migration Plan.

Improving NBN serviceability

A concern for Telstra, service providers generally, and many end users, was Telstra's obligation under the current Migration Plan to disconnect legacy services at premises which are passed by the NBN but which are not yet classified by NBN Co as NBN serviceable (for example, Service Class 0 premises). This can leave end users – and Telstra as the Universal Service Obligation (**USO**) provider – with no fixed line service and wireless as the only option for voice and broadband services until the premises become NBN serviceable.

While mandatory disconnection provides incentives for end users to migrate that should be retained, the Varied Migration Plan includes new mechanisms to alleviate the negative impact of mandatory disconnection at premises which are yet to be made NBN serviceable.

There will be a new type of Rollout Region, called a **Service Continuity Region**, which will be formed by NBN Co removing from a Rollout Region (the **Parent Rollout Region**) all premises which are not NBN serviceable by six months before the Disconnection Date. The Service Continuity Region will have a new Disconnection Date – six months later than the Disconnection Date for the Parent Rollout Region – to allow NBN Co more time to ensure all premises in the Service Continuity Region are made serviceable.

Premises can only be moved into a Service Continuity Region once. The total migration window for premises moved into Service Continuity Regions will be 24 months from their initial RFS Dates.

These changes will give RSPs greater confidence in the serviceability of premises ahead of the Disconnection Date because:

- All premises remaining in Parent Rollout Regions (i.e. that have not been moved into a Service Continuity Region) should be NBN serviceable in the last six months leading up to the Disconnection Date for that Rollout Region, allowing NBN orders to be placed for all premises in the NBN fixed footprint; and
- Premises in Service Continuity Regions have a longer period than other Rollout Regions (two years from when they are first included in the NBN fixed footprint) to be made serviceable by the NBN.

This approach should improve the stability of the NBN fixed line footprint list used by RSPs for marketing to end users over the last six months in the lead up to the Disconnection Date, reducing the potential for customers to be faced with mandatory disconnection without an NBN service available for migration.

Greater availability of Soft Dial Tone post Disconnection Date

Under the current Migration Plan, Soft Dial Tone (**SDT**) after the Disconnection Date is used in a relatively limited way to allow certain 'voice only' customers, who had not migrated to the NBN by the Disconnection Date, to call Telstra's customer service and fault centre numbers and to make emergency calls for a limited time once their service had been disconnected.

Following industry experience in managing end users in the early Rollout Regions, Telstra has changed the use of SDT under the Varied Migration Plan. SDT will now be applied, where practicable, to all wholesale line rental and retail line rental services (not limited to 'voice only' customers) that remain active following the Disconnection Date where an order for an NBN service has not been received. SDT will act as a final prompt to encourage customers to place orders for an NBN service and avoid disconnection. Wholesale customers who provide services over ULLS will also have the same opportunity to apply a form of service restriction and limit their customers' service in the same way.

Specifically, the Varied Migration Plan now provides that:

- If NBN Co notifies Telstra that an order has been lodged with NBN Co for an NBN connection, as at the Disconnection Date, Telstra will not apply any new restrictions to their line rental service after that date;
- If in the period up to 25 Business Days after the Disconnection Date NBN Co notifies Telstra that an order has been lodged with NBN Co by an RSP for an NBN service, Telstra will restore the end user's original active service (removing SDT if it is in place). The restored copper or HFC service will then remain in place after the Disconnection Date until the NBN connection is completed, the legacy service is cancelled by the customer in the ordinary course of business, or at a final sunset date for each Rollout Region, which is 120 business days after the Disconnection Date)⁶; or

⁶ This process has been modified slightly during the 2015 calendar year, in that an order remains an In-Train Order Premises (unless it is withdrawn or cancelled) regardless of whether or not NBN Co has completed its connection, to allow more time for RSPs to also complete their separate connection and service activation activities, before disconnection occurs.

- If a customer (retail or wholesale) notifies Telstra that they, or their end user, do not intend to migrate, then Telstra will disconnect their service, including removing any SDT where practicable after first checking that there is not an existing order for a new NBN service in place in relation to the premises.

In the first two scenarios, the placement of the NBN order will be validated with NBN Co from Disconnection Date plus 26 Business Days, at which point NBN Co will provide Telstra with a list of all In-Train Order Premises. Services on our legacy networks that are not an In-Train Order Premises will proceed promptly to disconnection, unless they are exempted (e.g. Special Services).

This new approach means that, post Disconnection Date, SDT will serve as both a safety net and final prompt for end users, including medical alarm customers, to take action before their services are permanently disconnected. For example, end users will have an opportunity to place their NBN order within a limited timeframe after the Disconnection Date and avoid the disconnection of their legacy service while awaiting an NBN connection.

More flexibility to facilitate continuity of services

The Varied Migration Plan includes a number of features that allow greater flexibility as part of the disconnection process to promote service continuity for end users.

In relation to Cease sale, the Varied Migration Plan allows Telstra to respond to any misclassification of a premises by NBN Co by creating an exception to the Cease Sale restrictions for retail and wholesale customers where the premises is actually not NBN serviceable in the last six months before the Disconnection Date, by allowing the provision of a copper service where there is in-place copper available and there is likely to be a delay of at least 15 business days for NBN Co to complete the order for a new service.

In relation to In-Train Orders the Varied Migration Plan provides that where a customer places an order for a new NBN-based service at any time up to 25 business days after the Disconnection Date, the customer can continue to use their existing copper or HFC service for up to 120 business days after the Disconnection Date, while the NBN connection is being completed, and unless they cancel the service in the meantime.

Once the open NBN orders at a Premises have either been completed or cancelled/revoked, Telstra has a period of up to 30 business days to disconnect the Premises.

These changes in the Varied Migration Plan are intended to allow greater service continuity for customers who place orders for NBN services close to, or immediately after, the Disconnection Date.

The Varied Migration Plan includes some transitional arrangements for the 2015 calendar year to allow more time for completion of In-Train Orders placed with NBN Co, before disconnection of the copper or HFC services takes place.

These arrangements cover scenarios such as where:

- An RSP has not had sufficient time to connect their customer's NBN services after a premises is NBN Connected (the 30 day disconnection period following connection has been removed for 2015);
- The premises is NBN connected before the Disconnection Date – we have extended the timeframe to allow these premises to be treated as In-Train Order Premises from 1 month prior to the Disconnection Date to 3 months prior to the Disconnection Date. This provides more time for RSPs to complete their connection activities and to allow for the end-user to have a workable NBN service before their copper and HFC services are disconnected, to reflect the potential challenges of multiple and complex customer orders;
- If an NBN order is cancelled or revoked at any time after Disconnection Date, then Telstra will only disconnect within 30 days of NBN Co advising Telstra that all of the orders for NBN services at the Premises have been cancelled or revoked. If only one of the orders is cancelled or revoked (and any other order is NBN connected or still open in NBN Co's systems) then that

Premises will not proceed to mandatory disconnection until 120 business days after the Disconnection Date, unless the customer requests disconnection earlier.

These changes for 2015 are included in the Varied Migration Plan to enable a transition period for RSPs to adjust their processes from the first 31 FSAM arrangements, which did not specify a deadline for the disconnection of In-Train Orders, to the permanent arrangements, which do.

The Varied MPPs do not prescribe a fixed Disconnection Date for In Train Orders. Instead the Varied MPPs require that the Varied Migration Plan specify a 'backstop' date that is not longer than 120 business days after the Disconnection Date by which time the services will be disconnected. Telstra believes that both the interim and permanent changes meet this requirement and deliver on the intent of the Varied MPPs.

Amendments have also been made to take into account circumstances where Telstra has been informed that an end user does not intend to migrate.⁷

During the course of 2015, Telstra would appreciate feedback on the operation of these interim arrangements, so an assessment can be made as to whether the industry is able to revert to the permanent arrangements smoothly from 1 January 2016.

A simplified approach to Disconnection Dates

Telstra and NBN Co have agreed a more streamlined approach to coordinating Disconnection Dates across multiple Rollout Regions which have been declared RFS within a similar timeframe.

Under the modified process, shortly after the time a Rollout Region is declared RFS by NBN Co, the disconnection schedule published by Telstra will identify a two month window within which the Disconnection Date will occur (which will be 18-20 months after the RFS Date for most Rollout Regions, and 12-14 months for Service Continuity Regions). The Disconnection Date for each Rollout Region then will be finalised by NBN Co and Telstra no later than nine months prior to the Disconnection Date.

At this stage, Telstra and NBN Co expect that Disconnection Dates will typically occur on either the second or last Friday of each month.

This more streamlined approach means that there will no longer be a number of different Disconnection Dates occurring at different times in each month. Instead, Disconnection Dates can be grouped, irrespective of when the RFS Date occurs, and will occur in a more regular, consistent and predictable way for all Rollout Regions. This will allow service providers to adopt simplified processes for managing their customers onto the NBN across different Rollout Regions, while still ensuring most end users have at least 18 months in which to migrate their services.

A better process for industry and end users

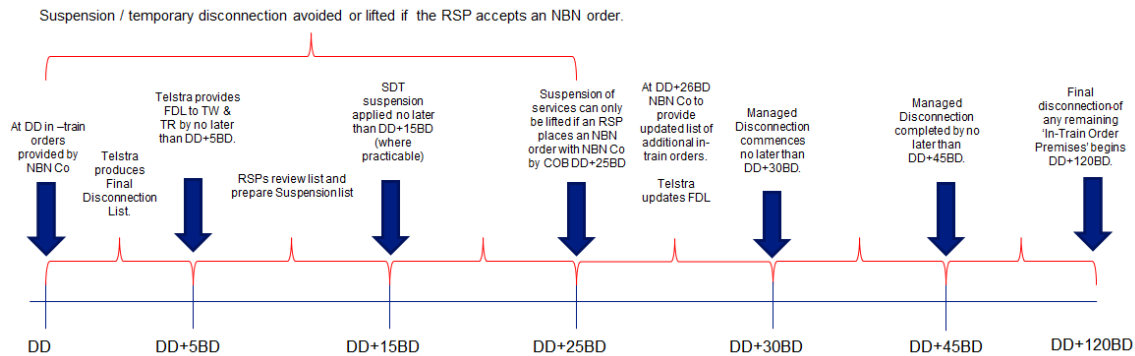
Telstra is confident that better and more stable information about serviceability combined with increased flexibility as part of the disconnection process following the Disconnection Date, will deliver an improved outcome for industry and consumers.

The differences between the current managed disconnection process and the alternative proposed in the Varied Migration Plan are set out in the diagram below:

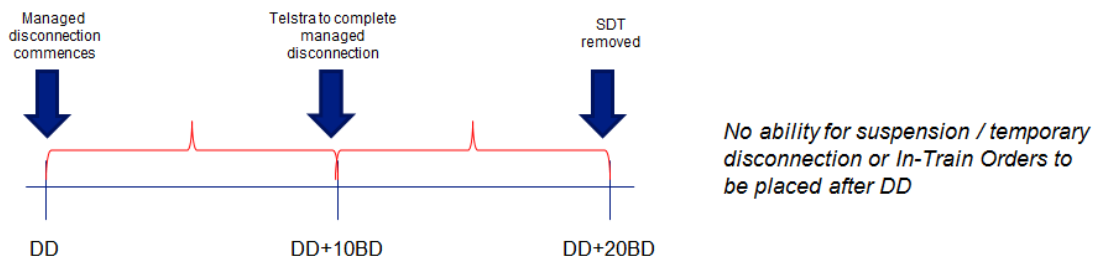
⁷ clause 15.4

Diagram: Comparison of current and proposed Managed Disconnection Process

New managed disconnection timeline (FSAM32+)



Current managed disconnection timeline (under Telstra's current Migration Plan)



6. Clarifying the role of Telstra under the Varied Migration Plan

An end-to-end approach to migration is needed

One of the main things industry has learnt as customers have transitioned to the NBN under the FTTP model has been that a successful migration requires a coordinated end-to-end process in which different parties each have clear responsibilities and play their part.

Ultimately, the Migration Plan can only be a 'disconnection plan' because it only applies to Telstra in its role as the disconnecting network operator. Consequently, there are gaps in the current Migration Plan because the steps Telstra has to take to disconnect customers in the course of migration can depend on other parties, such as NBN Co who is responsible for the RFS Dates, or can have consequences beyond Telstra's control, such as interruption to medi-alarms provided by an 'over the top' (OTT) provider.

In the early stages of NBN migration, Telstra has worked closely with NBN Co, Telstra's wholesale customers, the Department of Communications, the ACCC, and other industry stakeholders to facilitate a more comprehensive and integrated approach to migrating customers to the NBN. To a large extent, this has occurred outside of the current Migration Plan and, at times, been based on regulatory relief or forbearance provided to Telstra by the ACCC in order to protect and improve the consumer experience while migrations were occurring.

Telstra recognises that a better, more coherent and transparent process is needed to bring all stakeholders into building and managing NBN migration at every step of the process.

The Government has announced the establishment of the MAP to provide a framework for the industry to develop an end-to-end migration process. The MAP is intended to clarify the roles of all stakeholders involved in the NBN migration and provide the foundation for an end-to-end migration process to be developed. A diagram illustrating the various instruments which together provide (or will provide) the framework for the MTM migration is set out in Annexure C.

The first step in this new approach is to identify what properly falls within the Migration Plan, which Telstra can develop measures to address consistent with the Varied MPPs and subject to ACCC approval, and what falls outside the Migration Plan, which is for the industry as a whole to address.

The Varied MPPs guide this task by requiring Telstra to more precisely clarify the scope of the Varied Migration Plan and the demarcation between Telstra's role as the disconnecting network owner and the roles and responsibilities of other stakeholders involved in the migration process, including NBN Co, RSPs and other service providers that supply 'over the top' applications and services.

Importantly, just because something is excluded from the scope of the Varied Migration Plan, does not mean that it will be ignored or that Telstra as an RSP will have no role or responsibilities in relation to it. Rather, it simply means that the Migration Plan – as a Telstra-specific regulatory instrument – will not pre-empt industry decision making.

Matters not within Telstra's responsibility

Matters that are outside Telstra's responsibility under the Migration Plan are set out in Schedule 2 of the Varied MPPs, while the matters where Telstra's obligations under the Migration Plan are dependent on other stakeholders enabling Telstra to comply are set out in Schedule 3. These matters are reflected in clauses 2.2 and 2.3 of the Varied Migration Plan.

Some examples of matters which are not Telstra's responsibility under the Varied Migration Plan include:

- Information about the NBN rollout or its implications for end users or equipment, which will generally be the responsibility of NBN Co, RSPs or other service providers. Some of these requirements are being developed collectively by industry through the Communications Alliance's NBN Migration Management Guideline.⁸
- NBN planning and development, including the choice of which access technology will be used to connect to the NBN at each premises. These remain the responsibility of NBN Co.
- Except where specified in the Varied Migration Plan, the management of end users as part of the migration of services to the NBN, including the supply of interim services. These are matters that will be addressed by each RSP in relation to their own customers.
- In-home or other wiring or customer premises equipment upgrades required in order for customers to be supplied with a new NBN-based service. These are matters to be addressed directly by RSPs.
- Managing the migration of OTT services or equipment, including maintaining any list or register of affected services or managing service assurance of end users. These are issues that need to be dealt with collectively by industry, including with application service providers who supply these services. Often carriers such as Telstra may not be aware that such services are being supplied to a particular premises.

As this list demonstrates, migrating users to the NBN involves coordinating a wide range of end users, wholesale customers, RSPs, services and service providers. Similarly, as Annexure C highlights, there are numerous regulatory instruments in place, or being developed, to manage the end-to-end migration experience and process.

Finally, the Varied Migration Plan does not address matters related to Telstra's future role, if any, as part of the planning, design, construction or maintenance of the NBN. While this is not explicitly addressed in clause 2.2 of the Varied Migration Plan, under the Specified Matters Instrument these are matters outside the permitted scope of the Varied Migration Plan.⁹

⁸ Communications Alliance Ltd, Industry Guideline G652:2014, NBN Migration Management.

⁹ Telecommunications (Migration Plan – Specified Matters) Instrument 2015, clause 6(d).

Migration Assurance policy and Industry Migration Arrangements

Currently, the Federal Government, in consultation with industry, is developing the MAP Policy Statement and Industry Migration Arrangements¹⁰ in recognition of the complex challenge of migrating end users from the existing legacy networks to the NBN.

The MAP contemplates two overarching requirements for successful end-to-end migration: 1) the clear allocation of roles and responsibilities; and 2) adequate information sharing and data stability. Underneath these overarching requirements, the MAP then outlines that an effective migration process will occur if certain fundamentals for example, serviceability of premises, product availability, customer awareness, and industry participation, occurs early in the process.

For each of the above components, the MAP will set out the Government's expectations and outline commitments that are expected by key stakeholders to ensure a smooth migration process and one that prioritises service continuity and stability for end users, particularly vulnerable end users.

Clause 2.4 of the Varied Migration Plan provides that Telstra will consider the final MAP Policy Statement released by the Government as well as any updates to the Statement. If Telstra agrees that parts of the MAP Policy Statement relate to Telstra's obligations under the Varied Migration Plan and require subsequent amendments to the Varied Migration Plan, Telstra will prepare and submit to the ACCC a MAP-related Variation to the Varied Migration Plan.

7. Additional amendments

HFC Services

Under clause 18 of the Varied Migration Plan, there is no requirement for Telstra to supply HFC services on a wholesale basis. This is consistent with the Varied MPPs which require the Migration Plan to provide that Telstra is not required to supply carriage services to wholesale customers or otherwise supply wholesale carriage services using HFC network.

There is currently no declared HFC Service, and so clause 18 reflects and preserves the status quo prior to utilisation of Telstra's HFC network by NBN Co as the latter sees fit.

At the same time, clause 18 does include a number of constraints on Telstra's retail marketing and supply of HFC services, which ensure that continued use of the HFC infrastructure during the rollout does not provide Telstra with an unfair competitive advantage. These constraints include requiring that Telstra must:

- Not sell HFC services on fixed term contracts longer than two years, unless longer terms otherwise become generally available in the market;
- Retain until at least 2017 a set of three 'casual' plan offers, which operate on a month to month basis with no early termination or similar charges. These offers must retain their existing price relativities with equivalent 'fixed term' offers; and
- Only use HFC lead-ins within the existing Telstra HFC network footprint, so Telstra does not obtain an unfair advantage from any investment by NBN Co in any expansion of the HFC network footprint, prior to the RFS Date.

To ensure that these constraints do not operate in an asymmetrical manner, the retailing and marketing restraints in clause 18 only apply provided that Optus is subject to equivalent rules in relation to its HFC network and services (see clause 18.3(d)).

A similar approach is adopted in relation to new standard industry processes that may be developed in relation to the notification of disconnection on behalf of end users on the HFC network who are migrating to the NBN by the 'gaining RSP': Telstra will participate in any standard

¹⁰ Department of Communications, *Implementation of the National Broadband Network: Migration Assurance Policy Consultation Paper*, September 2014.

process dealing with this process to the extent that Optus also participates in the process (see clause 9.2(a)(iii) and 9.2(b) of the Varied Migration Plan).

Required Measures

At the time that the current Migration Plan was approved, a number of disconnection-related processes had yet to be developed. A process was therefore set out in the current Migration Plan for these 'Required Measures' to be developed and subsequently approved by the ACCC.

The following Required Measures have been finalised and approved by the ACCC:

- Required Measure 1 which deals with Telstra's role in obtaining certain consents and indemnities from wholesale customers on behalf of NBN Co and associated with NBN Co undertaking 'pull through' activities as part of its connection process.
- Required Measures 2 and 3 which set out how Telstra disconnects remaining copper services (other than Special Services) and HFC services, respectively, in the period following the Disconnection Date for each Rollout Region.
- Required Measure 4 which sets out how Telstra rebuilds copper paths so that it can supply Special Services at premises that have been permanently disconnected by Telstra.

Two other Required Measures have not yet been approved. Required Measure 5 covers disconnection processes for classes of Special Services and must be developed by Telstra only once NBN Co has announced that its wholesale products will support replacement products for the relevant legacy services through an industry white paper process. To date, no white papers have been released and so there has not been a requirement for any such processes to be developed by Telstra.

The NBN Information Security Plan (Required Measure 6) governs information security arrangements that Telstra commits to putting in place to govern its use and disclosure of FTTP-based disconnection and connection information obtained from NBN Co. At this stage, it remains the subject of ongoing development and consultation.

The approved Required Measures (1-4) form part of the current Migration Plan.

At this stage, Telstra and NBN Co have not had the opportunity to work through all of the technical processes and changes likely to be associated with the move to an MTM rollout. Telstra expects that these processes and changes will impact upon a number of the current Required Measures. Therefore, the following provisions are included in clause 5 of the Varied Migration Plan:

- Those Required Measures that have already been approved have been incorporated into the Varied Migration Plan. Some simplification has been undertaken, mostly through removing background and explanatory material which is no longer necessary, although these changes do not affect their operation.
- A more streamlined process has been included which requires Telstra to revisit each of the Required Measures within seven months of the approval of the Varied Migration Plan and to propose any amendments which are needed to reflect:
 - the new disconnection processes associated with the FSAM32+ arrangements; and
 - any amendments required to deal with the MTM transition – in particular, where the migration of services to FTTN, FTTB or HFC-based services may affect the way in which Telstra disconnects legacy services.

The Special Services disconnection processes to be developed per Required Measure 5 under the current Migration Plan will now be developed using this alternative process. The modified process involves a simplified notice/disallowance process (rather than an ex ante approval process) with the aim to operate more quickly and efficiently than the earlier Required Measure approval process.

The development and approval of the Information Security Plan (Required Measure 6) is well underway and will continue under the earlier process (which has been grandfathered in clause 25.4 of the Varied Migration Plan).

Order Stability Period

Telstra has revisited the existing process for modifying the Order Stability Period (**OSP**) that applies in the period immediately leading up to the Disconnection Date for each Rollout Region.

The revised process requires that where Telstra is making changes to reduce the impact of the OSP on customers or orders, by either reducing the duration of this period or expanding the types of orders that Telstra will process during this period, those changes can be made quickly and simply.

New clauses 13.2(e) and (f) provide an ex post ACCC notification process to apply in these cases, under which the change takes effect automatically 20 business days after notice is given to the ACCC (and notice to wholesale customers).

Any other changes to the OSP that may be perceived as having a detrimental effect on customers – for example by extending the period or further limiting the types of orders that can be processed by Telstra during the period – remain subject to the existing ACCC pre-approval process.

Telstra has also taken the opportunity to formally update the Varied Migration Plan to include a number of order types that have been operationally excluded from OSP to date (in Schedule 9).

Information security

Clause 25 of the Varied Migration Plan sets out provisions relating to information security (formerly in clause 24 of the current Migration Plan).

There is no material change to the scope of the existing information security rules that govern information received by Telstra from NBN Co under the Definitive Agreements in the course of the disconnection and connection of FTTP premises and information received from wholesale customers in connection with the disconnection of FTTP premises.

In respect of this information received from NBN Co, Telstra is required to develop and implement an 'Information Security Plan'. During the development period, a transitional set of information security provisions applies.

Telstra has prepared and lodged two drafts of the Information Security Plan since the Migration Plan was originally approved in February 2012. The first consultation occurred in November 2012 and the second in May 2013. The most recent draft remains the subject of ongoing discussion and development, in consultation with the ACCC.

Under the Varied MPPs, a different approach to information security is proposed for information received from NBN Co in relation to FTTB, FTTN and HFC premises. This reflects, among other things, the steps which have been taken by the Minister to increase transparency for all RSPs about the NBN Co rollout.

In particular, the Minister has proposed a Carrier Licence Condition be imposed on NBN Co requiring it to publish rollout information with respect to the MTM NBN. The consultation document for the Varied MPPs provided, in this regard:

A carrier licence condition will be imposed on NBN Co, requiring it to share rollout related information with all retail service providers in a manner consistent with NBN Co's existing non-discrimination obligations. This will be developed in 2015, subject to consultation conducted by the ACCC with industry stakeholders regarding the type of information they will require from NBN Co. The overarching object of the licence condition is to ensure symmetry between Telstra and all other retail service providers in respect of relevant NBN-rollout and related information. This will ensure that Telstra does not have any actual or perceived information advantage by virtue of its role as the owner of copper and HFC networks being acquired by NBN Co.

Together with this increased level of transparency, which is of benefit to all RSPs, there are a number of other protections governing FTTB, FTTN and HFC information received by Telstra, including:

- The continued operation of the competition provisions of the *Competition and Consumer Act 2010* (Cth) (Part IV and XIB);

- The confidentiality clauses in Telstra's wholesale contracts;
- Telstra's Structural Separation Undertaking information security arrangements continue to apply to restrict Telstra's disclosure and use of any information obtained under wholesale contracts for regulated services; and
- The Definitive Agreements themselves include a relatively detailed confidentiality regime, which also restricts Telstra's use or disclosure of this information.

The increased publication of information by NBN Co under its new Carrier Licence Condition together with these protections will provide assurance to industry that Telstra will not receive any unfair competitive advantage from information received by it under the Definitive Agreements.

More flexible reconnection rights

In response to experience with the migration process to date, Telstra has inserted a new clause 19.3 in the Varied Migration Plan to provide greater flexibility in relation to those circumstances in which Telstra is permitted to reconnect copper or HFC services.

Under the current Migration Plan, the circumstances in which Telstra can reconnect are limited, and do not include matters such as fixing or reversing errors (although in practice this has occurred in limited circumstances under operational arrangements in place with NBN Co).

Under the amended provisions, Telstra may reconnect a Premises where Telstra was not required to disconnect it under the Definitive Agreements. This will permit Telstra to reconnect services such as where they have been disconnected in error, bringing the Varied Migration Plan into alignment with the more flexible operational arrangements that have evolved over the migration to date.

When implementing any reconnection process, Telstra is required to reconnect on an equivalent basis as between corresponding retail and wholesale services (clause 19.3(b)).

Special Services

There has been no change to the list of Special Services and Special Service classes, both of which are set out in Schedule 4 of the Varied Migration Plan.

While the approach to ULLS services used to support equivalent products (referred to as Special Service Inputs in the Migration Plan) remains generally the same, the process for certifying Special Service Inputs has been modified. Previously, wholesale customers had been required to certify those ULLS which were being used as Special Service Inputs twice during each migration window in the lead up to the RFS Date and again prior to the Disconnection Date for the Rollout Region.

The Varied Migration Plan replaces this 'region by region' approach to certification, with a single national certification process. This reflects the fact that Special Services are not disconnected on a regional basis, but on a product/service class basis.

Under the modified process, Telstra will:

- Make available a system solution which wholesale customers can use to directly update the details of their ULLS services, when ordering or changing the use of a ULLS (this will be done by wholesale customers entering a unique code for each SS Class when ordering a ULLS);
- In February each year, Telstra will assess the ULLS services of all wholesale customers, using deployment class information, in order to certify the information provided by wholesale customers; and
- If the number of services certified exceeds the number assessed by Telstra (using deployment class information) by more than 10%, Telstra will notify the wholesale customer, and ask it to confirm its certification information.

As well as Special Services, given the nature of the FTTN and FTTB technology, there may be other legacy services from time to time that NBN Co identifies cause interference with NBN-based services. Telstra intends to address any of these incompatible service issues in the same way it does where interference arises in its network today; through product swaps or exits as required in accordance with existing contractual arrangements.

This approach is consistent with the current provisions and intent of the Migration Plan which contemplate that Telstra will continue to undertake BAU activities, such as product exits, as required (under clause 4.4).

Reporting and compliance – including the scope of the ACCC power to direct variations to the Varied Migration Plan

The Varied Migration Plan retains the existing right of the ACCC to direct Telstra to submit a variation to the Migration Plan, where required to ensure that Telstra continues to comply with the Varied MPPs.

This mechanism remains, but has been modified to reflect the introduction of the wider regulatory framework and some consequential amendments.

The changes made include:

- Some additional cases have been added in clause 29.1 which sets out limits on the power of variation, which would undermine key elements of the Varied Migration Plan, including the HFC provisions, information security and the list of excluded responsibilities that are not to be subject to the Migration Plan; and
- As well as those matters that were part of the current Migration Plan, the ACCC is now required to take into account the extent to which the outcome sought could be more appropriately achieved through another party undertaking or not undertaking an action when deciding whether to direct a variation. This additional factor reflects the more holistic, 'end-to-end' approach adopted under the Varied MPPs, which acknowledges that the migration process involves a variety of stakeholders and needs to be managed using a range of instruments.

MDU Common Areas

Telstra and NBN Co have identified a number of specific issues associated with the migration of 'multi-dwelling units' or **MDUs**. In particular, there are a range of legacy carriage services supplied to common areas within MDUs, such as concierge desks, elevator phones, foyer areas or common areas such as gyms, swimming pools etc. These areas are referred to in the Varied Migration Plan as 'MDU Common Areas'.

Under the amended Definitive Agreements, a different disconnection regime applies to MDU Common Areas, which will not necessarily be included by NBN Co in the fibre footprint at the same time as other individual premises within the MDU. NBN Co will include MDU Common Areas in the fibre footprint when it intends to supply replacement services to those common areas.

Under the Varied Migration Plan, Telstra will not apply the mandatory disconnection process to MDU Common Areas until after they have been included by NBN Co in the fibre footprint - their inclusion indicates that NBN Co is in a position to supply services to an MDU Common Area. From that point, Telstra will disconnect services supplied to an MDU Common Area as customers place orders to disconnect those services. Cease Sale will also apply to these MDU Common Areas, so that Telstra will not be able to reconnect services or supply any new services to an MDU Common Area that has been included as a premises in the fibre footprint unless an exception applies.

Telstra must mandatorily disconnect all remaining legacy services supplied to MDU Common Areas, within the fibre footprint, within two years of the end of the rollout (as defined under the amended Definitive Agreements).

This modified approach to disconnection reflects the particular and complex issues raised by supplying services into MDU Common Areas, and which require more time and flexibility in the migration process to avoid end user issues or service disruption.

8. Conclusion

The Varied Migration Plan reflects the changes required to give effect to NBN Co's MTM rollout and also introduces a number of important refinements to the current Migration Plan, including by:

- Updating the Migration Plan to reflect operational experience with the migration process to date, including introducing more flexibility and speed in areas identified by Telstra, industry and end users, such as reconnection and refinement of the OSP;
- Supporting the implementation of the FSAM32+ arrangements, which Telstra considers will improve the migration process for all service providers and the migration experience of end users;
- More clearly identifying the relationships between the Migration Plan and other stakeholders and processes, which should improve regulatory clarity and help stakeholders develop a end-to-end approach and regulatory framework; and
- Directly implementing NBN Co and the Government's policy objective of moving to an MTM NBN rollout, ensuring alignment with the amended Definitive Agreements.

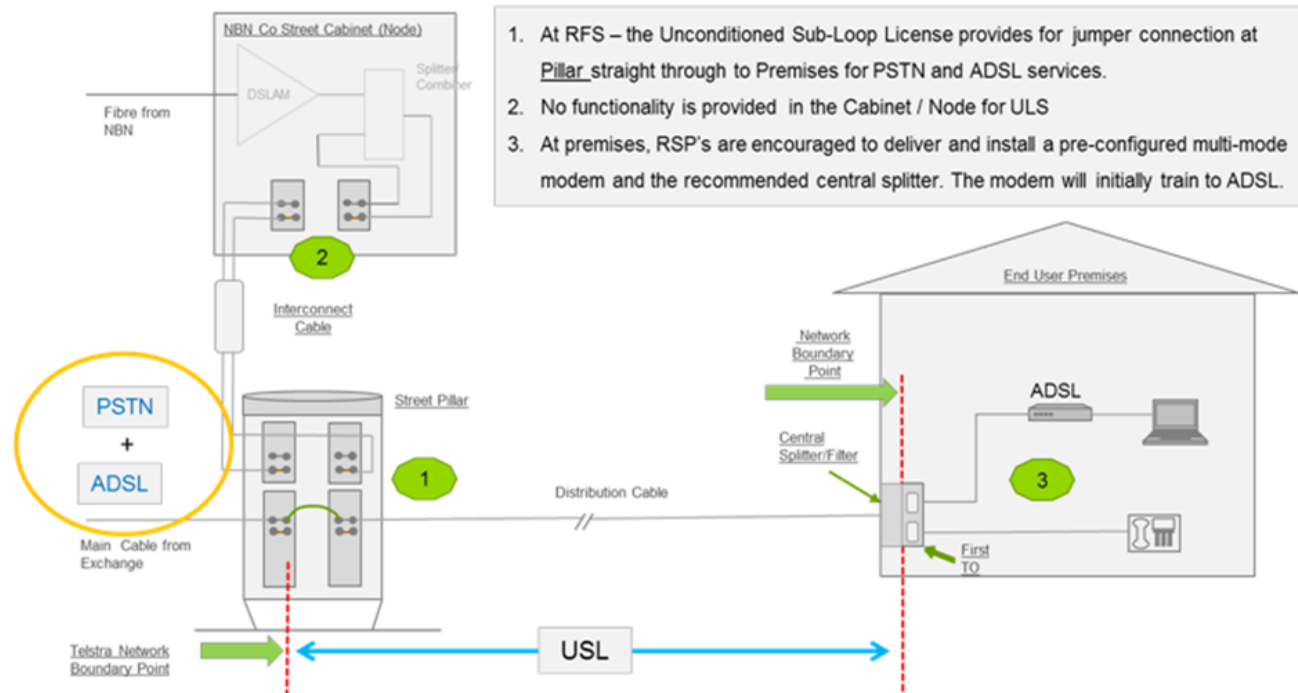
The Varied Migration Plan will facilitate the key objectives of the Varied MPPs, being to provide for an efficient and timely disconnection of services from Telstra's separating networks, equivalence in the disconnection process between Telstra's retail and wholesale customers, and reasonable regulatory certainty for Telstra.

Telstra is therefore pleased to submit the Varied Migration Plan to the ACCC for approval under section 577BF(2) of the Telecommunications Act.

Annexure A: Migration of Copper-based legacy services to NBN FTTN

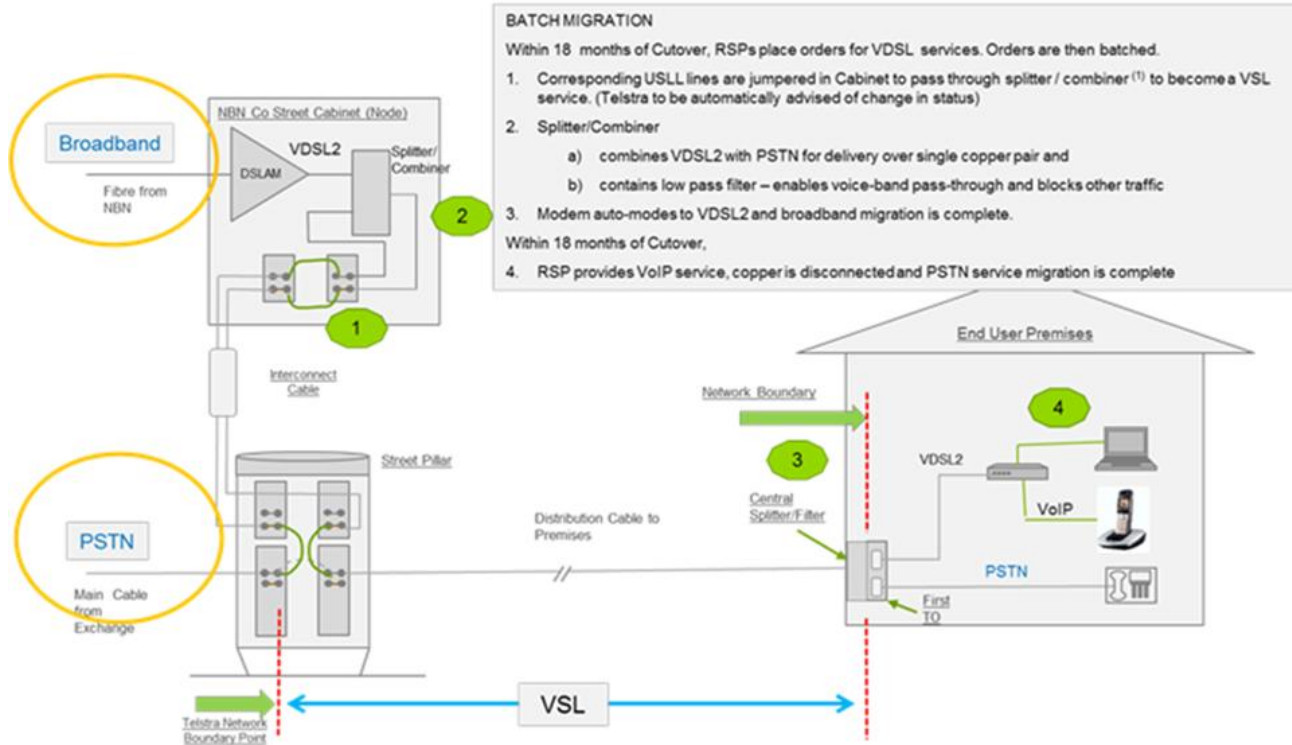
USL Structure

USL - Arrangement for PSTN and ADSL services



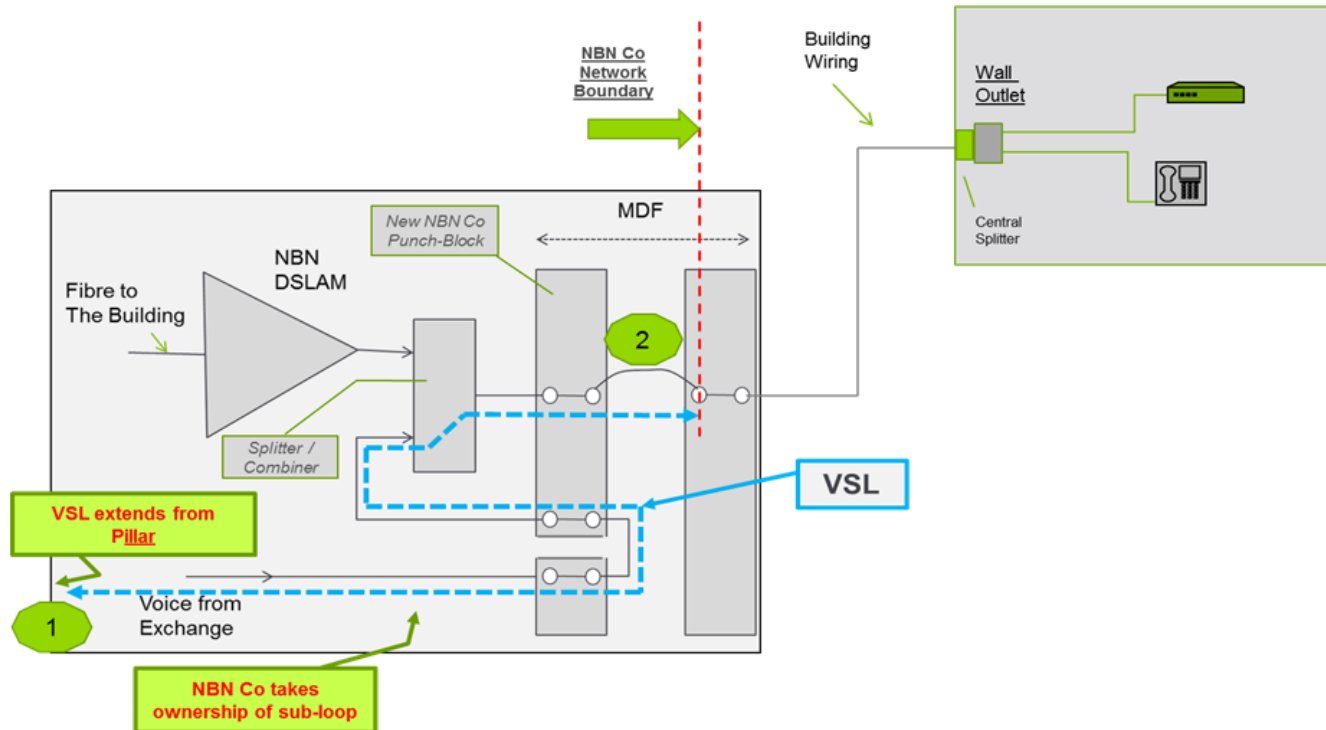
VSL Structure

Voiceband Sub-loop License (VSL) – Cutover to Migration



VSL Structure

VSL in an MDU (where NBN Co owns the Copper Sub-Loop)



Annexure B: Varied MPPs and Varied Migration Plan provisions

The Varied MPPs generally take the same form as the Telecommunications (Migration Plan Principles) Determination 2011 (**MPPs**) made by the former Minister in 2011, and include three types of principles: general, specific and procedural. While the same structure has been retained, the Varied MPPs differ from the original MPPs in two important respects:

- First, a new provision (section 8(2)) in the Varied MPPs provides improved clarity around how the different types of principles will interact – something that had previously been unclear. The Varied Migration Plan will now be deemed to comply with the Varied MPPs, including any general principles, if there are specific or procedural principles relating to a matter and the Varied Migration Plan complies with those specific or procedural principles.
- Second, a number of the Varied MPPs provide more detailed direction to Telstra about what is required to be included in the Varied Migration Plan. In many cases, the Varied MPPs now reflect the provisions already been in place and approved under the current Migration Plan. In other cases, the Varied MPPs provide more detailed guidance associated with the MTM transition.

| Varied MPPs section | Varied Migration Plan clause | Comments |
|--|---|---|
| Section 9 Commencement of MTM variations | Clause 4 – Commencement and term | The corresponding clause was introduced to cover the amendments made in response to the MTM. |
| Section 10 General and specific principles – disconnection of carriage services | Clause 1 – Defined terms and interpretation Clause 2 – Objectives and scope of Varied Plan Clause 4 – Commencement and term Clause 6 – Telstra to use Existing Processes | <p>The additions to these corresponding clauses were amendments made in response to the MTM including:</p> <ul style="list-style-type: none"> • changes required to take into account the asset transfer arrangements now required; • the individual approach proposed to be taken towards MDUs; and • the definition of Premises has been amended to include MDU Common Areas. <p>These amendments (clause 4.5) also cover the concept of 'Excluded Event' and 'Force Majeure' and the extent of Telstra's responsibilities in these circumstances.</p> |

| Varied MPPs section | Varied Migration Plan clause | Comments |
|---|---|--|
| <p>Section 11</p> <p>Specific principle – alignment of Migration Plan with Migration Assurance Policy Statement</p> | <p>Clause 2.4 – Varied Migration Plan and the MAP Policy Statement</p> | <p>The corresponding clauses provide that Telstra will consider the final MAP released by the Government and any updates, and, if Telstra agrees that parts of the MAP relate to Telstra’s obligations under the Varied Migration Plan and require subsequent amendments to the Varied Migration Plan, Telstra will be able to prepare and submit to the ACCC a MAP Variation to the Varied Migration Plan.</p> |
| <p>Section 12</p> <p>Specific principle – disconnection of carriage services using copper networks</p> | <p>Clause 2 – Objectives and scope of Varied Migration Plan</p> <p>Clause 6– Telstra to use existing processes</p> <p>Clause 7 – Telstra’s timetable for disconnection of Premises will be determined by reference to NBN Co’s rollout schedule</p> <p>Clause 8 – Provision by Telstra of information about disconnection and Disconnection Dates</p> <p>Clause 9 – Disconnection of Copper Services and HFC Services during the Migration Window</p> <p>Clause 12 – Telstra activities in the lead up to the Disconnection Date for each Rollout Region</p> <p>Clause 13 – OSP prior to the Disconnection Date</p> <p>Clause 14 –Managed Disconnection commencing at the Disconnection Date</p> <p>Clause 15 – Types of Premises and related Disconnection Windows</p> <p>Clause 16 – Disconnection of all Premises to be completed by the Designated Day</p> <p>Clause 22 – Special Services</p> <p>Clause 23 – Removal of wholesale customer equipment from Telstra facilities</p> <p>Schedule 1 – Telstra existing standard processes for disconnection of copper services (other than Special Services)</p> <p>Schedule 3 – Principles for Managed Disconnection immediately</p> | <p>The corresponding clauses are relatively unchanged except for some timing changes designed to improve the end user experience: e.g. where a customer places an order for a new NBN-based service, the customer can now continue to use their existing service for up to 120 business days after the Disconnection Date, or until the NBN connection has been completed cancelled or revoked.</p> <p>For this calendar year 2015 amendments have been made to allow more time for completion of In-Train Orders placed with NBN Co, before proceeding with the disconnection of the legacy services.</p> <p>Amendments have also been made to take into account circumstances where Telstra has been informed that an end user does not intend to migrate (clause 15.4).</p> |

| Varied MPPs section | Varied Migration Plan clause | Comments |
|---|---|--|
| | following the Disconnection Date Schedule 4 – Special Services | |
| Section 13 Specific principle – disconnection of carriage services using hybrid fibre-coaxial networks | As above (except Schedule 1) Schedule 2 – Telstra existing standard processes for disconnection of HFC services | The corresponding clauses are relatively unchanged except for some timing changes designed to improve the end user experience: e.g. where a customer places an order for a new NBN-based service, the customer can now continue to use their existing service for up to 120 business days after the Disconnection Date, or until the NBN connection has been completed cancelled or revoked. |
| Section 14 Specific principle – MDU common areas and related copper services and hybrid fibre-coaxial services | Clause 1.4 – MDU Common Areas and related Copper Services and HFC Services Clause 16 – Disconnection of all Premises to be completed by the Designated Day | The corresponding clauses were introduced to cover the application of the Varied Migration Plan to deal with unique circumstances of MDU Common Areas. |
| Section 15 Specific principle – coordination of connection and disconnection | Clause 2.2 – Matters not within Telstra’s responsibilities Clause 2.3 – Interdependencies of Varied Migration Plan with actions of other parties Clause 6.4 – Telstra not responsible for management or coordination of the connection process Clause 7 – Telstra’s timetable for disconnection of Premises will be determined by reference to NBN Co’s Rollout schedule Clause 8 – Provision by Telstra of information about disconnection and Disconnection Dates Clause 9 – disconnection of Copper Services and HFC Services during the Migration Window Clause 12 – Telstra activities in the lead up to the Disconnection Date for each Rollout Region Schedule 1 – Telstra’s existing standard processes for disconnection of Copper Services (other than Special Services) | The additions to these corresponding clauses address the following issues: <ul style="list-style-type: none"> the Varied Migration Plan is not intended to capture the entirety of Telstra’s responsibilities throughout the end-to-end migration process; and Amendments required addressing the asset transfer arrangements. |
| Section 16 | Clause 2.2 – Matters not within Telstra’s responsibilities | The corresponding clauses are relatively unchanged. |

| Varied MPPs section | Varied Migration Plan clause | Comments |
|---|--|--|
| <p>Specific principle – coordination of connection and disconnection for all premises</p> | <p>Clause 2.3 – Interdependencies of Varied Migration Plan with actions of other parties</p> <p>Clause 6.4 – Telstra not responsible for management or coordination of the connection process</p> <p>Clause 9 – disconnection of Copper Services and HFC Services during the Migration Window</p> <p>Clause 10 – Pull Through activities</p> <p>Clause 12 – Telstra activities in the lead up to the Disconnection Date for each Rollout Region</p> <p>Schedule 1 – Telstra’s existing standard processes for disconnection of Copper Services (other than Special Services)</p> | |
| <p>Section 17</p> <p>Specific principle – restrictions on the supply of carriage services prior to and after the Disconnection Date</p> | <p>Clause 4.4 – Telstra’s existing non-migration related activities and rights are unaffected by the Varied Migration Plan</p> <p>Clause 13 – OSP prior to the Disconnection Date</p> <p>Clause 17 – No supply of new Copper Services and HFC Services after a Premises becomes NBN Serviceable</p> <p>Clause 19 – Temporary Reconnection</p> <p>Clause 32- Dispute resolution process</p> | <p>The key changes to the corresponding clauses are:</p> <ul style="list-style-type: none"> • timing of OSP; • introduction of additional circumstances of allowable orders; and • No need for ACCC approval of OSP in certain circumstances. |
| <p>Section 18</p> <p>Specific principle – Special Services</p> | <p>Clause 4.4 – Telstra’s existing non-migration related activities and rights are unaffected by the Varied Migration Plan</p> <p>Clause 5 – Required Measures and Replacement Schedules</p> <p>Clause 22 – Special Services</p> <p>Schedule 4 – Special Services</p> | <p>The corresponding clauses are relatively unchanged except as outlined above.</p> |
| <p>Section 19</p> <p>Specific principle – applying a soft dial tone service</p> | <p>Clause 21 – SDT</p> | <p>The corresponding clause has been amended to incorporate the FSAM32+ arrangements.</p> |

| Varied MPPs section | Varied Migration Plan clause | Comments |
|--|---|--|
| <p>Section 20 Specific principle – restoration of carriage services</p> | <p>Clause 17 – No supply of new Copper Services and HFC Services after a Premises becomes NBN Serviceable Clause 19 – Temporary Reconnection</p> | <p>The corresponding clauses have been updated to reflect clarifications made in the amended Definitive Agreements regarding circumstances in which reconnection is permitted.</p> |
| <p>Section 21 Specific principle – equipment of wholesale customers</p> | <p>Clause 23 – Removal of wholesale customer equipment from Telstra facilities</p> | <p>The corresponding clauses are relatively unchanged.</p> |
| <p>Section 22 Specific principles - timetable for disconnecting fixed-line carriage services</p> | <p>Clause 7 – Telstra’s timetable for disconnection of Premises will be determined by reference to NBN Co’s rollout schedule Clause 8 – Provision by Telstra of information about disconnection and Disconnection Dates Clause 22 – Special Services Clause 22 - Cease Sale</p> | <p>The corresponding clauses have been updated to incorporate FSAM32+ arrangements.</p> |
| <p>Section 23 Specific principle – control of disconnection timing and processes</p> | <p>Clause 6 – Telstra to use Existing Processes Clause 9.3 – Wholesale customers to retain autonomy over disconnection decisions, including control over the timing of disconnection Clause 10 – Pull Through Activities Clause 12 – Telstra activities in the lead up to the Disconnection Date for each Rollout Region Clause 22 – Special Services Schedule 1 – Telstra’s existing standard processes for disconnection of Copper Services (other than Special Services)</p> | <p>The corresponding clauses are relatively unchanged.</p> |
| <p>Section 24 Specific principle – provision of information regarding disconnection</p> | <p>Clause 8 – Provision by Telstra of information about disconnection and Disconnection Dates Clause 12 – Telstra activities in the lead up to the Disconnection Date</p> | <p>The corresponding clauses are relatively unchanged.</p> |

| Varied MPPs section | Varied Migration Plan clause | Comments |
|---|---|---|
| | <p>for each Rollout region</p> <p>Clause 14.4 – Telstra to notify wholesale customers before final decision</p> | |
| <p>Section 25</p> <p>General principle – equivalence regarding disconnecting Telstra retail business units and wholesale customers using the copper network</p> | <p>Clause 5 – Required Measures and Replacement Schedules</p> <p>Clause 6 – Telstra to use existing processes</p> <p>Clause 7 – Telstra’s timetable for disconnection of Premises will be determined by reference to NBN Co’s rollout schedule</p> <p>Clause 8 – Provision by Telstra of information about disconnection and Disconnection Dates</p> <p>Clause 9 – Disconnection of Copper Services and HFC Services during the Migration Window</p> <p>Clause 12 – Telstra activities in the lead up to the Disconnection Date for each Rollout Regions</p> <p>Clause 13 – OSP prior to the Disconnection Date</p> <p>Clause 15 – Types of Premises and related Disconnection Windows</p> <p>Clause 22 – Special Services</p> <p>Schedule 1 – Telstra existing standard processes for disconnection of Copper Services (other than Special Services)</p> <p>Schedule 3 – Principles for Managed Disconnection immediately following the Disconnection Date</p> <p>Schedule 7 – Required Measures</p> | <p>The corresponding clauses are relatively unchanged.</p> |
| <p>Section 26</p> <p>Specific principle – prohibition of marketing activity</p> | <p>Clause 11 – Telstra staff and contractors attending on site</p> | <p>The corresponding clauses are relatively unchanged.</p> |
| <p>Section 27</p> <p>General principle and Specific Principles – use of adequate</p> | <p>Clause 5 – Required Measures (for disconnection processes in relation to Special Services and managed disconnection)</p> <p>Clause 6 – Telstra to use Existing Processes</p> | <p>The corresponding clauses are relatively unchanged. In relation to variation of existing processes, the amendments do require that the relevant decision maker consider identification of lower cost or more appropriate alternatives as the Varied Migration Plan and</p> |

| Varied MPPs section | Varied Migration Plan clause | Comments |
|---|---|--|
| processes | Clause 9 – Disconnection of Copper Services and HFC Services during Migration Window Clause 10 – Pull-Through Activities Clause 29 – Variation of an existing process or development of new or modified disconnection measures Clause 30 – Testing of new or modified Disconnection processes Schedule 1 – Telstra existing standard processes for disconnection of copper services (other than Special Services) Schedule 2 – Telstra existing standard processes for disconnection of HFC services | MTM rollout is occurring as part of a more integrated 'end-to-end' process, with defined roles and responsibilities for a number of industry stakeholders, including NBN Co, RSPs and service providers. |
| Section 28 Specific Principle- Required Measures and replacement schedules | Clause 5 – Required Measures and Replacement Schedules | Significant amendments have been made to this clause as a number of Required Measures have already been approved by the ACCC but will require further amendments as a result of the Varied Migration Plan. |
| Section 29 Specific principle – specification of disconnection processes | Clause 6 – Telstra to use Existing Processes Clause 9 – Disconnection of Copper Services and HFC Services during Migration Window Clause 10 – Pull Through Activities Clause 12.2 – Notification to wholesale customers when wholesale services are automatically disconnected Schedule 1 – Telstra existing standard processes for disconnection of copper services (other than Special Services) | The corresponding clauses are relatively unchanged. |
| Section 30 Specific principle – modifications to existing processes and disconnection measures | Clause 29 – Variation of an existing process or development of new or modified disconnection measure Clause 32 – Dispute resolution process | The corresponding clauses are relatively unchanged. |
| Section 31 General principle – using standard | Clause 6 – Telstra to use Existing Processes Clause 9 – Disconnection of Copper Services and HFC Services during | The corresponding clauses are relatively unchanged. In relation to variation of existing processes, the amendments do require that the relevant decision maker consider identification of lower cost or |

| Varied MPPs section | Varied Migration Plan clause | Comments |
|---|--|---|
| <p>Telstra operating systems, interfaces and processes</p> | <p>the Migration Window</p> <p>Clause 29 – Variation of an existing process or development of a new or modified disconnection measure</p> <p>Schedule 1 – Telstra existing standard processes for disconnection of copper services (other than Special Services)</p> | <p>more appropriate alternatives.</p> |
| <p>Section 32</p> <p>General principle – supply of information by Telstra to NBN Co</p> | <p>Clause 24 – Information supplied to NBN Co</p> <p>Clause 25 – Information Security</p> <p>Schedule 8 – Information to be provided by Telstra to NBN Co under the Definitive Agreements</p> | <p>The corresponding clauses are relatively unchanged.</p> |
| <p>Section 33</p> <p>Specific principle – NBN Co migration information and NBN Co confidential information</p> | <p>Clause 5 – Required Measures and Replacement Schedules</p> <p>Clause 25 – Information Security</p> <p>Schedule 6 – Information Security principles for the development of NBN Co Migration Information security measures</p> | <p>The NBN Information Security Plan (which applies to FTTP only) was the only Required Measure which was still outstanding (the only other Required Measure related to Special Services and was not yet due). The approval process for the NBN Information Security Plan was therefore moved into clause 25 of the Varied Migration Plan, but otherwise remains unchanged. The existing principles governing FTTP information security are also unchanged from those previously approved in Schedule 6 of the Migration Plan.</p> <p>New provisions dealing with information security (including in relation to confidential information of NBN Co) reflect the new MPPs (section 33).</p> |
| <p>Section 34</p> <p>Specific principle – wholesale customer information</p> | <p>Clause 25.7 – Information security for wholesale customer information</p> | <p>The amendments to this clause restrict application of the Varied Migration Plan to FTTP-connected premises only.</p> |
| <p>Section 35</p> <p>General principle – commencing to supply fixed-line carriage services using the national broadband network</p> | <p>Clause 20 – Telstra commencing to provide services using the NBN</p> | <p>The corresponding clauses are relatively unchanged.</p> |

| Varied MPPs section | Varied Migration Plan clause | Comments |
|--|---|--|
| Section 36 General principle – no wholesale carriage services over the hybrid fibre-coaxial network | Clause 18.1 – No wholesale supply of service using the HFC Network | This is a new clause required as a result of the move to the MTM model. |
| Section 37 Specific principles –carriage services over the hybrid fibre-coaxial network | Clause 18 – HFC Services | This is a new clause required as a result of the move to the MTM model. |
| Section 38 Procedural principle – reporting framework | Clause 26 – Reporting Framework Clause 28 – Compliance | The corresponding clauses are relatively unchanged. |
| Section 39 Procedural principle – rectification of plan as directed by the ACCC | Clause 27 – Rectification of the Plan | The corresponding clauses are relatively unchanged. |
| Section 40 Procedural principle – dispute resolution | Clause 32 – Dispute Resolution process | The corresponding clauses are relatively unchanged. |
| Section 41 Procedural principle – scope of modifications to processes | Clause 29 – Variation of an existing process or development of a new or modified disconnection measures Clause 30 – Testing of new or modified disconnection processes | The corresponding clauses are relatively unchanged. In relation to variation of existing processes, the amendments do require that the relevant decision maker consider identification of lower cost or more appropriate alternatives. |
| Section 42 Procedural principle – consultation with NBN Co | Clause 31 – Telstra will consult with NBN Co about relevant matters under the Varied Migration Plan | The corresponding clauses are relatively unchanged. |
| Section 43 Procedural principle – test procedure processes | Clause 30 – Testing of new or modified Disconnection processes | The corresponding clauses are relatively unchanged. |

| Varied MPPs section | Varied Migration Plan clause | Comments |
|---|---|--|
| | | |
| Section 44 Procedural principle – cessation of migration plan | Clause 4 - Commencement and Term Clause 17 – No supply of new Copper Services after a Premises becomes NBN Serviceable Clause 19 – Temporary reconnection Clause 25 – Information security | The corresponding clauses are relatively unchanged. |
| Schedule 1 Special Services | Schedule 4 – Special Services | The corresponding clauses are relatively unchanged. |
| Schedule 2 Matters outside of Telstra's responsibility under the Migration Plan | Clause 2.2 – Matters not within Telstra's responsibilities | This clause has been included to better and more clearly define Telstra's role under the Varied Migration Plan. |
| Schedule 3 Matters for which Telstra's compliance is dependent on the actions of other parties | Clause 2.3 – Interdependencies of the Varied Migration Plan with actions of other parties | This clause has been included to better and more clearly define Telstra's role under the Varied Migration Plan. |
| Schedule 4 NBN Co migration information | Clause 25 – Information Security | Significant amendments have been made to these clauses in the Varied Migration Plan to align with the modified definition of NBN Co Migration Information set out in Schedule 4 of the MPPs. |

Annexure C: Overview of NBN migration-related instruments

