

Activities Newsletter  
Supervisory Board  
October – December 2016

## Executive Summary

The past trimester was marked by important changes to regulations for the activities of the Supervisory Board, the scope of activities has been expanded, to adapt to a series of new policies, and the Board is no longer limited to verifying compliance with Undertakings in accordance with Resolution no. 718/08/CONS. The Board's prerogative now includes active surveillance of all aspects of the principle of non-discrimination contained in article 64 of Resolution no. 623/15/CONS.

The Board's strategic priority is now to guarantee that compliance with equality of treatment regulations is monitored at the highest level possible throughout the transition from the "old" EOO model to the New Equivalence Model introduced by Telecom Italia.

Starting with the past three-month period, in order to allow the Supervisory Board to carry out the checks on compliance with the voluntary measures, the SB asked Telecom Italia for a detailed description of the delivery and assurance processes defined within the New Equivalence Model.

On the other hand, as far as calculating equality of treatment KPI, former Resolution no. 718/08/CONS, during the transition, for orders managed through the New Delivery Chain, the Supervisory Board has started to work on developing the necessary guidelines in November to continue the usual monthly inspection of Indicators. As of 14 December 2016, Telecom Italia has agreed to calculate KPI during the transition, supplying the volume of orders passing through the old and new Delivery chains as well as providing the Supervisory Board, and AGCom when requested, with the basic data.

In accordance with the task assigned to the Director of the Supervisory Office by the Board, audits with Other Licensed Operators have continued in order to receive grievances, evaluations, recommendations and any other useful element related to the execution of the Undertakings by Telecom Italia. In particular, the SB received important points to reflect on from its meeting with Operator Fastweb during the quarter.

At the same time, Telecom Italia has responded to a previous request from the Supervisory Board concerning information useful for analysing the quality of NGAN connections.

Pursuant to article 9 paragraph 4 of the Internal Regulation, Telecom Italia provided the President of the Supervisory Board with the “**Code of conduct for Telecom Italia personnel toward the Supervisory Board**”, which was adopted by TIM and sent to

the Regulatory Authority's Director of Network Management and Electronic Communication Services.

Over the course of the quarter, the Supervisory Board continued its investigation of **two complaints by Operator WIND**, pertaining to issues with improving the contact Policy and failure to respect appointments with customers by Telecom Italia's *on field* technicians.

Over the period covered in the present report, the Supervisory Board continued to verify compliance with the Undertakings by Telecom Italia.

With Resolution no. 20/2016, dated 16 November 2016, the Supervisory Board advised Telecom Italia to continue measuring the indicators for the Assurance process, calculated in accordance with the rules set in Resolution no. 718/08/CONS and later changes and additions, providing timely information to the Supervisory Office about the possible impact that the transition to the New Equivalence Model may have on the perimeter.

Regarding the completed proceedings, **“S02/13” (Fastweb/Wholesale CRM)**, in which the Operator Fastweb and Telecom Italia were on opposing sides, the Supervisory Board has continued to monitor the performance of the IT system, by means of the indicator measuring the CRM system for Telecom Italia's Wholesale customers, aiming to rapidly recognise any functional issues.

Finally, over the October-December 2016 quarter, the Supervisory Board engaged in **informal dialogue with the Communications Regulatory Authority** to discuss the measuring of parity performance starting 1 November 2016, at which time Telecom Italia will begin to migrate retail Work Orders to the new NEM delivery chain.

## Monitoring of progress on Undertakings

### Undertakings Group no. 1

*(New Delivery Process)*

All the main OLOs have completed migration to the New Delivery Process.

As part of **Undertakings Group no. 1**, the operation of the so-called “Single Queue” within the New Delivery Process continued to be monitored. As part of this activity, over the October-December quarter, the Supervisory Board confirmed that the aforementioned mechanism had been correctly applied in the following geographic areas: Milan, East Central Lombardy, Puglia, Basilicata, East Tuscany and West Tuscany.

### Undertakings Group no. 2

In accordance with **Undertakings Group no. 2**, Telecom Italia forwarded the Training and Communications Plan to the SB on 16 November 2016.

### Undertakings Group no. 3

*(Establishment of a performance monitoring system for SMP services)*

Pursuant to **Undertakings Group no. 4** the Supervisory Board - through Resolution no. 20/2016 dated 16 November 2016 - called upon Telecom Italia to supply a fresh calculation of the equality of treatment indicators for work orders passing through systems for the New Equivalence Model. The rationale applied to the new calculations should come as close as possible to the rationale provided in Resolution no. 718/08/CONS, allowing integration of the evaluations based on indicators that have been calculated in compliance with the rules set forth in said Resolution. This set of indicators - which is temporary in nature - will be used to integrate Equality of Treatment measurements while Orders are being migrated to the new model and will automatically expire once the Communications Regulatory Authority establishes a new set of indicators to be used for evaluating Equality of Treatment.

Collaboration with the University of Catania with regard to Key Performance Objectives (KPOs) continues, with the aim of “*fine tuning*” the parameters for calculating each KPI measured.

### Undertakings Group no. 4

*(guaranteeing the transparency of the monitoring system)*

In the fourth quarter, the SB received monthly reports from Telecom Italia for September and October 2016, together with the final 3Q 2016 version of the monitoring system transparency report.

### Undertakings Group no. 5

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

The SB received the final 3Q 2016 report and the 3Q 2016 programme report on fixed access network quality, together with the SLA report on degraded Wholesale systems for September.

### Undertakings Group no. 6

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

Telecom sent the SB the final 3Q 2016 report on the Technical Plans for fixed access network development, together with the programme related to the 3Q 2016 for NGAN.

### Undertakings Group no. 12

*(Obligation to report the activation of services not requested)*

Telecom Italia has sent the SB a report on the figures for Q3 2016 relating to complaints about the activation of services not requested, received by Open Access technicians.

## Complaints by Other Licensed Operators

***Working group between Wind and Telecom Italia related to problems connected with improved functioning of the Contact Policy and cases of failure of Telecom Italia field technicians to keep appointments with customers***

During the quarter in question, the Supervisory Board received two complaints by the Operator WIND, related to problems of:

- improving the functioning of the Contact Policy
- handling cases of failure of Telecom Italia field technicians to keep appointments with customers.

Based on what was reported, on 12 July 2016, the SB ordered the setting up of a joint working group with the participation of TIM and WIND, supervised by the Supervisory Office, with the aim of obtaining the greatest visibility on the issues, thus providing valid support for any decisions made.

With regard to the handling of failure of Telecom Italia technicians to keep appointments with the customer Wind, after receiving a detailed description of the appointment management procedure within the delivery process from Telecom, the

Board decided to continue to investigate the issue in the month of September 2016, in preparation for a subsequent decision on the action to be taken to guarantee compliance with the principle of non-discrimination, pursuant to the provisions of Regulatory Authority Resolution no. 623/15/CONS, art 64, paragraph 16, and the Undertakings contained in Resolution no. 718/08/CONS.

A meeting was held before the SB Board on 19 October 2016, at which time the Operator that had presented the complaint raised several issues regarding the transparency of information Telecom Italia made public on the market.

Specifically, Wind pointed out that the Multi-Year Technical Plan for the Development of the Fixed Access Network - NGAN covering the years 2016-2018 (information required by Undertaking Group no. 6) presents a schedule for the merging of NGAN exchanges that only covers the final months of 2016, without providing information about the years that follow.

When discussing the information contained in the NGAN Exchanges Spaces Database provided to the Operators (as required by Undertakings Group no. 1), Wind complained about the lack of information about the reuse of spaces that had been freed up by Wind and assigned to other Operators. Further, the Operator maintains that information about available spaces is lacking for certain NGAN exchanges.

Following dialogue with Telecom Italia, the Supervisory Board was able to verify the validity of the Operator's complaint and asked Telecom Italia to make amends, specifically:

- Provide Transparency in the Plan for the Merging of the NGAN Exchanges

Starting with the 2017-2019 NGAN plan, Telecom Italia will add columns for the second and third years of the plan to what is currently table 7 (list of merged NGAN exchanges). Furthermore, to minimise the impact on the co-location development plans of Other Licensed Operators, Telecom Italia is willing to publish an mid-year update to the list of merged NGAN exchanges within 6 months of the publication of the NGAN Three-Year Plan.

- Degree to which information in the NGAN Exchanges Spaces Database is complete.

Telecom Italia will undertake an extraordinary update and check of its systems to compensate for any lack of sufficient information about available spaces, affecting a limited number of NGAN exchanges. Furthermore, Telecom Italia is willing to publish aggregate information about the number of modules returned by Other Licensed Operators on a semi-annual basis.

#### **Complaint by the Operator Fastweb S.p.A.**

**“S02/13 - Fastweb/Malfunions of the CRM system for Wholesale customers - Implementation of Undertakings Group no. 1 related to the setting up of a New Delivery Process for SMP Services”.**

With reference to the closed procedure in which the Operator Fastweb and Telecom Italia were in conflict, the SB has continued to use the performance indicator for the CRM system for Telecom Italia Wholesale customers to monitor the performance of this IT system aiming to promptly identify any critical operating conditions.

#### LLU services

During the whole quarter, the index for LLU services on active lines (AL) showed a trend that oscillated around 2.94% with a peak near 4% on 2 December, while the CRM performance index for LLU services on non-active lines (NAL) stabilised at around 0.85%.

#### WLR Services

The CRM performance index for WLR services on active lines (AL) stabilised at values oscillating around an average level of 2.72% throughout the quarter, with a peak at 4.8% on 14 December. The index for WLR services on Non-active Line (NAL) stabilised at values oscillating around 5.14%, while the absolute value of WOs waiting for over N days remained constantly below 35 units for WLR AL services and below 75 units for WLR NAL services.

#### Bitstream

The CRM performance index for Bitstream services confirms levels constantly close to zero both for AL WOs and for NAL WOs.

## Audits

### ***Surveillance continues for the management of the work order queuing system, the so-called "single queue", pertaining to the New Delivery Process***

With Resolution no. 3/2016 dated 19 January 2016, the Supervisory Board reintroduced audits for the management of the so-called "single queue" work order queuing system pertaining to the New Delivery Process, the activity will follow a schedule that spans all of 2016. Over the course of this past quarter audits were carried out for the following geographic areas: Milan, Central East Lombardy, Puglia, Basilicata, East Tuscany and West Tuscany. A total 226 queues were examined during the audits covering a total 412 orders.

Out of 412 orders examined, 13 (of which 11 OLO and 2 Telecom Italia) were found to have been incorrectly implemented without going through the queueing mechanism. 12 of the 13 orders that were incorrectly implemented stem from two specific cases already encountered in previous quarters: said orders were activated on newly developed network elements, but not yet entered in the Unica/RA (4 WOs) database or orders for areas served by saturated network racks (8 WOs). On 30/06/2016, Telecom Italia announced the roll-out of the modifications to the delivery system software which should avoid repetition of most of the irregularities found (see Proceedings P01/16) extending automatic queue management.

It's worth noting that, for orders analysed during the audits and carried out after 30 June 2016 (that is, after Telecom Italia implemented corrective measures), there were no cases of queueing being incorrectly implemented.

## Relations with Institutions and Operators

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

Over the October-December 2016 quarter, the Supervisory Board engaged in informal dialogue with the Communications Regulatory Authority to discuss the measuring of parity performance starting 1 November 2016, at which time Telecom Italia will begin to migrate retail Work Orders to the new NEM delivery chain.

### ***Meetings with Operators***

The Board met with Operator WIND on 19 October 2016 to discuss improvements to the contact policy and the failure of Telecom Italia technical staff to keep appointments with customers.

The Board met with Operator Fastweb on 16 November 2016, as part of the series of hearings planned in August and meant to involve Other Licensed Operators in the Supervisory Board's audits.

On that same day, the Supervisory Board also met with Telecom Italia to discuss progress on the company's Undertakings and to take note of the company's response to the Supervisory Board's previous requests concerning the transparency issues raised by Operator Wind at the 19 October 2016 hearing, as well as the outcome of the experiment with the new contact policy and solutions proposed to solve issues relating to failure to keep appointments with customers.