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Dear Ms van Beelen

**ACCC approval of Telstra's revised rectification proposal for systems and processes for ordering BTS, ADSL AND LSS services via LOLO and LOLIG**

I am writing to inform you that the ACCC has decided to accept the revised rectification proposal submitted by Telstra to the ACCC on 23 December 2016 in accordance with Schedule 11 of Telstra's Structural Separation Undertaking (SSU).

The rectification proposal was submitted in response to a breach of the overarching equivalence commitment in clause 9(a) of the SSU, which requires Telstra to ensure equivalence in relation to the supply of Regulated Services to wholesale customers and its retail business units.

The breach related to widespread system outages and disruptions of Telstra's wholesale ordering systems (Linx Online Ordering (LOLO) and Linx Online Interaction Gateway (LOLIG)), which are used to order wholesale services, including the Basic Telephone Service (BTS), asymmetric digital subscriber line (ADSL) and Line Sharing Service (LSS). The system issues occurred between 4 September 2016 and 17 October 2016 and affected all wholesale customers seeking to process transactions using LOLO and LOLIG during this period. With the exception of Telstra 'Belong' customers, Telstra's retail orders were not affected. As a result, Telstra was unable to ensure equivalence in the treatment of its wholesale customers and its retail business units.

While the ACCC has decided to accept the revised rectification proposal as an effective remedy to the breach, the ACCC notes that there are aspects of the proposal which it considers would have benefitted from the inclusion of more detail. Specifically, in relation to the compensation scheme, more detailed and specific commitments around the time for assessing and advising claimants on compensation claims would have improved the proposal. Similarly, in relation to future testing of system upgrades and changes, the ACCC considers the rectification proposal would have benefitted from more detail around how much notice would be provided to wholesale customers, and what level of participation (if

any) by wholesale customers would be sought by Telstra before future system changes are implemented.

The ACCC will monitor the operation and implementation of the revised rectification proposal to inform the assessment of any future rectification proposals.

The ACCC intends to publish this letter, as well as the summary of the rectification proposal provided by Telstra to wholesale customers in late December 2016, on the ACCC's website.

Yours sincerely



Matthew Schroder  
Acting Executive General Manager  
Infrastructure Regulation Division