

# Activities Newsletter Monitoring Body January - February - March 2018

## Executive Summary

This quarter was marked by a high level of **political and institutional debate about the access network and the evolution of the equivalence model**, paying attention to strengthening compliance with the principle of non-discrimination and equivalence in the provision of services by TIM Wholesale to alternative Communication Providers and to TIM Retail.

**During the meeting, the Monitoring Body (MB) carefully followed** the process started by the BoD of TIM at the meeting on March 6, 2018, which authorised the CEO to start the formal procedure in order to notify the project for the voluntary separation of the fixed access network to Agcom, in accordance with the Electronic Communications Code.

One of the preliminary activities undertaken by the MB was to approve the Planned Budget Use for 2018 following the approval of the Telecom Board on March 6, 2018. The Plan, authorised by decision no. 5/2018, was sent to the Authority and to the CEO of Telecom Italia, in accordance with Article 2 (2) of the Regulation.

In accordance with the regulatory provisions, on March 19 the Monitoring Body **approved the 2017 annual report on activities and results**, in accordance with Undertakings Group no. 7, specifically paragraph 7.23 of the Proposal of Undertakings as amended by Decision No. 451/16/CONS. At the same meeting, the Monitoring Body also arranged for the Report to be sent to the Regulatory Authority's Director of Network Management and Electronic Communication Services and to Telecom Italia, in accordance with Article 17, paragraph 3 of its Internal Regulation, as well as for its disclosure on the Monitoring Body's website (subparagraph 5 of the same article).

At the Board meeting on February 7, the Monitoring Body approved the **2018 Plan of Activities**, containing the actions and main interventions planned for 2018. Once again this year, as for 2017, part of the Plan was devoted to the work entrusted to the MB by the sector Authority under Article 15 a of the Regulation.

Telecom Italia asked the MB to be assisted in evaluating the benefits and impacts on equivalence linked to the development of procedural digitalisation.

The Board also continued the **complaint procedure for the Communication Provider Wind Tre “S01/17”** acquiring additional information from Wind Tre and from TIM.

During the first quarter the MB activities have prosecuted in connection with the Communications Authority AgCom, **in the form of specific studies and analysis** relating to the implementation of the New Equivalent Model. The activities focused on the migration to Telecom Italia's new Provision system.

Regarding the **measurement of equal treatment performance during the period of transition** from the EoO model to the new equivalence model, the Board checked that TIM had submitted the basic data for the orders processed in the NPC (New Provisioning Chain) for November and December 2017, and January 2018. Afterwards the Office compiled the monthly reports, as required by AgCom in the 2017 work plan, and compared the performance offered by TIM Wholesale against the Tim Retail orders processed via the NPC, against those supplied to the Wholesale Orders in the old and new Provision chains. A decline in NPC performance was noted in December, and it worsened in January, although there were no critical aspects in terms of equivalence between the two types of order. In this regard the Board has decided to ask TIM for an explanation about the poor performance and the corrective actions that have been identified.

With reference to the monitoring of Telecom Italia's CRM Wholesale, work continued during the quarter on analysing the "CRM Performance Indicator". This showed a moderate decline in the performance of the New Provisioning Chain between 14 December 2017 and 14 February 2018. An analysis of the NGAN failures and copper network was carried out by the Monitoring Body.

Within **Undertakings Group no. 1**, the MB assessment activities have prosecuted on the strength of the new programme of on-site audits on the proper implementation of the new queueing system ("Single Queue" system) introduced by Telecom Italia following the procedure referred to in Decision no. 9/2016,. A plan of on-site audits was drawn up. These will affect a local operations unit of the Central, Southern and North East and North West regional areas.

In relation to **Undertakings Group no. 4**, in January, February and March the supervisory Office submitted to the board members its monthly KPI report, mentioned in this Undertakings Group (they were updated in November and December 2017 and January 2018, respectively). No particular discrepancies were noted in terms of equivalence, only the above mentioned decline in performance in the New Provisioning Chain.

Regarding **Undertakings Groups no. 5 and no. 6**, the MB continued its check of the sending of documents in relation to these groups. In March the Board was able to review the technical report of the fixed access network development office (2018-2020), prepared on the basis of TIM's multi-year Technical Plan for the development of the fixed access network NGAN 2018-2020.

With reference to the **exchange of information with the sector Authority**, the Monitoring Body met AgCom's Director of Networks and Electronic Communications on February 7 2018, discussing various topics of common interest..

Regarding the **meetings with Communication Providers**, during the quarter covered by this report, the relevant chapter gives an account of the Board's meeting with Vodafone on 31 January 2018.

Regarding the discussions between the Board and Telecom Italia, there were useful opportunities for discussion and debate at the meetings on January 23, February 19 and March 19.

At the January meeting, Telecom Italia presented an Undertakings report and an update on the realisation of the New Equivalence Model, with particular regard to the migration of Other Licensed Communication Providers to the New Provisioning Chain (NPC) in accordance with Resolution No. 652/16/CONS. At the same meeting the Company gave an update on the “Evolved Provisioning” in which Telecom Italia proposed additional functionalities for its wholesale services.

On March 19 meeting , the Company presented its plan for the voluntary separation of the fixed network, which requires a separate Netco to be set up. This will be the sole interface for access to the fixed network for all Communication Providers, including TIM itself. At the same meeting, Telecom Italia informed the Board of the work that is underway for the digitalisation of Open Access processes, and gave updates on the issues previously raised in connection with the “S01/17 Wind” complaint.

In order to increase access to the information and to highlight the MB's activities more effectively, in January the Board ordered **an update to the MB section of the Telecom website**, to make it more accessible and user friendly.

## **Monitoring of progress on Undertakings**

During the period, activities continued on checking Telecom Italia's formal compliance with the deadlines set in relation to the Undertakings approved by AgCom in Resolution no. 718/08/CONS.

The SP received the following documents from Telecom Italia:

### **Undertakings Group 1**

- a document dated February 5, 2017 containing the ATM devices disposal report. Quarterly figures Q2 2017

### **Undertakings Group 4**

- a document dated January 17, 2018 containing the November 2017 KPI report .
- a document dated February 5, 2018 containing:
  - KPI Quarterly Report. Quarterly figures Q4 2017;
  - December 2017 KPI report
- a document dated March 02, 2018 containing the January 2018 KPI report .

### **Undertakings Group 5**

- a document dated February 5, 2018 containing:
  - Access network quality report. Quarterly figures Q4 2017;
  - SLA Wholesale Degraded Systems Report – December 2017;
- a document dated March 02, 2018 containing:
  - Network access quality report. 2017 Year-end figures ;
  - SLA Wholesale Degraded Systems Report – January 2018;

### **Undertakings Group 6**

- a document dated 5 February 2018 containing:

- Access network development report. Year-end IVQ17 - NGAN;
  - Access network development report. Year-end IVQ17 - BB;
  - Access network development report. Year-end IVQ17 - Allotments;
- a document dated 02 March 2018 containing:
  - Access network development report – NGAN. 2017 Year-end figures ;
  - Access network development report – BB. 2017 Year-end figures ;
  - Access network development report – Allotments. 2017 Year-end figures
  - Access network development report – NGAN. Programme Review Q1 2018.

### Undertakings Group 12

- A document dated February 5, 2018 containing the “Services Not Required” report - Year-end IVQ17.

## Audits

With Decision no. 3/2017 of January 25, 2017, the MB approved four on-site audits in four different geographic areas to take place before the end of the current year, in order to assess the correct implementation of the new order queuing criteria introduced by Telecom Italia following the procedure set out in Decision no. 9/2016.

In January 2018, as there is a need to continue monitoring the orders to check that the queueing algorithms are properly implemented in the NPC, the MB ordered the activities to be continued until 31 January 2019.

Once again this year, the Supervisory Office has been tasked with carrying out additional on-site audits at four local operational areas (Open Access), different from the areas audited in 2017.

## Complaints

***Report by Wind Tre S01/17 – Wind Tre/“provision on non-active lines; VULA; ONU; contact and field management policy”***

At the meeting between the MB and Wind Tre on 20 December 2017, the Communication Provider raised various grievances with the Board.

As the complaint made by the company is not generic or groundless, the Board decided to undertake a specific verification, named “S01/17 – Wind Tre/Provision on non-active lines; VULA; ONU; contact and field management policy”.

On December 22, 2017 the Office requested more information from the Communication Provider so that this investigation could be carried out.

Telecom Italia received the request for access to documents on January 12 2018, and on January 22 the Communication Provider’s reply to this request was received together with some of the information requested. Regarding Telecom Italia’s request for access, to ensure that this activity is carried out successfully the Board asked the Office to send a version of the document presented by Wind Tre at the meeting on November 22.

In communications of January 19, 2018 and March 5, 2018, Wind Tre provided the additional information requested by the MB regarding the post-provisioning faults in the VULA FttCab services, the ONU saturated/substituted ONU and the faults on the VULA FTTCab services.

Based on the information made available by the Communication Provider, the MB asked TIM to provide additional information about these same issues, in two separate communications of February 9, 2018 and March 20, 2018.

In view of the need to carry out further investigations, on March 19, 2018 the Board extended the end date for the audit to June 30 2018 (Decision no. 7/2018).



## **Relations with Institutions and Communication Providers**

### Meetings with the Communications Regulatory Authority (AGCom)

In this quarter, in light of the provisions set out in article 15-bis of the new Internal Regulation of the Monitoring Body, AgCom requested the Monitoring Body's support for the analysis of measures taken to implement the New Equivalence Model, especially pertaining to: the evolution of the KPI-KPO equivalence system, simplification of the reasons for rejections, tests on new software releases, analysing the quality of the new NetMap database, and on elaborating some of the process digitalisation proposals.

The Board met AgCom's Director of Networks and Electronic Communications on February 7 2018, when various topics of common interest were discussed. One issue discussed was the New Equivalence Model, approved by Resolution 652/16/Cons, as a measure proposed by Telecom Italia to strengthen the equivalence safeguards (Art. 64(15) of Resolution 623/15/CONS). The Director of the Authority considered that the MB should be fully involved in the Technical Group formed of the Authority and the participating Communication Providers, in regard to implementing the NEM.

### Meetings with Communication Providers

During the quarter, Telecom Italia's representatives discussed with the Board about the the Company's Undertakings, providing specific feedback to previous requests made by the Board. In particular, there were useful opportunities for discussion and debate at the meetings on January 23, February 19 and March 19 2018.

During the January meeting, Telecom Italia presented an update on the implementation of the NEM, focusing in particular on the migration of the Communication Providers to the NPC in accordance with Resolution No. 652/16/CONS. At the same meeting, the Company gave an update on “Evolved Provisioning”, in which Telecom Italia proposed additional functionalities for the supply of certain wholesale services.

on March 19 meeting , the Company presented its plan for the voluntary separation of the fixed network, which requires a separate Netco to be set up. This will be the sole interface for access to the fixed network for all Communication Providers, including TIM itself. At the same meeting, Telecom Italia informed the Board of the work that is underway for the digitalisation of Open Access processes, and gave updates on the issues previously raised in connection with the “S01/17 Wind” complaint.