



FERRIER HODGSON CORPORATE ADVISORY

BY COURIER

Our Ref:A1.4

15 November 1995

Mr John Pinnock  
Telecommunications Industry Ombudsman  
TIO Limited  
321 Exhibition St  
MELBOURNE VIC 3000

Dear Sir,

RE : Telecommunications Industry Ombudsman - Resource Unit  
Fast Track Arbitration - Alan Smith

We refer to your letter dated 9 November 1995 with the attached facsimile from Mr Alan Smith dated 8 November 1995, and your recent conversations with Ms Susan Hodgkinson of this office concerning the above completed arbitration.

You have asked us to provide clarification of the issue raised by Mr Smith relating to the deletion of references to a potential addendum on possible discrepancies in Smith's Telecom bills in the final Technical Evaluation Report. We have spoken to Lane Telecommunications Pty Ltd ("Lanes"), who acted as Technical Consultants to the Resource Unit in the above Arbitration, and they have provided the following comments in relation to the issue raised by Mr Smith:

*"At a late stage of the Arbitration process, at the time of preparation of the Technical Evaluation Report, there was discussion about billing issues which had been raised by Mr Smith. A draft of the Technical Evaluation Report therefore included reference to the billing matters, which it was thought might require further work beyond the time of issue of the Report.*

*The primary matter concerned Mr Smith's bills for outgoing calls from Cape Bridgewater. Mr Smith had observed that there was a discrepancy between the call durations of STD calls on his bills and the durations shown by Telecom's call recording equipment connected to Mr Smith's line (in the Customer Access Network).*

*Discussions were held with Telecom (Mr Peter Gamble) in Mr Smith's presence during the visit to Cape Bridgewater in April 1995, which provided the following information:*

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- For outgoing calls on a normal customer exchange line, the caller notes the answer of the called party by cessation of the ring tone and the answering voice. However, there is no corresponding physical (electrical) signal on the caller's line (CAN side of the exchange) for the call recording equipment to register that an answer has occurred. Consequently, timing of the call recording equipment is configured to allow a fixed time to answer (say 30 seconds) from the time the caller lifts the handset, or from the completion of dialling, until it assumes that answer has taken place. Thus the overall measured duration of the call from lifting to replacement of the handset is reduced by this fixed amount to give the (assumed) nominal conversation time.
- Billing on the other hand is based on signals recorded at the caller's exchange, including a physical signal to indicate called party answer. Thus the billing duration is precise.
- At an individual call level, there will therefore be discrepancies between the two sets of call duration records except where the actual and assumed times to answer are the same.
- Lanes considered and accepted this technical explanation from Telecom as plausible, and believe Mr Smith also understood and accepted it. Consequently, as the discussion appeared to have resolved this matter, it was not included in the formal Technical Evaluation Report.

A second matter involved 008 calls. Again, this matter was current at a late stage (April 1995) of the Arbitration process. This matter concerned possible overlap in the records of 008 calls made to Mr Smith, and for which he was billed. However, Lanes and DMR Group Inc concluded that the level of disruption to Mr Smith's overall service was not clear, and that it was unlikely that further work would clarify the matter to the extent that it would have a measurable effect on the Arbitrator's determination. The matter was discussed in Section 2.23 of the Technical Evaluation Report, and an assessment of "Indeterminate" was reached.

As no further progress was likely to be made on these matters, the formal version of the Technical Evaluation Report did not leave the billing issue open."

I trust that the above advice from Lane Telecommunications clarifies the issue raised by Mr Smith regarding the Resource Unit's Technical Evaluation Report.



If you have any further queries please do not hesitate to contact the writer or Ms Susan Hodgkinson on (03) 629 8855.

Yours faithfully,  
**FERRIER HODGSON CORPORATE ADVISORY**

A handwritten signature in cursive script that reads 'John Rundell'.

**JOHN RUNDELL**  
Project Manager  
Associate Director

cc Dr Gordon Hughes, Hunt & Hunt  
Mr Andrew Crouch, Lane Telecommunications Pty Ltd  
Mr Paul Howell, DMR Group Inc

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four trips which have been paid for by Telecom or the TIO or Austel?---That's only since - in 1993, yes.

I guess there are some questions as to whether these trips were claimed on Telecom - and the more information Mr Smith provides, I guess the better his claim stands up. But we're prepared to let it run as it stands.

THE ARBITRATOR: Mr Smith, if there is any information you can provide me this week, please provide it?---All right.

Beyond that we will just proceed on the basis of the assertions that you have made and if Telecom wishes to respond by saying that those assertions can be sustained then it's a matter for me to make up my mind as to where I think the truth lies?---Okay.

Final page, final question. "Documents provided do not address the documents requested in Telecom's letter dated 30 August 1994. Please provide copies of any missing documentation which should have been enclosed in the document headed with the following table." Can you find that document?---Yes, I know which one it is. Sue, if you can bring them over and I will show you.

Which document do you have there? **SM18**

The document referred to on p.8 of Telecom's request for further information, in point B 1A is my document AS4, okay?---Right. The deletion of one is incorrect charging by Peter Turner. I believe that the documentation I would receive because of the time within that 4 months I asked for them from Telecom, that's the only reports I have been able to substantiate - I pre-empted. So you can draw that one out because although it's in I didn't get the print-out to marry up. The incorrect charging is once again - I put this

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through and I was pretty stressful when I put it through but it does marry up. For instance, if you look at 1993 this is the smart 10-minute analysis print-out. If you go to here in this B12, what you have really got to do is use your own judgment. You will see 1993, these are my itemised accounts, right. If you cheque my itemised accounts you will see the figuring there - 5 seconds, 7 seconds, 14 seconds, 13 seconds, 10 seconds. All those are seconds, right. Now, what you have got to do is - these are minutes and seconds. Like, 13 minutes you charge \$4.62. Let's just take the 13 minutes, for instance. You go to 1993 and you check the date. That's all you have to do, the exact date, which is 8/6/93. You check the phone number which is the phone number on the chart and you will see 37 seconds. But you go to here and you find it's 47 seconds. Not one of them - not one of them - is correct. I'm being charged as much as 11 seconds 94, so I'm charged 4 seconds. Here it runs for 32,000 seconds - I have been charged 148 seconds. Here is 162 seconds, right, and I'm charged for 37. That's Telecom's way. If you go to the next page and it's all their way. You get 16 seconds which is the charging on the sheet and yet I have been charged for 23; 17 seconds on here and I have been charged for 25. I will find another one here - 43 seconds on the chart and that's the element that all this is based on, that's all your bills are based on, and I'm charged for 53 seconds. It just goes on and on. So that's how you can substantiate it right the way through.

So where does that leave us in relation to the provision of

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any missing documentation?---I thought it was all there. It's just that you have got to marry it up. Does Telecom have any questions in relation to that?

MR BLACK: The one table I had to marry up with B11. What was the second table?---You marry it up with the 93 itemised account. The thing is, the next one is the 008 account. What I have done here, for instance, that is a copy - that's my itemised account from gold phone. You will come up here with - I have been charged for 17 seconds and yet it actually rang for 12 seconds. Here on their charging sheets, the conversation time, you will see 12 seconds. But when you check up on my gold phone I have been charged for 1 minute and 42 seconds and yet it was only a 12-second conversation. We go one down again - this is at all times, the same phone numbers, right, and the same time coming in - you check the CCS data again and it has registered 10 seconds, same time, yet I have been charged 1 minute and 4 seconds. It goes right the way through. I have 7 minutes where I have only been on the phone for 1 minute and I can substantiate - I have only just done that in one book but I probably get 30. I have 7 seconds where I have been charged for 4 minutes. The instance that's on the video which is in here where ← that Heidi lady, the 1100 operator, rang me. She has verified that she was only on the phone for 10 seconds and I was charged for 4 minutes and 15 seconds. I can substantiate that, not only here, but all the other documentation. I can substantiate it. I have had a fellow look at it. It's all here. Then you go to the 267230 account which is - - -

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THE ARBITRATOR: I don't think we need any further examples.

I accept that. Telecom, any further submissions?

MR BLACK: Just on those points, I accept that they can be matched up but each one appears to require special knowledge to match it up?---I'm only a layman. I can do it and I'm sure your technical people can do it.

I know you can it's just that you have photocopied bits and pieces and put them together?---I didn't photostat it. That's all your stuff. The only thing I photostated was that it's the 11008 and to make it a bit easier I put it on that docket. I'm sure your technical people can pick that up.

Mr Arbitrator, what we might have to do is to go back directly to Mr Smith and work through a couple of examples so that we can fully understand it.

THE ARBITRATOR: It might be appropriate to do that or it might be appropriate for DMR to - - -

MR BLACK: Perhaps that would be just as good from our perspective.

THE ARBITRATOR: That seems to bring us to the end of that process. Before we all pack up and go home let's just recap where we are. Except for the issue of the status or possible status of former partners, it seems to me that any further documentation to be provided can be and will be provided by 14 October subject to certain third parties co-operating with you?---The thing is, Dr Hughes, I provide them to you under some sort of supervision. I'm not Telecom-bashing but I have so much proof - and which has been shown to other parties - where the security of Telecom has got a lot to be desired and I'm now going to - they know who I ring,

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2.22 All services for CBHC were lost for 3 hours due to an exchange data programming error. Such major impact due to an operational error is deemed a less than reasonable level of service.

ASSESSMENT - Service was less than reasonable.

2.23 Continued reports of 008 faults up to the present. As the level of disruption to overall CBHC service is not clear, and fault causes have not been diagnosed, a reasonable expectation is that these faults would remain "open".

ASSESSMENT - Indeterminate.

3. About 200 fault reports were made over December 1992 to October 1994. Specific assessment of these reports other than where covered above, has not been attempted.

## 5 Summary

CBHC telephone services have suffered considerable technical difficulties during the period in question. Telecom, certainly initially fully concentrated on the CAN/CPE elements, and if they were 'intact', faults would be treated as NFF (No Fault Found). As can be seen from the above, faults did exist that affected the CBHC services, causing service to fall below a reasonable level and apart from CPE problems, most of these faults or problems were in the Inter Exchange Network.

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