

Newsletter
Supervisory Board Activities
April - May - June 2021

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1. Term of office extension for the Supervisory Board members

With Resolution no. 170/21/CONS issued on June 7, 2021, the Authority **extended the term of office** of the Supervisory Board members appointed by TIM, which was due to expire on July 30, 2021 (specifically, Mr. Giovanni Amendola and Mr. Fabio di Marco) until conclusion of the market analysis initiated with Resolution no. 637/20/CONS and, in any case, not beyond July 30, 2022. Pending the new regulatory structure that will be outlined at the end of the market analysis, in fact, the Authority is confident that the permanence of the current members would ensure effective continuity of the Supervisory Board's activities through the work of those who have already gained extensive experience in the sector over the years.

In accordance with this decision, therefore, Undertaking Group No. 7 has been amended by adding paragraph 7.5a which contains the extension provision.

2. Presentation of the 2021 Annual Report

In compliance with the Undertaking Group no. 7, and in particular with points 7.23 and 7.24.13, on 12 May 2021 the Supervisory Board presented, during an on-line event, the **Annual Report on the activities carried out and the results achieved in 2020**.

The presentation was attended by Anna Ascani, Undersecretary of State at the Ministry of Economic Development, Giacomo Lasorella, President of Agcom and Luigi Gubitosi, CEO of TIM, as well as Gianni Orlandi and Francesco Sclafani, respectively, current President and President for 2020 of the Supervisory Board.

3. Vertical separation and equivalence models in network access: a comparison of international experiences

During the presentation of the 2021 Annual Report, the Supervisory Board presented the **results of three studies**, commissioned from the well-known company Cullen International and Mr. Massimiliano Trovato, concerning the comparative analysis of the **separation and equivalence**

models of the fixed network in the main industrialised countries, with the aim of providing an updated international benchmark against which to analyse the current Italian separation model.

The presentation was attended by Gianni Orlandi, Chairman of the Supervisory Board, Stefano De Luca and Veronica Bocarova from Cullen International, Massimiliano Trovato from the Bruno Leoni Institute and IREF, and Pier Luigi Parcu, Director of the Florence School of Regulation Communications & Media.

These studies were carried out as part of a broader survey commissioned by the Supervisory Board and started last year. In the summer of 2020, the Supervisory Board presented an initial study on a comparative analysis of separation and equivalence models for the fixed network in the main industrialised countries. Through this new study, the Supervisory Board aimed at updating the previous analysis, including additional European countries, and providing an **in-depth analysis of Australia and New Zealand**, the only two countries that have adopted structural separation.

These studies revealed that in Europe, as opposed to the situation in Australia and New Zealand, some vertically integrated operators experienced different degrees of separation of the access network, and in particular functional separation and legal separation, along with different forms of equivalence of access for wholesale services. In addition, some countries have, for various historical and political reasons, developed their own path to infrastructure competition which does not involve forms of incumbent separation or particularly strong regulation. However, even in these countries there is a focus on the objective of equivalence, albeit limited to some wholesale services only.

4. 2021 Annual Report Presentation

During the meeting of 25 May 2021, the Board approved, pursuant to Article 18 of its own Regulations, **a report for the Communications Authority and TIM** concerning the updating of the Technical Plans for Access Network Quality defined in Undertaking Group no. 5, supplementing them with information on preventive maintenance and network desaturation interventions concerning the FTTC access network for those elements not included in the current reports (OLT, primary fibre, ONU and ONU feed, secondary copper network). The report (AS01/21), approved by Resolution no. 9/2021, was sent to the Authority and to TIM.

5. Application of the KPO-nd methodology based on multivariate linear regression to 395/18/CONS KPIs

In the Agcom communication of 28 December 2020 the Supervisory Board was asked to continue with a further phase of testing the **application of the KPO calculation based on the multivariate linear regression algorithm to certain KPIs of Resolution 395/28/CONS**. On 13 May 2021 TIM delivered to the Supervisory Board the data required to calculate the KPOs relating to the three months of experimentation indicated by the Authority (January, February and March 2021).

During the previous months, the subset of KPIs to be tested in the new trial phase was identified and a number of critical issues found on the KPI calculation systems due to software anomalies were resolved.

On 16 June 2021, Prof. Pica (Università Svizzera Italiana) made available the first results of the KPO analysis, which required some additional information from TIM.

6. KPI 395/18/CONS analysis

With regard to Undertaking Group no. 4, also in this Quarter, the Supervisory Board continued to monitor, on a monthly basis, the KPIs pursuant to Resolution no. 395/18/CONS on equal treatment, requesting TIM to provide further information on certain indicator trends.

7. Compliance of the KPI calculation with Resolution 395/28/CONS

On 18 May 2021 the **first assessment session of 2021 on the compliance of the KPI calculation with Resolution 395/28/CONS** was successfully held. During the session the calculation algorithms of two KPIs were examined in detail:

- KPI 2 - average time of completion of VULA C activations;
- KPI 12 - average failure resolution time for the VULA C service.

8. Evaluation of NetMap system performance

The **quality analysis of the new NetMap database** progressed in accordance with the **provisions of Resolution no. 9/2019**. In particular, TIM has made available since March 2021 the monthly surveys of the new specific indicator aimed at enabling the Supervisory Board to monitor the level of accuracy of the geolocation of addresses in the NetMap database.

9. Audits on saturated ONUs

On April 27, 2021, the first of the four "on site" audits of 2021 took place, aimed at ascertaining equal treatment and non-discrimination between TIM retail and OAOs on the FTTC network with regard to the **management of OL on saturated ONUs**. The session, which was once again held exceptionally by videoconference due to the Covid-19 health emergency, involved the **FOL Naples**.

10. Monitoring Technical Plans

In the context of **Undertaking Groups nos. 5 and 6**, during this quarter the Supervisory Board continued to verify the transmission of the documentation prescribed by the same groups. In particular, it was ascertained that the documents concerning quarterly programmes and final accounts were published within the prescribed time limits.

With regard to this topic, the study for the creation of a **permanent SB observatory on the quality of the FTTC network** was continued, with the aim of monitoring the state of preventive maintenance and desaturation interventions carried out by TIM on this type of NGAN network.

11. FTTC network faults - Technical Roundtable

On 4 May 2021, the second session of the year of the **SB-TIM-Wind Tre Technical Roundtable** was held. During the meeting, the updated trend of the fault rate used to monitor the FTTC network was analysed, and the status of application of the testing procedure with IVR call, aimed at decreasing the fault rate in post-provisioning on active lines, was examined.

On 16 June 2021, Wind Tre sent the Technical Roundtable a complaint, already forwarded to Agcom, by one of its customers in Nola, who complained of a number of malfunctions on his FTTC line. The Supervisory Board then asked TIM for a detailed report on the state of the Client line and on the measures implemented and planned to guarantee the quality of the line.

12. Meetings with Agcom and TIM

In the April-June 2021 quarter, the Supervisory Board held repeated meetings with the Authority for Communications Guarantees concerning the new activities set out in the 2021 work plan, while the exchange of views with Telecom Italia on the same issues continued throughout the quarter.

As regards **meetings between the Board of Statutory Auditors and TIM**, in particular, the hearings held on 21 April, 25 May and 24 June 2021 were useful opportunities for discussion and debate on issues related to implementation of the 2021 Supervisory Board work plan.