

Telstra Migration Plan and the transitional arrangements for In-Train Orders July 2015

Background

The varied Migration Plan approved by the Australian Competition and Consumer Commission (ACCC) on 26 June 2015 contains several changes to the processes around the Disconnection Date for premises in a rollout region. These changes incorporate the 'FSAMs 32+' arrangements that were communicated to industry in December 2014, and approved by the ACCC in January 2015, which were designed to promote service continuity and a better migration experience for end-users.

The changes include the ability for a premise within the National Broadband Network (NBN) fixed line footprint for Rollout Regions from FSAMs 32+ to be recognised as In-Train Order (ITO) Premises where an order is placed with NBN Co via the Retail Service Provider (RSP) by the Disconnection Date plus 25 Business Days. Once recognised as an ITO, a premise can remain on Telstra's copper network for a maximum of 120 Business Days post the Disconnection Date, at which time mandatory disconnection of those remaining services commences.

For the first wave of FSAMs 32+ customers (i.e. those with a Disconnection Date that fell in February 2015) the date for mandatory disconnection of legacy services at ITO Premises is 13 August 2015. Most of the Premises that had a valid ITO have now been connected to the NBN, but unfortunately a number of them have not yet been connected and are unlikely to meet the deadline.

In addition, based on earlier migration and disconnection experiences and feedback from industry, NBN Co and Telstra understand that RSPs may require additional time to complete their part of the order (following connection to the NBN), particularly for complex and/or business premises.

We understand this situation is the same for a number of ITO Premises that are due to be disconnected from the Telstra copper network on 9 September and 7 October 2015 as well as 13 August.

Given the potential for service disruption to occur for these end-users if Telstra proceeds with disconnection as proposed, and the fact that these disconnections are occurring in the early rollout regions where RSP and NBN processes are still being embedded, we propose to apply a set of transitional arrangements for these ITO Premises to allow some additional time for them to obtain an active retail service on the NBN. We have developed these arrangements in conjunction with NBN Co and in consultation with the Government.

We plan to inform our Wholesale customers directly of these transition arrangements for ITO Premises. Additionally, the ACCC has expressed the desire to inform industry, in particular in relation to how it impacts Telstra's obligations under the varied Migration Plan. This document has been prepared for the ACCC for that purpose.

The transitional approach to ITO managed disconnection

The transitional arrangements allow an additional 120 Business Days for customers with existing ITOs before Telstra proceeds with mandatory disconnection of their legacy services (unless the customer requests an earlier disconnection). The extra time will apply to the FSAMs with the following Disconnection Dates only:

- 20 February 2015 (ITOs currently facing mandatory disconnection at DD+120BDs on 13 August 2015 to be extended to 8 February 2016).
- 20 March 2015 (ITOs currently facing mandatory disconnection at DD+120BDs on 9 September 2015 to be extended to 4 March 2016).
- 17 April 2015 (ITOs currently facing mandatory disconnection at DD+120BDs on 7 October 2015 to be extended to 4 April 2016).

While we consider the large majority of ITO Premises in these impacted FSAMs should be connected to the NBN well within the additional timeframe allowed, we consider that this 120 Business Day

extension benefits industry by aligning the dates with other disconnection activities, so that processes can be streamlined and communication simplified with consistent messaging.

Telstra will continue to disconnect customers as ITOs are cancelled or where disconnection requests are made throughout that period, but will only commence managed disconnection at the expiration of the extended period. Any registered fire alarms and lift phone services in the impacted FSAMs that have a valid ITO will also have the benefit of the additional 120 Business Days. Telstra again encourages nbn and all RSPs with ITOs to prioritise the early connection of these ITO Premises, so as to maximize the potential for service continuity for end-users.

This transitional approach to ITOs in the initial FSAMs 32+ disconnection tranches ensures that disconnection of the legacy network (and therefore the structural separation of Telstra) remains a core tenet of the Government’s policy. It is also designed to provide an improved migration experience for customers who have already placed an order for an NBN service, but are yet to have that service made operational on the NBN.

These transitional arrangements will be applied in an equivalent manner for Telstra’s Wholesale Customers and Telstra Retail.

Impact on Telstra’s varied Migration Plan

The varied Migration Plan requires Telstra to disconnect ITO premises as soon as reasonably practicable following 120 business days after the Disconnection Date for the relevant Rollout Region.

As the 13 August 2015 deadline for disconnection of ITOs associated with the February 2015 Disconnection Date is fast approaching, in order to provide as much certainty as possible for Telstra’s Wholesale Customers and Telstra Retail ahead of this time, we will commence immediate implementation of the time extension. We have advised the ACCC of our intention to implement this proposal.

We have and will continue to provide the ACCC and industry with transparency of our arrangements through our communications and updates to our operational documents. Telstra and the ACCC would welcome industry feedback on these short term arrangements.

Relevant Clause in the varied Migration Plan

Set out below in Table 1 is the clause in the varied Migration Plan that is relevant to these short term ITO arrangements.

Table 1: Overview of Migration Plan impacts of the ITO transitional arrangements

Migration Plan clause	Implications of the transitional ITO arrangements
Clause 15.1(d)(iv) (In-Train Order Premises)	for premises with a disconnection date of 20 February, 20 March and 17 April 2015, the reference to “120 Business Days” would read “240 Business Days”.

Conclusion

Telstra believes these changes will provide considerable benefit to industry and end-users in the migration process. Telstra will be providing details of the changes to its wholesale customers, including an updated disconnection schedule with the revised disconnection dates for these ITO Premises.

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