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2 February 1995

The Hon Michael Lee MP
Minister for Communications and the Arts
Parliament House
Canberra ACT 2600

Dear Mr Lee

**QUARTERLY REPORT ON PROGRESS OF TELECOM'S
IMPLEMENTATION OF RECOMMENDATIONS OF AUSTEL'S COT CASES
REPORT**

I am pleased to provide our third quarterly report on Telstra's progress in implementing the recommendations of AUSTEL's COT Cases report.

Our quarterly report consists of two parts: a summary of significant developments to date; and a more detailed commentary on the status of implementation of each recommendation.

AUSTEL considers that in general terms Telstra has demonstrated its commitment to implementing the outcomes of the COT Cases report. The major area requiring further action on the part of Telstra concerns Telstra's representation of its liability. An important recent development in this respect is Telstra's confirmation that it proposes to lodge a revised clause 8.1 of its Basic Carriage Services tariff by 6 February 1995, clause 8.1 being a statement of Telstra's liability. AUSTEL sees no reason why Telstra cannot now move to rapidly finalise the relevant COT Cases report recommendations concerning Telstra's representation of its liability. I note that your statement to the Parliament of 21 September 1994 requested that Telstra expedite its implementation of these recommendations.

As foreshadowed in AUSTEL's previous quarterly report, AUSTEL engaged a consultant in November 1994 to review Telstra's Service Verification Tests. The consultant's report has now been completed, and detailed discussions on the recommendations of his report have been scheduled with Telstra for late February 1995. AUSTEL will provide you with a separate report on the recommendations of the consultant's report and the outcome of discussions with Telstra in terms of Telstra adopting its recommendations. It is expected that this report will be provided within the first quarter of 1995. 36

Yours sincerely



Sue Harlow
Member

Attachment. *Status of Implementation of the Recommendations of AUSTEL's COT Cases report*

**STATUS OF TELSTRA'S
IMPLEMENTATION OF
THE RECOMMENDATIONS OF
AUSTEL'S COT
CASES REPORT**

**AUSTEL'S THIRD QUARTERLY
REPORT**

2 FEBRUARY 1995

Recommendation 25: Telecom commit itself to rectify the majority of difficult network faults which reduce the level of service below a level determined by AUSTEL within three to six months and all within a period of twelve months.

Telecom Update - 31 December 1994

Telecom is currently carrying out Service Verification Tests for DNF customers to objectively confirm that their services meet an appropriate performance standard.

See recommendation 26 regarding progress in conducting SVT's for first the 16 cases.

Seven SVT tests have now been completed on telephones service provided to DNF customers and in no case has the level of service provided been below the level of service established in consultation with AUSTEL.

TIMETABLE

Telecom agrees to resolve the majority of DNF's within six months and the balance within twelve months.

AUSTEL Comment

Comment on Telstra's progress in conducting the Service Verification Tests is provided under recommendation 26.

Recommendation 26: Telecom devise plans with time-frames for resolving difficult network faults which reduce the level of service below a level determined by AUSTEL and inform its customers accordingly (cf: Coopers & Lybrand Recommendation 24, Bell Canada International's Rotary Hunting Group Study Recommendation 8.2).

Telecom Update - 31 December 1994

Service Verification Tests have been completed for seven customers. Reports have been completed and forwarded to six of the customers, and the seventh report is in preparation. All six of the telephone services subjected to the Service Verification Tests have met or exceeded the requirements established.