

Activity Newsletter
Supervisory Board
October - November - December 2018

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Institutional Activities

1. Report “S01/17” Wind-Tre: Verification activities

With respect to Report S01/17, the Supervisory Board assigned the Compliance / Supervisory Office the task of starting on-site verification activities related to the "saturation / desaturation" of the ONU of the DSLAM / MSAN, to monitor the failure rate of the VULA FTTC services in general (and specifically in post provisioning), to ensure that the procedure for the on-site intervention of network technicians is being properly implemented.

During the 4th Quarter of 2018, technical board meetings were held between ODV-TIM-Wind-Tre on October 2, November 13, and December 12 to negotiate the aforementioned topics. The main outcomes of these meetings are outlined below.

- **Failure rate in post provisioning for VULA FTTCab services:** The technical board has identified a testing procedure currently being implemented on 4 WOLs (Northwest Lombardy, Veneto, Rome, Eastern Sicily) which appears to significantly reduce the failure rate recorded in the days following the service activation.
- **Management of reduced orders on saturated / substituted ONU:** A new procedure has been introduced that provides for the declaration of saturation and closure to TIM Marketing prior to starting the activities to substitute the ONU Cab. This new process, in place since January 2018, has reduced the in-stock OL by approximately 90%. In case of the closure being communicated after the substitution from ONU 48 port to ONU 192 port TIM had already been planned, the anticipated reopening date will be provided when the closure declaration is provided to the marketing department through the Wholesale portal. Additionally, the Supervisory Board has initiated a complete analysis of this phenomenon, including on-site checks of TIM operating units, to ensure that the proper procedures are being used to manage the saturation and desaturation of the network grid access (ONU, DSLAM, MSAN).
- **Failure rate in assurance of VULA FTTCab services:** The technical board has defined the analysis specifications that have allowed the identification of some

of the major causes of low performance of the NGAN FTTCab while also providing improvements to ensure that the failure rate is reduced. Based on these analyses, TIM has presented some proposals to reduce the failure rate, the effects of which will be monitored by the Supervisory Board during 2019.

- **Contact policy for on-site technical operations:** Wind Tre has agreed to begin an experimental trial for certain advanced delivery services (virtual agents) proposed by TIM that would improve efficiency and effectiveness of the management of contact policies in reported cases. This trial began in December 2018 in the urban areas of Monza, Bari, Verona, and Modena, and is still ongoing.

2. Complaint “S01/18” TWT: Improper use of privileged information obtained through the use of the provisioning and assurance systems

During the October 9, 2018 council meeting, the Supervisory Board met with representatives from the TWT Operator, accompanied by representatives of the law office that assists those reporting these types of activities. During the meeting, the Supervisory Board had the opportunity to review documentation provided by TWT containing specific cases of self-proclaimed TIM operators using anonymous or blocked phone numbers to contact TWT clients in the attempt to make them change to TIM. The Supervisory Board has therefore initiated a detailed analysis of the specific cases that have been reported, with a request for data and information from TIM.

The information provided generally could not be tracked back to promotional commercial agencies, however in two cases the information did lead back to specific individuals. The individual was not found to be a partner of TIM and was therefore cautioned against continuing his activities without any permission to promote his services / products in two letters dated 13/06/2018 and 23/07/2018. The improper use of privileged information was in any case recognised and the Supervisory Board deemed it useful to act in concordance with the preliminary investigation procedure pursuant to Agcom Resolution no. 396/18 / CONS, offering their own contributions to ensure the supervision of TIM commitments during the technical board meetings between TIM-Agcom-OAO. At these meetings, a technical proposal will be finalised that outlines requirements to be implemented on information systems to ensure that illegal conduct is opposed.

3. Task n. 1: Single Queue checks

In October and December, two on-site verifications were conducted regarding the correct management of the queuing policies for Work Orders (checks of the Single Queue): the first in Treviso at the *Wholesale Operation Line (WOL) Friuli Venezia Giulia* and the second in Torino at the *WOL Torino-Valle d'Aosta*. Over the course of these verifications, 45 queuing cases were examined in detail for a total of 91 orders, and four cases of undue activation of orders outside the queuing system were attributed to misalignment of the database, system anomalies and incorrect characterisation of network strain. For the system anomalies, TIM promptly intervened to resolve the issue.

4. Task n. 2: Customer Satisfaction Wholesale Market

During the Supervisory Board hearings on December 18th, TIM presented the results of the 4 phases of the *Customer Journey 2018* (Pre-Sale, Delivery, Assurance, Administrative Relations) in which all phases experienced improvements with respect to 2017.

In particular, the 2018 Overall Satisfaction from the Customer Satisfaction Wholesale Market was found to be 6.93 on a scale of 1 to 10, representing an improvement of 5.5% compared to 2017.

5. Tasks n. 3 and 4: Performance measurement for equal treatment of *Assurance and Delivery (New Model of Equivalence)*

While waiting for the implementation of the KPI defined by Del. 395/18/CONS, and as requested by AGCOM, the Supervisory Board has defined a set of indicators (Det. 20/2016) that prolong the validity of the monitoring facility of Resolution 718/08/CONS through the definition of “transitional” KPIs “with criteria and measurement points consistent with those currently in place (Del. 718”) but relating to the New Delivery Chain.

As of October 2018 the “Det. 20” set of KPIs has completely replaced the Delivery KPIs as per Resolution 718/08/CONS, that is now meaningless.

The “transitional” monitoring pursuant to Det. 20 has been reinforced by integration with KPIs defined by Del. 309/14/CONS (expired / rephrased / rejected OL) in which aggregate views have been developed for the entire Wholesale market. For the three month period in question, performance in the new chain for TIM retail and OAO orders was found to be equivalent or, in some cases, superior for the Wholesale segment.

6. Supervisory Board Council meeting in Brussels with the Director- Electronic Communications Networks & Services (DG CONNECT- European Commission)

On November 14, 2018, a meeting was held in Brussels between the Supervisory Board council and Anthony Whelan, Director- Electronic Communications Networks & Services (DG CONNECT - European Commission).

Discussion topics included the following: the role and responsibility of the Supervisory Board in guaranteeing equal access to the TIM network, the results achieved in 10 years of activity, the constant interaction with Agcom and the Operators, and the future prospects related to the development of ultra-broadband.

During the meeting, many technical details were provided with respect to the vigilance activities and its connotations of independence and autonomy with particular reference to the data collected by the Supervisory Board in terms of equivalence. Last but not least, specific attention was placed on network quality and services provided, which is the next goal according to the English experience.

The participatory supervisory model presented by the Supervisory Board has received great admiration and is applicable in other contexts where the need is greater to provide remedies, to guarantee equal treatment without discrimination for the market.

Agcom planned activities

1. Agcom Resolution no. 395/18 / CONS "new KPIs"

On October 16, 2018, Agcom met with TIM, in the Supervisory Office, to discuss the observations and requests for clarification regarding the new KPIs defined in Resolution 395/18/CONS. On December 12, 2018, Agcom sent a communication to TIM and to the Supervisory Board responding to the requests made by TIM for clarification and also taking into account the advice of the Supervisory Board.

The Authority has requested the support of the Supervisory Board to confirm the validity of the KPI-nd calculations and the testing of new IT releases on the New Delivery chain. For this issue, the Supervisory Board has proposed a review of the tests on IT releases to ensure that TIM abides by the indications outlined in Article 8 subsection 3 of Resolution 652/16/CONS.

2. KPO Calculation Methodology Identification

The Supervisory Board has tasked Professor Giovanni Pica, full professor of the Faculty of Economic Sciences at the Università della Svizzera Italiana, with outlining a method to define KPOs (Key Performance Objectives) for equal treatment of Retail-Wholesale. On October 10, 2018, the Supervisory Board sent Agcom a document outlining the experimental application of the new method of defining KPOs based on a multivariable regression algorithm. It was agreed with TIM that this would be applied on an experimental basis for two indicators (one of delivery and one of assurance) from the complete list of indicators defined by Supervisory Board Resolution n. 20/2016.

3. Reasons and rationale for discarding OLs

During October 2018, the Supervisory Board sent to the Authority a proposal to simplify and rationalize the causes of discarding OLs which, while maintaining the cornerstone of the 2017 analysis, refined and extended the scheme to include both the causes of the suspension and the reforecasting of the Expected Delivery Date. Furthermore, a “responsibility” was attributed for each rejection, suspension, and reforecast. The liability belongs to the party that causes the occurrence (TIM, OAO, Client, Third party, force majeure) and that, if possible, can resolve the underlying problem.

4. Process digitalization

With regard to the verification activities and the support for process digitalisation requested by Agcom in the 2018 Workplan, in November, TIM made available the data collected during the June - October 2018 period for the individual indicators identified by the Supervisory Board to evaluate the effectiveness of the digitalisation of the contact policy in the delivery processes. The initial data shows a reduction in both the average network time (Kpi 3) and the average time for the first appointment (Kpi 1) for the Clients who subscribe to the “rendez vous” service. This monitoring will continue for all of 2019.