

Activity Newsletter
Supervisory Board
July - August - September 2019

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Impact of “disaggregation” of the unbundling processes on equal treatment

The so-called disaggregation of the unbundling services (LLU and SLU) allows Alternative Operators to assign the management of work orders (WO) and Trouble Tickets (TT) to a third party company, chosen by the Operator and certified by TIM to operate on their network. The Alternative Operator also has the right to negotiate deals on a series of additional services with the chosen company, such as a more stringent SLA. The resolution relating to unbundling (321/17/CONS) does not ascribe TIM with the end-to-end responsibility of managing WOs and TTs in the event that the Alternative Operator benefits from additional services on unbundled WOs / TTs. Resolution 395/18/CONS, which defines the non-discrimination KPIs, takes into account the different assignment of responsibilities and therefore the indicators relating to the "unbundled" services, excluding Work Orders and Trouble Tickets, with additional benefits from the calculation of the indicators. With respect to this, the Supervisory Board has developed a **study** for Agcom that analyzes the impact of **disaggregation** on the **equal treatment** monitoring. The analysis shows that the adherence to the additional services by the OAOs is about 85% for Assurance and 25% for Delivery, with consequent impact on volumes and significance of KPIs related to LLU and SLU services.

Simplification of the non-discrimination KPIs

In September 2018, the Authority published Resolution 395/18/CONS which defines the new set of non-discrimination KPIs. However, a certain number of previous KPIs are still in force, having accumulated over time, relating to both non-discrimination and quality, defined in various resolutions and responding to different and contingent needs. In fact, in addition to the indicators pursuant to Resolution 718/08/CONS which defined the initial set of KPIs, the QoS KPI system is currently in force, which includes the indicators of Resolution 309/14/CONS, Resolution 652/16/CONS, and the indicators dating back to 2002 as defined in Resolution 152/02/CONS. This diverse set of KPIs includes KPIs that refer to the Old Delivery Chain, no longer in use due to replacement by the New Equivalence Model, KPIs related to obsolete services and KPIs that overlap with those of the overall 2018

revision. Simplification of the various KPIs was therefore necessary based on Resolution 395/18/CONS. In this regard, the Supervisory Board sent Agcom a complete **proposal** for the **rationalization** and simplification of the **KPI-nd** according to the directions provided by the Authority.

The document, taking into account the simplification criteria provided for in Article 1, paragraph 3 of Resolution 395/18/CONS, analyzes the indicators applied to regulated access by proposing the elimination of obsolete and no longer significant KPIs, or those KPIs superseded by those defined in 395/18/CONS, or those KPIs which are still inapplicable because they no longer adhere to the *New Equivalence Provisioning / Assurance Models*.

KPI Verification for Delivery and Assurance

Pending the availability of the new KPIs pursuant to Resolution no. 395/18/CONS, the Supervisory Board **monitored the equal treatment** OAO-TIM Retail ex **Det. 20/2016, Del. 309/14/CONS** (Delivery) and **Del. 718/08/CONS** (Assurance).

TIM was requested to provide an in-depth analysis based on certain trends observed but no KPI behaviour was found that could be linked to unequal treatment between TIM Retail and the OAOs.

Technical reports for the months of June and July were presented to the Council of the Supervisory Board and, once approved, these were sent to Agcom.

NetMap system performance evaluation

The New Equivalence Model provides for the creation of a single database of place names that can be used under the same conditions by all Operators. This database, in addition to the address book, includes technical coverage data. It is therefore clear that the quality of this database is reflected on the entire market. In this regard, the Authority asked the Supervisory Board in the 2019 Planned Works to formulate a proposal relating to the **definition** and **monitoring** of **KPIs** for the **quality** of **information** of the **NetMap system**.

On July 16, 2019, the Supervisory Board approved the Determination n. 9/2019 in which it requested TIM to implement the indicators defined in the document *"Proposal of a set of quality and non-discrimination KPIs to assess the performance of the NetMap system"* (Italian title: *"Proposta di un set di KPI di qualità e di non discriminazione per valutare le prestazioni del sistema NetMap"*) and to make the monthly results available to the Supervisory Board.

This determination requires that the data for the month of September 2019, together with data from June-August 2019, be made available by TIM to the Supervisory Board during the month of October 2019.

Encryption of sensitive information (Resolution No. 396/18/CONS)

With Determination n. 12/2018 on August 2, 2018, the Supervisory Board ordered the start of a specific verification activity concerning the validity of the Report concerning the improper use of privileged information obtained from the use of provisioning and assurance systems, presented by the operator TWT SpA ("S01/18").

In the Report, the alleged non-compliant conduct consisted of the use of privileged information taken from the wholesale assurance systems. This information would have been used in the interests of TIM to make commercial proposals to the end users of the reporting Operator. This theme is part of the broader survey conducted by the Authority in **Resolution no. 396/18 / CONS.**

In relation to this issue, on July 26, 2019, a meeting took place between the Supervisory Board and TIM to plan the supervision activity for the implementation of the technical solution, which was proposed by TIM and modified by the Technical Board, consisting of the **encryption of all sensitive information** and the **tracking of access** to this information.

In compliance with the provisions of Resolution 396/18/CONS, on August 7, 2019, TIM published the new record tracking on the Wholesale Portal, tracking which must be adopted also by the alternative operators to allow for complete implementation of the solution approved by AGCom by November 2019.

"Single Queue" onsite Verification activities

On July 31, 2019 at the **WOL Emilia Romagna** (Bologna headquarters) the third “**on site**” **verification** was held to check for the correct management of orders that were suspended due to those orders falling in areas where there are no available network resources (so-called “Single Queue”).

During the inspection, there were no cases found of orders activated unduly outside of the queue.

Onsite verification of saturated NGN nodes

Based on the equal treatment verification activities in the management of work orders which belong to areas served by saturated NGN nodes for the new VULA C services (*Fiber to the Cabinet* access), during this quarter the Supervisory Board performed one “onsite” investigations at **Wholesale Operation Line Puglia** in Bari, on September 24, 2019.

During these two inspections, the correct management of work orders was found based on the equal treatment of the OAOs and *TIM Retail*.

However, some phases of the *delivery* process have been identified in which improvements could be made in order to guarantee the optimization of the reopening times for the marketing of desaturated NGN Nodes.

Monitoring of Technical Plans

During this quarter, the Supervisory Board monitored the **publication** of the **TIM Technical Plans** in order to verify the level of transparency and effectiveness in terms of the information made available to other operators.

In particular, compliance has been verified for the Undertakings pursuant to Resolution 718/08/CONS:

- Programs and results of maintenance interventions related to quality assurance of the Fixed access network (Undertaking 5);
- Programs and results of interventions for the development of the “traditional” copper and NGAN Fixed access network (Undertaking 6);

Verification of Undertaking n. 2 pursuant to Resolution 718/08/CONS

With regard to the meetings between the **Supervisory Board Council and TIM**, the hearings of July 16, August 1, and September 18 are worth mentioning, as they provide useful moments of discussion on the issues connected with the implementation of the 2019 Work Plan.

In particular, at the meeting held on July 16, the Company, in compliance with Undertaking no. 2, presented the TIM resources incentive system to the Council.

By incorporating the Supervisory Board's instructions formulated in the note dated 29/05/2019 regarding the appropriateness of attributing greater consistency to the equal treatment objectives, the Company has communicated that it has accepted the observations of the Supervisory Board remodulating the MBO and doubling the "weight" linked to the *equivalence* objectives, increasing them from 5% to 10%.