

**Newsletter Activity
Supervisory Board
April-June 2013**

Executive Summary

In April, the Supervisory Board (SB) decided (through [Resolution no. 9/2013¹](#)) to open Complaint no. 03/13 following a letter from the Operator Welcome Italia reporting alleged service disruptions and deterioration of the access and transport networks, as well as the inadequacy of the penalties applied to Telecom Italia for violating the SLAs.

Through [Resolution no. 14/2013²](#) and [Resolution no. 15/2013³](#) the SB has extended the deadline for concluding the relevant inquiries into Complaints no. 01/13 and no. 02/13.

The SB obtained the usual documentation from Telecom Italia in relation to the Undertakings now due for compliance, together with progress reports on issues requiring further investigation.

During the quarter, the SB conducted the checks required under [Resolution No. 3/2013⁴](#) in the North West, North East, Centre and South regional areas, in order to verify correct application of the “Single Queue” system for Work Orders.

The SB has opened a public consultation on a proposal to modify the regulation for the management of complaints from OLOs, receiving contributions from a number of Operators on the subject.

On 23 March the SB met with AGCom to address and discuss a number of aspects relating to non-discrimination and equal access to the network.

The SB also met with the Associazione Italiana degli Internet Provider (AIIP) and launched a partnership. The AIIP also agreed to examine any future complaints.

¹http://organodivigilanza.telecomitalia.it/pdf/Determinazione_n_9_2013_Avvio_S03_13.pdf

²http://organodivigilanza.telecomitalia.it/pdf/1_Determinazione_n_14_2013.pdf

³http://organodivigilanza.telecomitalia.it/pdf/2_Determinazione_n_15_2013.pdf

⁴http://organodivigilanza.telecomitalia.it/pdf/Determinazione_n3-2013-Coda_Unica.pdf

Progress report regarding the fulfilment of the Undertakings

Undertakings Group no. 1

(Launch of New Delivery Process)

On 10 June 2013, the number of OLOs using the NDP, divided by service type, was as follows:

Type of service	Number of OLOs using the process
ATM Bitstream	50
Ethernet Bitstream	18
Easy IP	1
WLR	13
Shared Access	3
LLU	17

On 31 May the number of Work Orders processed using the NDP was as follows:

- Asymmetric bitstream: 226,000
- Symmetric bitstream: 11,000
- LLU: 312,000
- WLR (NAL only): 4,000

Lastly, inspections were carried out in the geographic areas to ascertain whether the Single Queue mechanism had been correctly applied (*see the explanatory paragraph below*).

Undertakings Group no. 2

(Establishment of a new system of incentives and a code of conduct)

Training on changes to the Undertakings (new system of KPIs and NGAN) for local managers in the four Access Operations Area (AOA) ended in June.

A new Customer Satisfaction Survey of OLOs was also launched.

Undertakings Group no. 3

(Establishment of a performance monitoring system for SMP services)

Discussions continued between Telecom Italia, the OLOs and AGCom in order to define the new basket of performance indicators; specifically, in light of the comments of a number of Operators on the Open Access document setting out the detailed Technical Specifications for developing the new KPIs, Telecom Italia has sent the Authority its ideas on the matter ahead of the forthcoming meetings of AGCom's Undertakings Monitoring Group.

Undertakings Group no. 4

(Guarantees of transparency of the monitoring system)

During the quarter, Telecom Italia sent the Supervisory Board the monthly reports for March, April and May, and the quarterly report for Q1 2013. Several Delivery indicators appear to show consistently more favourable performances for Telecom Italia's retail segment: the SB is monitoring the situation in order to check whether there have been any violations of the general principle of internal-external equality.

Undertakings Group no. 5

(Transparency guarantees of the Technical Plans for Quality of the fixed access network)

Telecom Italia has sent the SB the report for Q1 2013, which contains information on the preventive maintenance work carried out on the access network (including repairs of switching cabinets, pole repairs and replacements, etc.).

It has also provided the network quality planning document for Q2 2013.

Telecom Italia has also sent a progress report up to Q1 2013 on network quality per exchange area in respect of planned quality levels. In addition, as required by Resolution no. 6/2010, it has sent the document containing data on Trouble Ticket percentages for Q1 2013, broken down by cause of failure and geographic area, with details of repeated faults and a list of saturated DSLAMs and MiniDSLAMs, for which work orders concerning asymmetric digital services cannot be issued. (See the section on exchange saturation for further details.)

Undertakings Group no. 6

(Transparency guarantees of the Technical Plans for Development of the fixed access network)

The SB has reviewed the documents received from Telecom Italia containing the final figures for Q1 2013 and the programme for Q3 2013 regarding development of the fixed access network (NGAN, Broadband Coverage and Allotments).

In the first three months of the year, 27 exchanges were made available for broadband services compared with the planned 23. There are 15,665 connected property units - 865 more than forecast.

Undertakings Group no. 9

(Measures relative to the new generation access networks)

After the Authority approved the 2012 reference offers of wholesale access services for passive and active infrastructure offered by Telecom Italia to OLOs, with a view to providing ultra-broadband fibre-optic retail services (Markets 4 and 5) - thus re-enabling access to NGAN bitstream services - in May the Authority opened a public consultation on the wholesale prices for 2013.

Undertakings Group no. 12

(Obligation to report the activation of services not requested)

Telecom Italia has sent SB the document with reports on the activation of services that were not requested, as received by the Open Access technicians. This data has been provided for the first quarter of 2013:

Complaints from Alternative Operators

Complaint S01/13 – Fastweb/Network access discrimination in the installation of LLU and Bitstream systems

During a hearing held on 20 February 2013, the Operator Fastweb reported two alleged violations of Undertakings Group no. 1 to the SB, relating to:

- the alleged inconsistency between Open Access's refusal to activate an LLU line for Fastweb, followed by the activation of the same service for Telecom Italia retail customers;
- the alleged inconsistency between Open Access's refusal to activate installations for Fastweb due to excessive distance from the exchange, followed by the activation of the same type of installations for Telecom Italia retail customers.

The SB, having determined that the Complaint by Fastweb was not "generic", not manifestly unfounded and within its remit, opened an enquiry into its legitimacy through Resolution no. 5/2013⁵, asking Fastweb to provide data and detailed information on the alleged discrimination.

On 4 April, Fastweb provided the SB with a list of Work Orders closed due to KO caused by equipment.

In May and June, the Supervisory Office (SO) performed *on-site* inspections to verify the actual presence of the reported equipment.

Through Resolution no. 14/2013⁶, the SB extended the deadline for the conclusion of the investigation by 60 days.

⁵http://organodivigilanza.telecomitalia.it/pdf/Determinazione_n_5_2013_Avvio_verifica_Segnalazione_S01_13.pdf

⁶http://organodivigilanza.telecomitalia.it/pdf/1_Determinazione_n_14_2013.pdf

Complaint S02/13 – Fastweb/Malfunctions of the CRM system for Wholesale customers

During a hearing held in February, the Operator Fastweb told the SB about malfunctions in the Wholesale CRM system used by OLOs. These malfunctions, relating to several software releases of the system, are thought to cause problems including the blockage of multiple Wholesale Work Orders.

The SB, having determined that the Complaint by Fastweb not "generic", not manifestly unfounded and within its remit, opened an enquiry into its legitimacy through [Resolution no. 6/2013](#)⁷, asking Fastweb to provide data and detailed information on the problems reported, considered to be discriminatory.

Fastweb has sent the SB a dedicated letter providing information and details on the issue reported in the complaint.

In June, the Operator Vodafone also sent a letter on this subject, containing additional information on the issue reported.

Through [Resolution no. 15/2013](#)⁸, the SB extended the deadline for the conclusion of the investigation by 90 days.

⁷http://organodivigilanza.telecomitalia.it/pdf/Determinazione_n_6_2013_Avvio_verifica_Segnalazione_S02_13.pdf

⁸http://organodivigilanza.telecomitalia.it/pdf/2_Determinazione_n_15_2013.pdf

Complaint S03/13 – Welcome Italia/Physical deterioration of lines and lack of maintenance, SLA compliance and size of penalties

During a hearing held on 20 February 2013, the Operator Welcome Italia informed the SB of issues in terms of fulfilment of the Undertakings, with particular reference to:

- the physical deterioration of access and transport lines
- Telecom Italia charging for maintenance alleged never to have been performed
- the inadequacy of the penalties paid by Telecom Italia for failure to comply with SLAs

In a specific letter sent to the SB on 6 March, Welcome Italia provided precise details on the subject of the complaints, relating in particular to:

- service disruption and degradation in the access network;
- general service disruption in the transport network;
- the provisioning of bitstream services over ethernet networks;
- the lack of maintenance operations, the SLAs and the assurance penalties for bitstream services, which were deemed to be insufficient disincentives and disproportionate to the inconvenience suffered by the Operator.

In light of the SO's Technical Report, on 23 April the SB opened Complaint no. 3/13 through Resolution no. 9/2013⁹.

Under this Resolution, the SB asked Welcome Italia to provide detailed data and information on the alleged service disruptions reported.

The Operator replied to the SB by letter dated 31 May.

The deadline for concluding the investigation is 29 August.

⁹http://organodivigilanza.telecomitalia.it/pdf/Determinazione_n_9_2013_Avvio_S03_13.pdf

Specific Analyses

Analysis of the correct application of the Single Queue

With Resolution no. 12/2012¹⁰, the SB began analysing the management of the work order queuing system (the so-called "single queue" mechanism), as part of the gradual roll-out of the NDP, particularly with a view to investigating the correct use by Open Access of the IT procedures for the management of the process.

During 2012, the SB carried out on-site checks in a number of geographic areas, making spot checks at local Open Access operating sites, making it possible to analyse the WOs that had been entered into the Single Queue and subsequently executed. No anomalies were found in the analysis. Accordingly, the SB closed the enquiry in question with Resolution no. 17/2012¹¹.

Resolution no. 3/2013¹² provides for additional checks on the correct application of the Single Queue mechanism. The plan calls for the analysis of orders in four geographic areas (one per regional area) between April and June of this year, and a further six geographic areas in the second half of 2013.

Consequently, checks were carried out during the quarter in the North West, North East, Centre and South geographical areas: the checks did not reveal any unequal treatment in terms of the application of the Single Queue system.

Analysis of deterioration

In 2011 the SB opened Complaint S01/11, following issues raised by the Operator Welcome Italia about saturation problems with Telecom Italia exchanges for the Bitstream service. In light of the analyses carried out, the SB closed the complaint and instructed Telecom Italia to provide periodic information on the deterioration of the systems.

The SB closed Complaint S01/11 with Resolution no. 20/2011¹³. In doing so, however, it also asked Telecom Italia to provide cumulative monthly data relating to the percentage of degraded systems repaired by the deadlines stipulated in the Service Level Agreement (SLA), in accordance with the content of Resolution no. 105/10/CIR.

The SLA requires 80% of all instances of degraded infrastructure (limited throughput) to be repaired within 50 calendar days of notification.

Above-target performances in the first two months of 2013 were followed by performances below the minimum percentage required under SLAs.

¹⁰http://organodivigilanza.telecomitalia.it/pdf/Determinazione_n_12-2012-Vigilanza_su_accodamento_degli_ordinativi_di_lavoro_a_coda_unica.pdf

¹¹http://organodivigilanza.telecomitalia.it/pdf/Determinazione_n%5B1%5D_17-2012_Coda_Unica.pdf

¹²http://organodivigilanza.telecomitalia.it/pdf/Determinazione_n3-2013-Coda_Unica.pdf

¹³http://organodivigilanza.telecomitalia.it/pdf/Determinazione_n1_20_2011_Signalaz_S01_2011_Chiusura_del_procedimento.pdf

The pre-alarm system for signalling exchanges at risk of saturation (“Amber Light”)

Complaint S01/10 was opened after the bitstream service to approximately 500 exchanges was halted due to network saturation.

Based on the results of analyses conducted, the SB advised Telecom Italia to establish a mechanism to signal exchanges close to saturation.

With regard to the network platform for ATM technology ADSL bitstream services, the number of amber-light status and saturated exchanges increased again during the quarter. In particular, the stock of the saturated exchanges served by DSLAM ATM 7 Mbit/s reached 703 units at the end of June (+40% compared to the value recorded at the beginning of the year), while on the same date the ATM exchanges under amber light numbered 1,086 (+23% compared to the value at 1 January 2013).

Monitoring also showed that of the 703 exchanges declared saturated, only 62 (equal to 8.8%) do not have Ethernet DSLAMs, and are therefore not available for service.

The increase in the number of saturated exchanges can be attributed to the obsolescence of the ATM technology which, following the declaration by the equipment suppliers that they would be ending production, led to unavailability of the equipment necessary to expand the DSLAMs. In Decision no. 94/12/CIR, AGCom declared that "the transition from ATM bitstream to Ethernet is a key element in ensuring an adequate competitive structure and in guaranteeing adequate service quality to the end user". Accordingly, AGCom instructed Telecom Italia to pass on a series of financial incentives to the OLOs for migration to the new technology. AGCom also asked Telecom, as a condition for the recognition of ATM "End of Sale", to take the necessary steps and/or make available the necessary mechanisms for easing the process (methods for providing the services, adaptation of protocols, etc.).

Other activities of the SB

- ◆ The SB has opened a public consultation on a proposal to modify the regulation for the management of complaints from OLOs; a number of Operators have contributed to this process.
- ◆ On 23 March the SB met AGCom to discuss various issues pertaining to problems in terms of equal internal-external treatment and equal access to the fixed network.
- ◆ During a hearing, the SB met the Associazione Italiana degli Internet Provider (AIIP) and launched a partnership for the exchange of information, geared in particular towards providing the SB with reports on alleged violations of the Undertakings by Telecom Italia.