

Newsletter

Supervisory Board Activities

April – May - June 2020

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1. Covid-19 Emergency: overview

The second quarter of 2020 was marked by **the state of emergency due to the extraordinary health crisis** that Italy had to face, with respect to the spread of the Covid-19 virus.

The Supervisory Board activities, as with almost all the national public and private institutions, underwent a reorganization and revision of objectives and priorities to confront the newly emerged problems in an innovative way, in most cases outside the scope of usual attention.

The alarm caused by the spread of Coronavirus, with the drastic transformation of the traditional rhythms of life and industrial production, has expressly demonstrated **the value and the role of electronic communications networks as a strategic infrastructure** for the progress of the country.

In this context, there was no delay in the arrival of regulatory measures aimed at supporting the full operation of the electronic communication networks. In particular, the national legislator, with the provisions contained in the so-called **“Cura Italia” Decree-Law** (D.L. March 17 2020 n.18 converted, with modifications, into L. April 24, 2020 n. 27) recognized the essential role of electronic communication infrastructure and services in the management of the emergency and also, through the sector Authority, asked for them to be strengthened.

In order to meet the increased consumption of service and electronic network traffic in the situation of the epidemiological emergency, Article 82 of the cited decree ordered the adoption, on the part of entrepreneurial businesses of supplying electronic communications networks and services, of every useful initiative aimed at strengthening the infrastructure and guaranteeing the network functioning and the operation and continuity of services. The extraordinary measures indicated in this decree were communicated to the Authority which, where necessary and respecting their own competencies, has modified or supplemented the current regulatory framework.

In the scope of the Covid-19 health system emergency, **Agcom has played a leading role, thanks to profuse efforts in multiple directions** and the aim of guaranteeing the full functioning of networks and the operation

and continuity of services, considering above all the increased use due to agile working, online learning, and, in general, the growing user demand for connectivity.

These efforts were put into action with the preparation of a series of initiatives aimed at concretely implementing the provisions contained in the “Cura Italia” Decree. In the **March 18, 2020 Circular letter**, the Authority launched a first package of decisions aimed at guaranteeing the functioning of public utility services and every other initiative supporting public structures involved in the management of the epidemiological crisis, families, and businesses to accelerate a return to normality.

Following this logic, all operators authorized to provide electronic communication networks and services were requested to work to find technical solutions to allow for an immediate increase in average customer bandwidth on the fixed network of at least 30%.

For TIM, **the Society guaranteed the continuity of service delivery** by increasing capacity and coverage of their networks and guaranteeing the continuity of services even when faced with increased traffic recorded due to the lockdown (up to 80% in landline phones, 30-40% in mobile phones, and 11 times for video applications for smart working).

In particular, TIM increased the new generation FTTC network coverage, through the gradual **opening of more than 5 000 new cabinets to bring ultra-broadband connection to more than 1 000 municipalities in areas of the country** not yet covered by an ultra-broadband network (those falling under the so-called “white areas” of the 2016 ultra-broadband notices).

Always with respect to this provision, the proposals made by TIM to the Authority concerning the **reduction of unit wholesale costs for the Ethernet band on the copper and fibre networks** were approved.

Until June 30, 2020, Agcom has requested from the market an increase of bandwidth of some 30% to accommodate the strong bandwidth demand of the “Covid period”. This has resulted in increased in transport and VLAN (KIT Bitstream and VULA, SVLAN associated with them).

Moreover, until June 30, 2020, in the case of new NGA cabinets being available, the notice referred to in article 9, comma 8, of resolution n. 348/19/CONS regarding the time interval between the announcement to the market of the availability of FTTC services in a certain area of new coverage and the actual opening for the commercialization of new services in the same area has been **reduced from 30 days to 10 days**.

As a part of these initiatives, **the Authority formulated a request for collaboration to the Supervisory Board in the communication of April 20, 2020**, in which Agcom requested technical support for managing the emergency period, through the launch of 3 specific monitoring activities until June 30th.

On the basis of this request, **the SB proceeded to integrate their 2020 Annual Work Plan** by inserting the following - three new - activities:

- i) bimonthly monitoring, in addition to monthly monitoring, of the provisioning and assurance activities for the TIM wholesale services through the KPIs provided for in resolution n. 395/18/CONS;
- ii) weekly monitoring of the TIM delivery times for transport equipment intended to ensure connectivity between the TIM access network and the alternative operators' proprietary networks as well as the associated VLANs (KIT Bitstream and KIT VULA, SVLAN associated with them);
- iii) weekly monitoring of the FTTC cabinets activated by TIM in white areas, following the aforementioned AGCom Circular letter, and bimonthly monitoring of the corresponding Work Orders carried out by processing type (Activations, Migrations, Transformations) and by operator (TIM vs OAO).

2. Covid-19 Emergency: increased monitoring frequency for KPI 395/18/CONS

With regards to the monitoring of **KPI 395/18/CONS**, the analysis of the indicators started as of January 1, 2020, in continuity with the monitoring of the delivery and assurance KPIs already in place in accordance with the SB annual work plan. For this activity, over the course of the second quarter, four bimonthly reports were produced and made available to the Authority for the dates of March 31, April 15, April 30 and May 15, 2020.

3. Covid-19 Emergency: KIT VULA/Bitstream activation monitoring

With regards to **the supply of the transport KITs and the related VLANs for the VULA and Bitstream NGA services** for the increased bandwidth, the monitoring of the work-order (WO) completion time and the verification of the number of WOs activated between the two thresholds of 35 and 65 days took place on a weekly basis starting from the week of March 2 to 8 and finishing on June 30, 2020.

4. Covid-19 Emergency: monitoring of cabinets activated in white areas

TIM increased the ultra-broadband coverage in **white areas** through a gradual **opening on the sale of UBB services for over 5200 FTTC cabinets**.

AGCom authorized TIM to reduce the notice time (referred to in article 9, paragraph 8, of Resolution n. 348/19/CONS) from 30 days to 10 days until June 30, 2020, and entrusted the SB with the monitoring of the opening of marketing for cabinets and the corresponding Work Orders. The SB proceeded with the corresponding analyses and with the drafting of the reports on a bimonthly basis.

As of March 23, 2020, TIM had activated all the 5223 relevant cabinets, completing the work on June 1, 2020 (during the period between March 23 and June 30, 2020, approximately 128.000 Work Orders were received from both TIM clients and OAO clients).

For the quarter under review, the SB sent the Authority four reports on this activity dated April 30, May 15, May 31 and June 15.

5. Netmap system performance evaluation

The **analysis of the quality of the new NetMap database** continued in accordance with the provisions of Determination n. 9/2019. The analyzed data in the monthly reports made available to the Authority did not show any critical issues both in terms of qualitative performance of the database, and in terms of the point of view of equal treatment TIM-OAO.

6. Process digitalization

Also in this quarter the SB continued monitoring - on a monthly basis - **the digitalization of provisioning processes**, analyzing the indicators aimed at evaluating the performance of delivery services through the **digital channel** (the so-called Virtual Agent) with respect to the same processes managed by the **traditional**, or “human”, **channel**.

7. Onsite verification of saturated NGN nodes

Regarding **the equal treatment supervisory activities** concerning 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*):

- on **April 14, 2020**, the first 2020 “onsite” inspection was performed at the FOL (*Field Operation Line*) *Lombardia Centro Est* (initially planned for the month of March but postponed due to the Covid-19 emergency);
- on **June 23, 2020**, the second 2020 inspection involving FOL *Campania and Basilicata* was held.

Due to the Covid-19 emergency, the activities related to ascertaining the correct management of orders related to equal treatment were **completed by videoconference** with the cooperation of the TIM General Management staff and the operational functions in the area.

8. Encryption of Sensitive Information (Resolution n. 396/18/CONS)

Regarding the support activity to Agcom in the implementation phase of Resolutions **n. 396/18/CONS and 420/19/CONS**, the Supervisory Office participated in three Technical Board meetings for the extension of the implementation of the measures to also include delivery activities.

The Technical Board meetings were held by videoconference on April 2, April 22, and May 20, 2020.

9. Technical Plan Monitoring

With respect to **Undertakings numbers 5 and 6** of Res. 718/08/CONS, 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);

10. Meeting between the SB and Agcom

Regarding **the dialogue between the Supervisory Board and the Authority for the Guarantees in Communications**, it is noted that the meeting between the Council and the Agcom Director of electronic communication networks and services was held on June 18, 2020, during which the contribution of the SB to the Covid-19 epidemiological emergency was outlined in relation, in particular, to the provisions of article 82 of the D.L. of March 17, 2020, n. 18.

11. FTTC network faults - Technical Board

It is noted that a videoconference meeting was held on May 5, 2020, between **the Technical Board of the SB - TIM - Wind Tre regarding FTTC network failure**. During the meeting, it was noted that there has been an improvement in the trend of the Reporting Rate of faults registered in 2020 with respect to the same months in the past two years.

12. SB Organization for the Covid-19 emergency

In the organizational context, it has been reported that there is **a modification of the Regulations containing the detailed provisions for the organization and the functioning of the Supervisory Board** and the Supervisory Office, referred to in Determination n. 16/2018.

In particular, with respect to the current regulation, on June 18, 2020, Determination n. 7/2020 inserted a new article (3-bis) through which the Supervisory Board Council can designate within itself **one or more Managing Directors** in charge of the implementation of specific functions decided by the Council, with the obligation of periodic reporting.

The Managing Director job is awarded based on the proposal of the President, for a renewable fixed term.

In a subsequent provision (Determination n. 8/2020), on the same date, the Council nominated **Dott. Giovanni Battista Amendola as Managing Director**, with the task of guaranteeing the continuous supervision, on behalf of the Council, of the additional equal access monitoring activities requested by AGCom following the Covid-19 emergency, together with the regular equal access monitoring activities that fall under the responsibility of the Council and require continuous intervention that is not compatible with the frequency of board meetings.