
TELSTRA CORPORATION LIMITED

Required Measure 5(D) – Process for Disconnection of Direct Special Services and Special Service Inputs – DDS Fastway, Data Access Radial, Megalink, Frame Relay, ISDN 2 and ISDN10/20/30

Submission in support

09 February 2017

01 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 Access Service Families DDS Fastway, Data Access Radial, Megalink, Frame Relay, ISDN 2 and ISDN10/20/30.

This Required Measure will be referred to as Required Measure 5(D) (**RM5(D)**).

02 BACKGROUND

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**). These services were given an extended timeframe for disconnection so that replacement product functionality could be developed for Retail Service Providers (**RSPs**) to migrate their copper based special services onto the NBN.

The disconnection date for a Special Service Class (**Special Service Class**) (also referred to as the Special Service Disconnection Date or **SSDD**) can be set either by nbn co. completing a white paper process for the SS by class (i.e. by the access technology used or proposed to be used to connect the Premises to the NBN) or by Telstra announcing a Business As Usual (**BAU**) national product exit for that SS Class, before an SSDD for that SS Class has been determined under the white paper process.

On 31 May 2016 nbn co. issued white papers in respect of Megalink and Wholesale Transmission (P), (B) and (N) titled '*Temporary Special Services White Paper Megalink and Wholesale Transmission*' and DDS Fastway and Data Access Radial (P), (B) and (N) titled '*Temporary Special Services White Paper DDS Fastway and Wholesale Data Access Radial*' (**White Paper 3**). On 30 September 2016, nbn co. issued white papers in respect of ISDN2 and ISDN10/20/30 (P), (B) and (N) titled '*Temporary Special Services White Paper ISDN on the nbn™ Ethernet Bitstream Service*' and Frame Relay (P), (B) and (N) titled '*Temporary Special Services White Paper Frame Relay on the nbn™ Ethernet Bitstream Service*' (**White Paper 4**). White Paper 3 and White Paper 4 offer replacement product functionality over the NBN where the access technology used or proposed to be used to connect a Premises to the NBN is Fibre to the Premise (**FTTP**), Fibre to the Node (**FTTN**) or Fibre to the Basement (**FTTB**).

Telstra announced a national product exit for the DDS Fastway, Data Access Radial, Megalink, Frame Relay, ISDN2 and ISDN10/20/30 products (collectively **Covered Access Service Families**) on 20 September 2016 – prior to the determination of an SSDD as part of the white paper process for any of the relevant SS Classes. This means the Special Services in these Covered Access Service Families and Special Service Inputs that are certified by Wholesale Customers as Service Equivalent will be disconnected according to Telstra's national product exit process.

The key milestone dates in Telstra's national product exit processes are:

Product Group	National Stop Sell (new customers)	National Stop Sell (existing customers)	SSDD (within FTTP, FTTN and FTTB footprint only)	Final Sunset Exit (service disconnection)
DDS Fastway, Data Access Radial and Megalink	31 January 2018	30 June 2018	31 May 2019	Currently anticipated to be 2022
Frame Relay, ISDN2 and ISDN10/20/30			30 September 2019	

Telstra has announced this national product exit to provide certainty and advance notice to industry participants of key stop sell dates against a backdrop of anticipated product support challenges (platform obsolescence issues, vendor support for products being withdrawn and a lack of availability of spare parts). Importantly, these stop sell dates apply nationally, irrespective of whether services are in the Fixed Line Footprint, the Rollout Region's timing for disconnection, nbn serviceability or the nbn access technology applicable for any given location. Disconnection processes under this RM5(D) for Premises proposed to be connected using FTTP, FTTN or FTTB will follow those that would have applied if a White Paper exit approach were being followed under White Paper 3 and White Paper 4, or the Final Sunset Exit process consistent with the national product exit announcement, whichever first occurs.

This national stop sell with staged disconnection approach balances these product support challenges with the industry requirement to support service continuity in areas where nbn may not have yet rolled out.

Clauses 5.2 and 22.5 of the Migration Plan (**Plan**) set out the process by which disconnection arrangements are to be developed for a Special Service once an SSDD has been determined, or a BAU product exit has been announced for an SS Class. Telstra must complete development of these disconnection arrangements (which become part of the Plan) within 6 months of an SSDD being determined, whether via the white paper process or by a BAU exit being announced. The process for developing a new Schedule to the Plan requires Telstra to consult with Wholesale Customers, nbn co. and the ACCC for a minimum of 20 Business Days. Telstra may then complete development of the Schedule (taking into account the feedback received) and notify the ACCC, Wholesale Customers and nbn co. of Telstra's intention to publish the new Schedule.

03 PROPOSED RM5(D)

This proposed RM5(D) outlines the processes by which Telstra will permanently disconnect Special Services and Special Service Inputs of the Covered Access Service Families. Importantly, the disconnection processes outlined in RM5(D), other than the Final Sunset Exit, only apply where these services are supplied to premises to which nbn co. will deliver services using FTTP, FTTB or FTTN, collectively **Covered SS Classes**. RM5(D) 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 Rollout Region Disconnection Date (**RRDD**). The disconnection processes in RM5(D) that occur prior to a Final Sunset Exit do 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, RM5(D) largely applies the same disconnection processes that apply to standard PSTN, ULLS and ADSL services as set out in Required Measure 2.

Where the Direct Special Service or Special Service Input is not covered by the SSDD or subsequent RRDD processes, the Final Sunset Exit service disconnection processes will apply. These will be communicated to industry once the date for the Final Sunset Exit (**Final Exit Date**) has been determined, with Wholesale Customers being provided a minimum notice period of 18 months.

Direct Special Services and Special Service Inputs 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(D) as **Covered Special Services**.

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.

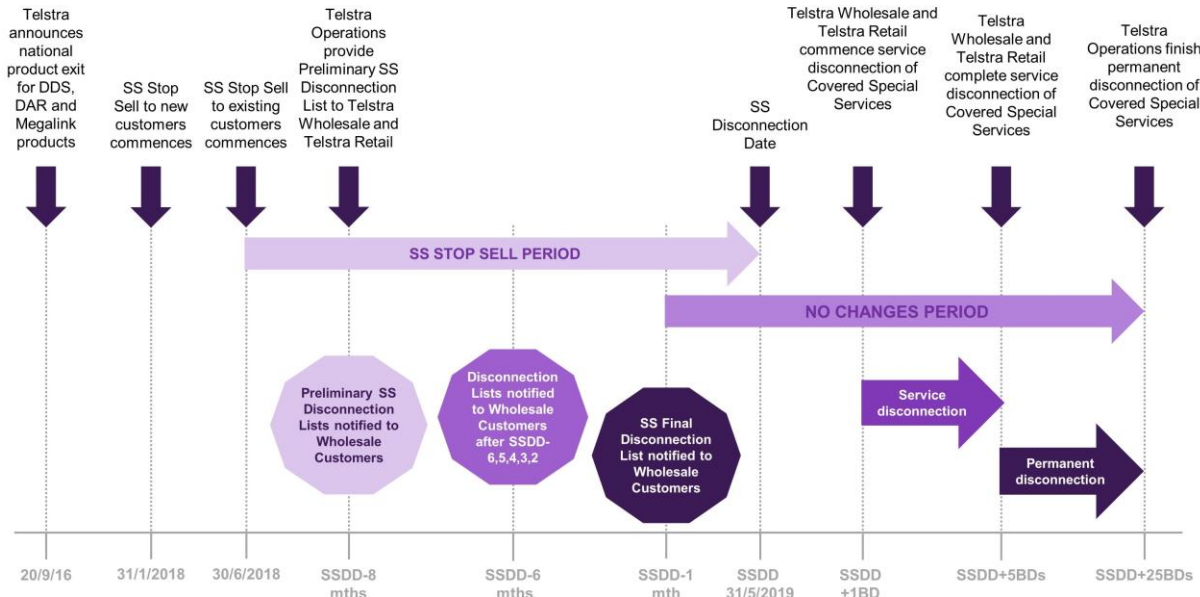
Development	Implications
Disconnection Date	<p>There are four possible disconnection scenarios that may apply to Direct Special Services and Special Service Inputs in a Covered SS Class. These are:</p> <ul style="list-style-type: none"> (i) disconnection of Covered Special Services following the SSDD (these services will be disconnected following the SS Principal Disconnection Window with no extension to disconnection comparable to the In-Train Order process for standard services). For DDS Fastway, Data Access Radial and Megalink (DDS, DAR and Megalink products) where the access technology used or proposed to be used to connect a Premises to the NBN is FTTP, FTTB or FTTN the SSDD is 31 May 2019. For Frame Relay, ISDN2 and ISDN10/20/30 (Frame Relay and ISDN products) where the access technology used or proposed to be used to connect a Premises to the NBN is FTTP, FTTB or FTTN Class the SSDD is 30 September 2019. (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; (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; (iv) service disconnection of all remaining Direct Special Services and Special Service Inputs in a Covered Access Service Family following Telstra announcing a Final Sunset Exit (after the SSDD).
Final Sunset Exit Date	<p>Telstra has announced its intention to conduct a Final Sunset Exit and expects this to occur in 2022. Once the Final Sunset Exit Date has been determined, it and the service disconnection processes that will apply will be communicated to Wholesale Customers with at least 18 months prior notice provided.</p>
Stop sell to new customers	<p>On and from 31 January 2018 Telstra will not supply any new Direct Special Services or Special Service Inputs in a Covered Access Service Family to new</p>

	customers (being customers that did not acquire Direct Special Services in the particular Covered Access Service Family as at 31 January 2018).
Stop sell to existing customers	Stop sell to existing Wholesale and Retail Customers will apply on and from 30 June 2018. From this point on, existing customers will not be able to order new services.
No Changes period	<p>Telstra will apply a No Changes 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. During the No Changes Period the only orders that Wholesale Customers can make are service cancellations, some portability and voice related changes or some limited configuration changes. These are listed in clause 5.2 of the proposed RM5(D).</p> <p>If the RRDD 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 No Changes for Special Services than those that are allowed for standard PSTN, ULLS and ADSL services due to the different characteristics of these Special Services. 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 RM5(D).</p>
Communication with Wholesale customers	<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 Retail Business Units.</p> <p>At SSDD–1 month Telstra will generate the SS Final Disconnection List which will include Covered Special Services that are still active and will be disconnected at the SSDD. The SS Final Disconnection List 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 Retail Business Units.</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>

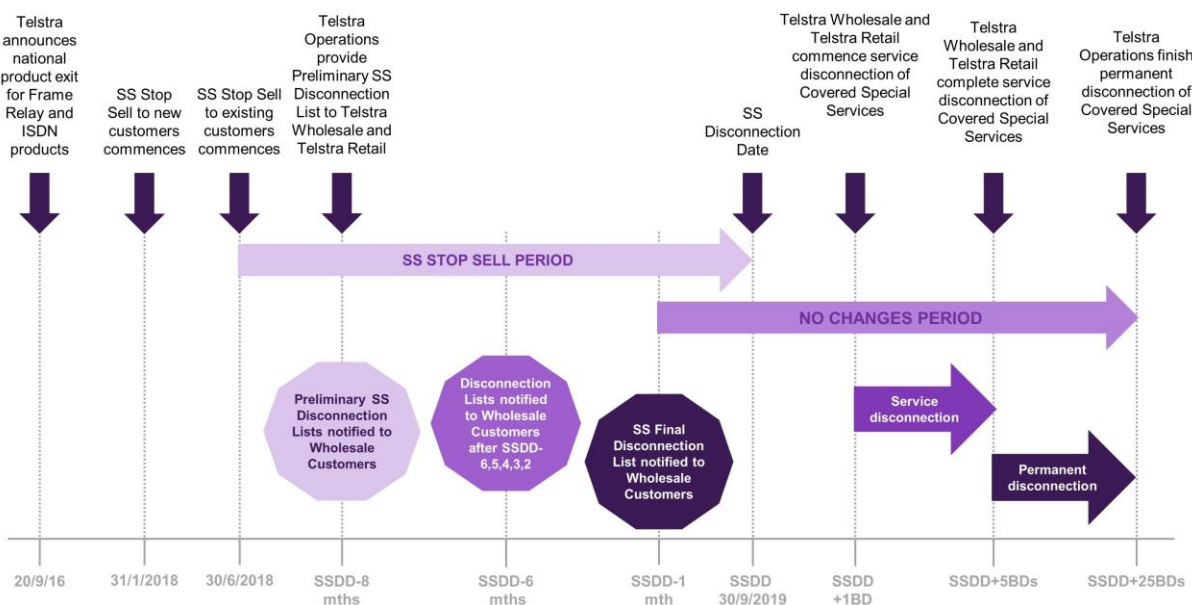
<p>Dispute process</p>	<p>Telstra has put in place a dispute process whereby Wholesale Customers can notify Telstra of services that they consider should not be subject to disconnection. The permitted reasons for a dispute regarding disconnection under RM5(D) are similar to those in Required Measure 2, with a few variations that accommodate the different characteristics of Special Services. Reasons for raising a dispute include:</p> <p>(i) A data error which places a service on the disconnection list incorrectly.</p> <p>(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.</p> <p>(iii) A service is provided to a premise that was notified to Telstra as being a Changed Technology Special Service Premise and is consequently not subject to disconnection at that time.</p> <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 Special Service Premises can be raised at any time (given that Access Technology changes can occur at any time).</p>
<p>Disconnection</p>	<p>Covered Special Services that are required to be disconnected following the SSDD will be disconnected during the Special Service 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>
<p>Change of Access Technology</p>	<p>This RM5(D) 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(D) and be disconnected in accordance with either the applicable RM5 that applies to the new SS Class, if any, or Required Measure 2.</p>
<p>Double ended services</p>	<p>Services that are Double Ended will not be subject to disconnection until the later of the relevant disconnection dates (SSDD, RRDD or Final Sunset Exit Date) of the A or B ends in accordance with clause 22.11 of the Plan.</p>

04 DIAGRAMS OUTLINING DISCONNECTION OF SPECIAL SERVICES

Proposed timeline for disconnection of DDS, DAR and Megalink services subject to disconnection following the SSDD – access technologies (P), (N) and (B) only



Proposed timeline for disconnection of Frame Relay and ISDN services subject to disconnection following the SSDD – access technologies (P), (N) and (B) only



05 COMPLIANCE WITH THE PLAN AND MIGRATION PLAN PRINCIPLES (MPPs)

The Plan provides that the ACCC may object to a proposed new Schedule if it is not compliant with the MPPs, although the ACCC may not object to a proposed Schedule where it is required by and is consistent with a Standard Industry Process or applicable generally accepted industry arrangements.

Telstra submits that the proposed RM5(D) complies with the MPPs. Telstra notes that MPP 18(6) requires Telstra to develop a process or processes that will be used to manage and implement the disconnection of each class of Special Service and Special Service Inputs. RM5(D) sets out the process and timelines by which Telstra Wholesale Customers will be advised when Telstra intends to disconnect Covered Access Services Family Special Services and Special Service Inputs from its network.

This RM5(D) consultation process complies with MPP 28 which sets out the process by which Telstra must consult on new or replacement schedules to the Plan. RM5(D) provides sufficient clarity to industry to support the orderly migration of Special Service / Special Service Inputs to alternative product solutions well ahead of disconnection of Covered Access Service Families following the SSDD, subsequent RRDDs or the Final Sunset Exit Date as appropriate. Wherever possible, the disconnection arrangements in RM5(D) 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 sufficient time between the SSDD being determined and the SSDD to migrate end users to retail service product offerings that use replacement products available over the NBN (using the product functionality released in White Papers 3 and 4) or alternative infrastructure. Retail end users that acquire services based on the products covered by RM5(D) have numerous go to solutions delivered over IP, utilising a range of access technologies including ADSL, fibre and nbn based services.

The products covered by RM5(D) are all at or nearing end of life. This means that vendor support for the infrastructure that these products are delivered on will eventually be withdrawn and replacement equipment required to assure services will no longer be available. The approach Telstra is taking in announcing national stop sell dates ahead of NBN rollout driven disconnection seeks to balance the future product support challenges with supporting service continuity for end users where they do not have an NBN based alternative.

This proposed RM5(D) has been published on the Telstra Wholesale website and Wholesale Customers, the ACCC and nbn co. are being invited to provide feedback by 9 March 2017. Following this consultation, Telstra will update RM5(D) as required and, in accordance with clause 5.2(e) of the Plan, will notify the ACCC, nbn co and Wholesale Customers of Telstra's intention to publish RM5(D) on or before 20 March 2017.