



# Submission in response to Telstra's Rectification Proposals

July 2014

## Introduction

- 1.1 This submission sets out Optus' comments in response to Telstra's rectification proposals under its Structural Separation Undertaking (SSU) for:
- (a) BTS faults;
  - (b) Re-test of the line fault; and
  - (c) Service qualification for the LSS and ADSL services.
- 1.2 As a general observation Optus notes that whilst Telstra's willingness to identify equivalence issues is welcome it is concerning that these are still being identified over two years after the SSU commenced. The issues identified below do not instil confidence that Telstra's systems and processes are capable of meeting the equivalence obligations in the SSU on an ongoing basis. This is concerning and Optus suggests that the ACCC should consider requiring Telstra to undertake a more thorough audit of its systems and processes to ensure that equivalence of outcomes between wholesale and retail services is being achieved.

## BTS Fault Rectification

- 1.3 Optus appreciates the work undertaken to investigate the variances in fault rectification for the basic telephone service between Telstra's Retail and Wholesale customers.
- 1.4 Whilst the rectification proposal is welcome, Optus considers that it falls short of delivering an unambiguous commitment to delivering equivalence. Optus notes that Telstra's proposal amounts to a commitment to more closely manage its resources during times of high workload. However, Optus notes that there are certain limitations to the proposal:
- (a) The proposal will only operate once a certain threshold is met. It is not clear how this is consistent with Telstra's obligations to meet equivalence, which are not subject to thresholds;
  - (b) Similarly, the proposal only "aims" to provide equivalence "where practical". It is unclear what circumstances will be deemed to be "impractical". Further, these caveats are also inconsistent with Telstra's obligations to deliver equivalence; and
  - (c) The rectification proposal expires in March 2015. It is unclear how Telstra will ensure that equivalence will continue to be maintained beyond this date.
- 1.5 Ultimately, if there is a repeat of the "inclement weather" and associated "high workloads" then it appears likely that the variance in performance between retail and wholesale customers will be repeated.
- 1.6 Optus notes the comment in the submission from the Independent Telecommunications adjudicator that:
- "On current evidence, the Rectification Proposal will not lead to equivalence of outputs in respect of fault rectification of basic telephone service faults".<sup>1</sup>*

---

<sup>1</sup> RECTIFICATION PROPOSAL FOR BTS FAULT RECTIFICATION, Submission from ITA dated 4 July 2014, page 1

- 1.7 Optus submits that the ACCC should require Telstra to re-design its processes to ensure that equivalence is delivered.

#### **Re-test of Line Fault process**

- 1.8 Optus supports the changes made by Telstra to bring the ROLF process for wholesale customers into alignment with that for retail customers.

#### **Service Qualification for the LSS and ADSL**

- 1.9 Telstra has indicated in its Rectification Proposal that the issue described does not affect ULLSCIS SQ Processes (and as such has limited the estimated impact to exclude the ULLS). Optus does not agree with this position.
- 1.10 Optus does not use the ULLSCIS SQ process to assess existing copper suitability for broadband/voice services over the ULLS. The reasons for this are that:
- (a) Telstra has never built a near real-time SQ process in ULLCIS for ULLS access seekers;
  - (b) Telstra currently charges \$6.50 ex GST for each ULL SQ Transaction submitted via ULLCIS; and
  - (c) Telstra typically takes a full business day (or more) to respond to a ULL SQ Transaction submitted via ULLCIS which is unsuitable for Optus in most instances. Optus understand that it is a manual non real-time service qualification.
- 1.11 Instead Optus uses the near real-time LSS SQ that Telstra provides to wholesale customers to determine if existing copper is suitable for a ULLS based broadband service. Optus currently uses both the FNN Based LSS SQ and the address based LSS SQ via Telstra's Wholesale LOLIG B2B system. The LSS SQ provides a near real-time response and Telstra does not charge wholesale customers for this SQ transaction.
- 1.12 Where Optus uses the FNN Based LSS SQ (currently and in the past) to assess if we can provide a ULLS based service to an end customer and Telstra's systems provide a response that indicates "SSS not supported Transmission Loss is too High", Optus would assume that we are unable to provide a ULLS based broadband product on that service and would advise the end customer of this result.
- 1.13 Telstra Wholesale has not offered Optus any additional service qualification options to examine if alternate copper paths are available for a ULLS if the LSS SQ result returns a "Transmission Loss is too High" result. If such an additional service was freely available to Telstra Retail staff in an SQ tool (and continues to be) it is highly likely that a breach of equivalence has occurred and this may have resulted in some end customers being able to connect a copper based broadband service through Telstra Retail after initially being told by Optus that a service was not available. Optus is unable to determine how many potential end customers may have successfully connected a broadband service through Telstra Retail after being told by Optus that they were un-serviceable due to the SQ response "Transmission Loss too High".
- 1.14 The ULLS service supports the Basic Telephone Service and under clause 11.2 of the SSU, Telstra commits that:

**11.2** (a) Telstra will use equivalent order management to process BTS service activation orders received from:

- (i) a Retail Business Unit; and
- (ii) Wholesale Customers,

so that Service Activation and Provisioning of BTS can occur in an equivalent manner, regardless of whether the BTS service activation order was received from a Retail Business Unit or a Wholesale Customer.”

1.15 It is unclear to Optus whether the current SQ process meets this SSU commitment.

1.16 Optus also notes that under clause 13.5 of the SSU, Telstra effectively acknowledges that access seekers are likely to have to rely on the LSS SQ tool for ULLS until a real-time ULLS SQ tool is made available.

### **13.5 Service Qualification**

Telstra undertakes that:

(a) the systems used to process Service Qualification requests received from Wholesale Customers for Regulated Services provided over a Copper Path (except ULLS) will provide an overall standard of system reliability and response accuracy which is equivalent to the overall standard of system reliability and response accuracy provided by those systems which Telstra uses to process service qualification requests received for Copper Services from a Retail Business Unit;

(b) unless or until a common service qualification system is introduced for ULLS and other Regulated Services, Telstra will continue to permit Wholesale Customers to use both:

- (i) ULLCIS; and
- (ii) the same Service Qualification tool used for LSS (where it is technically feasible to do so), as alternative means of performing Service Qualification for ULLS; and”

1.17 Given this, it is important that any LSS SQ should provide accurate and reliable results that are equivalent to that provided to Telstra’s Retail Business Units.

1.18 Optus does not agree that Telstra’s proposed Rectification Proposal is an effective remedy for this breach of the SSU and suggests the following actions:

- (a) The ACCC should assure themselves that the SQ results to Wholesale customers for Equivalent Services to RDSL and ULLS (as ULLS is equivalent to Retail Line Rental & L2 RDSL) “will provide an overall standard of system reliability and response accuracy which is equivalent to the overall standard of system reliability and response accuracy provided by those systems which Telstra uses to process service qualification requests received for Copper Services from a Retail Business Unit”.
- (b) Telstra should provide detailed DSL, and SSS Descriptions and Process Flow diagrams to the ACCC showing exactly how its retail and wholesale copper SQ systems will determine if an existing copper path is suitable for voice/DSL or ULLS delivery. The current SSU material that Telstra provides on its wholesale website as SSU material needs to be updated. If secondary processes are available to further assess the suitability of copper after an initial SQ, these should be included in the service descriptions and SQ Process Flow diagrams, the timeframes for these additional processes should also be documented and Telstra should commit to making these same additional processes and timeframes available to wholesale customers. The ACCC should review this updated information to ensure that it is satisfied that there is operational equivalence.

- (c) The ACCC should continue to examine if other parts of the ULLS service qualification and ULLS ordering process are equivalent. Optus understands that as part of the order process for the eVULL transaction, Telstra's systems will only pass the SQ if the "most recently disconnected" service is available and suitable for use. Effectively this means the order will only look at the last service that has been disconnected at that address. We understand that this is in contrast to Telstra Retail which is able to view all recent disconnections and are able to choose from that range of disconnected services i.e. they are not restricted to the "most recently disconnected" service. This may create further in-equivalence, as Telstra's retail staff may be able to successfully reactivate a copper in-place connection at a premise remotely without deploying a technician when the eVULL transaction provided to wholesale customers has failed and has indicated that a copper in-place connection is not possible.
- (d) At a minimum, if the ACCC believes that the specific issue relating to SQ for RDSL will be addressed by this rectification plan, then the ACCC should still request information from Telstra in regard to the overall SQ and ordering process for eVULL (as per clause 23.1 (d)(iv)).
- (e) As an immediate remedy before any IT systems are changed, Telstra Wholesale should commit to a manual process allowing wholesale customers to contact its wholesale staff by telephone to obtain information about possible alternate copper paths or the previously disconnected services at an address to allow the successful connection of a broadband service via DSL or ULLS. In order to support this function Telstra must ensure that its wholesale staff has access to the same Telstra Retail systems that have been referred to in these comments.
- (f) Telstra has referred to the "One Step ULLS Return process" and the "DSL capable processes" as possible solutions in its Rectification Proposal. Neither of these processes are solutions for ULL Access Seekers and Telstra Wholesale has never offered ULL Access Seekers a similar One Step ULL Process that can connect a service in 1-2 business days. There is also no "DSL capable" order flag process available for ULLS Access Seekers. The ACCC should examine if Telstra should provide similar processes to ULL Access Seekers as part of this Rectification Proposal.
- (g) There should be proper consultation with wholesale customers prior to implementing SQ changes. Telstra does not actually consult with wholesale customers on SQ and this should be a requirement before IT changes are actually implemented. Updating information on the Telstra Wholesale website and sending a letter to wholesale customers about Telstra's SQ changes does not constitute a consultation and the ACCC should not accept Telstra's undertaking to implement a partial solution which may not be acceptable to wholesale customers.