

**BELL CANADA INTERNATIONAL (BCI) TESTS – TELSTRA'S
MISLEADING AND DECEPTIVE CONDUCT – PART 2**

**(Not in date order)
SEPTEMBER 2008**

EXHIBITS 1 to 46

Bell Canada International Inc.



1 Nicholas Street, Suite 800
Ottawa, Ontario, Canada
K1N 9M1

Tel: (613) 563-1811
Fax: (613) 563-9679
Telex: 053-4849

September 29, 1993

Mr Alan Humrich
General Manager
Telecom Australia
Central Area
Network Operations
6th Fl/151 Roma Street
Brisbane
Queensland, Australia

fax: (07) 236 4247
(03) 632 3664

Subject: DIFFICULT NETWORK FAULTS

Dear Alan:

Bell Canada International (BCI) is pleased to respond to Telecom Australia's request for Network Consulting.

UNDERSTANDING OF CURRENT SITUATION

It is BCI's understanding that a small number of commercial telephone customers of Telecom Australia claim to be experiencing persistent service problems. This has occurred over a long period of time despite extensive testing and investigative action to clear them. A range of problems have been reported but are mainly focused on not receiving incoming calls and call cut-offs on answer or during conversation. BCI understands the customers are connected to either Ericsson AXE or ARE equipment and most have several lines connected as PBX groups.

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a  company

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Dave McKendry - Mr. Alan Humrich
Page 2 of 5

It is BCI's further understanding that the Network Consulting Study must be completed by early to mid-November 1993, at the latest. BCI is confident of its ability to assist Telecom Australia in resolving this issue.

BCI proposes the following:

- Audit of existing test procedures .
- Recommendation of any additional testing required
- Written report and availability of consultants to review results with Telecom staff, the Regulator, and selected customers.

Further, subject to successful conclusion of this analysis, BCI would be pleased to quote on a full network review and implementation of recommendations.

BCI CORPORATE OVERVIEW

BCI is the consulting arm of the BCE group of companies. BCE is Canada's largest corporation employing 124,000 people with 1992 revenues of \$21B, assets of \$48B with a net revenue of \$1.4B, in Canadian dollars.

BCI provides telecommunications consulting, managerial and training services and carries out turnkey projects for governmental and private telecommunications administrations throughout the world. As a member of the BCE group of companies, BCI has access to one of the world's largest repositories of telecommunications capabilities.

Supported by the combined resources and expertise of its sister companies, Bell Canada, (Operations); Northern Telecom, (Manufacturing); and Bell Northern Research, (Research and Development), BCI has earned a reputation world-wide as a reliable provider of telecommunications know-how with the capability of transferring technical, administrative and managerial expertise in all aspects of telecommunications. Over the past 20 years, BCI has completed hundreds of contracts successfully in more than 60 countries on six continents. The end result has been a large number of satisfied customers. BCI has demonstrated that "Turning Technology into Service" is an achievable goal in today's telecommunications organizations around the world.

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Dave McKendry - Mr. Alan Humrich
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Bell Canada is recognized as one of the most efficient telephone companies in the world. Bell is Canada's largest supplier of telecommunications services, providing advanced voice, data and image communications to some seven million customers in Quebec, Ontario and the eastern Arctic.

PERSONNEL OVERVIEW

Based on Telecom Australia's stated requirements, Bell Canada International is pleased to offer the services of Mr. Gerald A. Kealey, Senior Network Consultant and, Mr. Joseph L. (Lou) Lewis, Senior Network Consultant. Mr. Kealey has an engineering and regulatory support background. Mr. Lewis has a network operations and maintenance background. BCI is pleased to recommend this team approach in order to address Telecom Australia's network concerns.

MR GERALD A. KEALEY - HIGHLIGHTS

- Thirty three years of line and staff experience, including international consulting work with Bell Canada International.
- Prime for Bell Canada's technical competitive response and raising the barriers of competitive entry.
- Regulatory and Engineering support.

Please see Mr. Kealey's attached resume for further details regarding his skills and qualifications.

MR JOSEPH L. LEWIS - HIGHLIGHTS

- Thirty years of line and staff experience, including international consulting work with Bell Canada International.
- Expertise in translations and networking with several internationally recognized central office switching systems.

Please see Mr. Lewis's attached resume for further details regarding his skills and qualifications.

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PROPOSED ACTION PLAN

1. Complete analysis of customer complaints and action taken thus far by Telecom Australia.
 - Digital and Analog trunk routing.
 - Calling and called patterns.
 - Time of day routing.
 - Switch types both customer owned and Telecom Australia owned.
 - Verify options and translations (Hardware or Software problem).
 - *incl CAN.*
2. Make recommendations for additional global testing techniques and system analysis.
3. Work with technical task force to quickly identify and/or eliminate problem areas.
4. Prepare report for senior executives of Telecom Australia.
5. BCI consultants will be prepared with samples of studies to support Regulatory Hearings/Customer meetings.

NOTE:

Beyond the scope of this assignment, BCI would be pleased to quote on a full network review and implementation of recommendations.

PRICE

Based on our estimate of 7 weeks consulting services for Mr. Kealey and 3 weeks consulting services for Mr. Lewis, the price for these services is SIXTY-EIGHT THOUSAND EIGHT HUNDRED AND FIFTY dollars, U.S., (\$68,850.00 U.S.).

TERMS & CONDITIONS

These Terms and Conditions are valid until Friday, October 1, 1993, at 5:00 p.m. Melbourne, Australia time.

Please see attached Contract for additional Terms and Conditions.

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Dave McKendry - Mr. Alan Humrich
Page 5 of 5

Based on discussions and understandings with Telecom Australia to date, BCI is convinced of its ability to solve this short-term problem with a view to assisting Telecom Australia on a longer term basis.

Subject to your signing the attached Contract, Messrs. Kealey and Lewis are prepared for immediate departure to Australia. They are now tentatively booked on a flight to arrive in Melbourne on Monday, October 4, 1993.

Based on Telecom Australia's acceptance of this proposal, BCI will require notification in writing of acceptance not later than 5:00 p.m. Friday, October 1, 1993, Melbourne time. Please fax your executed contract to BCI in Ottawa, Canada, at (613) 563-9679. If you have any questions in the meantime, please feel free to call me at work at (613) 563-1811 or after hours at (613) 563-1814 extension 553 (voice mail) or at home at (613) 825-7329.

I will contact you later today to ensure the successful receipt of this proposal. I look forward to working with you.

Regards,



David McKendry
Director, Sales & Marketing
Asia Pacific

Attachment 1 - Contract Document
Attachment 2 - Resume, Gerald A. Kealey
Attachment 3 - Resume, J. L. Lewis
Attachment 4 - Original Telecom Australia Request for Proposal

cc: Gerald E. Moriarty
Managing Director (Letter only)

K47532

SEP 30 '93 04:51PM

P.2

Bell Canada International Inc.



1 Nicholas Street, Suite 800
Ottawa, Ontario, Canada
K1N 9M1

Tel: (613) 563-1811
Fax: (613) 563-9879
Telex: 063-4849

September 30, 1993

Mr Alan Humrich
General Manager
Telecom Australia
Central Area
Network Operations
6th Fl/151 Roma Street
Brisbane
Queensland, Australia

fax: (07) 236 4247
(03) 632 3664

Subject: ADDITIONAL TEAM MEMBER

Dear Alan:

Further to our conversation yesterday, I am pleased to add an additional member to the "Team" by the name of Mr Rudi Von Michalofski, with professional qualifications as discussed.

RUDI VON MICHALOFSKI - HIGHLIGHTS

- Bachelor degrees in Engineering Physics and Electrical Engineering ✓
- Occupational training in Communications Engineering, Engineering Economics and management-related subjects ✓
- Thirty-three years management experience in the telecommunications industry with Bell Canada and Telecom Canada ✓
- Experience in national and international standards development, electrical coordination and network protection. ✓

Please see Mr. Von Michalofski's attached resume for further details regarding his skills and qualifications.

I firmly believe this will complement the team sufficiently to meet your needs

SEP 30 '93 04:52PM

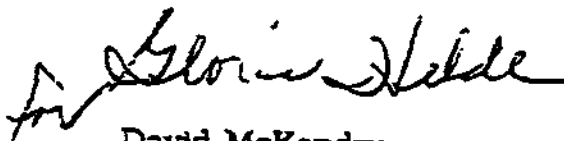
P.3

Dave McKendry - Mr Alan Humrich
Page 2 of 2

The price of this proposal will be adjusted to reflect Mr. Von Michalofski's participation. With a two-week assignment the total price is now NINETY-THREE THOUSAND FOUR HUNDRED AND FIFTY U.S. dollars (U.S. \$93,450.00). Should the assignment be only one week for Mr. Von Michalofski, then the new price will be EIGHTY-EIGHT THOUSAND AND FIFTY U.S. dollars (U.S.\$88,050.00). As per yesterday's fax, all expenses are included with the exception of local business expenses incurred at Telecom Australia's request. This offer is valid until 5:00 p.m., Friday, October 1, 1993.

If this is satisfactory to you, please amend the contract document which was faxed to you yesterday at section 1.1, to read three consultants instead of two, and section 2.1, for the applicable new Contract Price. Your signing and forwarding the contract to BCI to my attention by 5:00 p.m., Friday Australia time will be my authority to proceed.

Best Regards



David McKendry
Director, Sales & Marketing
Asia Pacific

Attachment 1 - Resume Mr. Rudi Von Michalofski

cc: Gerald E. Moriarty
Managing Director (Letter only)

fax: 61-3-639-2250

Dave McKendry - fax: 825-7499

K47519

2

**Bell Canada
International Inc.**

1 Nicholas Street
Suite 800
Ottawa, Ontario Canada
K1N 9M1

FAXCOM MESSAGE

DATE: NOVEMBER 30, 1993

FROM: Gloria Helde
Director Business Development
Telephone: (613) 563-1811
Voice Mail: (613) 563-1814 ext. 434
Fax: (613) 563-9679

TO: Alan Humrich
General Manager, Telecom Australia

Fax: 011-617-236-4247

NUMBER OF PAGES TO FOLLOW: 7

Alan:

Enclosed is a letter regarding the price for the 1-month Consulting requirement for local loops and also for the extension to the contract of Gerry Kcaiey and Mike Norman.

If you concur with the attached, please sign and return Annex 1 and Annex 2 to me as soon as possible. Thanks in advance.

Best regards



Gloria Helde
Director, Sales Support

BCI

K47461

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NOV 05 '93 12:49PM

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**Bell Canada
International Inc.**

1 Nicholas Street
Suite 800
Ottawa, Ontario Canada
K1N 9M1

FAXCOM MESSAGE

DATE: November 5, 1993

FROM: Dave McKendry
Director Sales & Marketing - Pacific
Telephone: (613) 563-1811
Voice Mail: (613) 563-1814 ext. 553
Fax: (613) 563-9679

TO: Alan Humrich
Telecom Australia
Tel: 617-837-3212
Fax: 617-236-4247
Brisbane, Australia

Ref: Difficult Network Faults

NUMBER OF PAGES TO FOLLOW: 8

MESSAGE

Alan, following is as per your request.

Best Regards, Dave

K47471

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Bell Canada International Inc.



1 Nicholas Street, Suite 800
Ottawa, Ontario, Canada
K1N 9M1

Tel: (613) 563-1811
Telex: 053-4849

Dave McKendry
Director - Sales & Marketing - Pacific Region
Voice Mail (613) 563-1814 ext. 553

November 5, 1993

Mr. Alan Humrich
General Manager Central Area
Network Operations
6th Floor East Tower
Transit Centre 151 Roma St.
Brisbane Q 4000 Australia

FAX: 07-236-4247

Ref: Difficult Network Faults

Dear Alan,

Further to your recent fax and our subsequent telephone conversation, I am pleased to hear that BCI's field work and initial report is almost complete. I am also pleased to hear that you have been satisfied with our production to date.

Existing Contract

I understand that Gerry Kealey will be completing some additional testing that will form an addendum to the report. Upon completion of this work I look forward to reconciling the actual work completed by our team versus the contracted period that we agreed to.

Contract Extension

Regarding your request for a contract extension in the form of a press release, a presentation of findings, and the availability of a P.R. person along with Gerry Kealey, I am pleased to report that Mike Norman (please see attached resume) has agreed to assist with your requirements on the public relations side. Mike is a seasoned, polished executive. I know that you'll be impressed with Mike. For your information, Gerry Moriarty knows Mike on a personal basis.

We are now in the process of confirming Gerry Kealey's availability given that he has a commitment in Canada that also starts the later part of November. At this time we don't anticipate a problem in releasing Gerry to meet your needs. I recognize your interest in specifically having Gerry continue to work on this issue. I'll keep you posted.

In order to price this request for additional work I have made the following assumptions given that the timing is only an estimate at this time and that you will notify me once it has been firmed up.

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<u>Estimated Schedule</u>	<u>Total Days</u>	
	<u>MN</u>	<u>GK</u>
Nov 22 - Nov 26	5	5
Nov 29 - Dec 10	10	10
	15	15

Any requirement for additional days beyond December 10th are to be negotiated based on the consultants availability.

Based on the estimated schedule above, the price for Mike Norman and Gerry Kealey is \$45,000 U.S.

In order to extend our existing agreement dated October 1, 1993, please sign and return Annex 2 (attached) to my fax number in Ottawa, 613-563-9679.

For planning purposes, once you have firmed the dates when you require our consultants in Melbourne, I would appreciate hearing from you as soon as possible.

If you have any questions in the meantime, please don't hesitate to contact me.

Regards,



cc M. Norman
G. Kealey
G. Wibrin
P. Marcinov

Attachments: Annex 2
Mike Norman C.V.
Telecom RFP Letter

K47484 4



Central Area
Network Operations

6th Floor East Tower
Transit Centre 151 Roma St
Brisbane Q 4000
Australia

Telephone 07 837 3212
Facsimile 07 236 4247

Cost
BCI.

Mr David McKendry
Bell Canada International

FAX NO: 0011 1 613 563 9679

DIFFICULT NETWORK FAULTS

Dear David

The field work of BCI in reviewing aspects of the Telecom Australia network is now almost complete.

A report has been written with some appendices to follow.

It is planned to release this report and to brief appropriate stakeholders on the report in mid to late November. The presence of one of the technical experts is required to assist in this presentation. I realise this will require a contract extension to cover the extra flights, time and other expenses. The person I would wish to have for this purpose is Gerry Kealey.

Telecom is also interested in having BCI use their own public relations resources to prepare a press release on the BCI report and a suitable short presentation. There may be merit in BCI using their own P.R. person to control or even deliver the presentation. The type of stakeholders envisaged are the regulator, politicians, selected media and possibly the customers concerned with separate presentations to each group.

Could you please prepare a short proposal covering these tasks for Telecom's consideration. Please align the cost segments against the various services. Could I get an early indication of your proposal by Thursday 4/11/93?

I look forward to hearing from you. Please don't hesitate to ring if you need more information.

Alan Humrich
GENERAL MANAGER
CENTRAL AREA
NETWORK OPERATIONS

K47485

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TECHNICAL ISSUES ARISING DURING COOPERS & LYBRAND STUDY

20 October 1993

Purpose

This is a provisional list of the technical issues which we have identified as an incidental part of our investigation into the processes and procedures used in the management of the COT cases. As these issues are outside our terms of reference, we have not investigated these issues or attempted to obtain further details to verify them. The purpose of this list is to bring them to the attention of Telecom and the Bell Canada Team carrying out the related technical study.

The list is in two parts. The first is a list of symptoms which have been reported to us during our interviews with customers. The second is a list of possible faults in the network (or other Telecom plant) which have been put forward by anyone during our study as possibly contributing to the type of problems experienced by COT cases and similar customers.

Symptoms

There are a set of generic conditions which are reported by a number of the COT case customers. These are:

- receiving other peoples calls
- incoming calls not ringing
- incoming calls given busy when telephones free
- incoming calls given number unobtainable
- incoming calls drop out during course of the call
- incoming calls answered, but dial-tone received
- incoming calls received recorded announcements when telephone was free
- calls answered but just noise when picked up

In addition the following faults have been reported to use by one or more customers:

- unable to obtain dialtone
- telephones ringing twice and then stopping
- calls answered but either the caller could not hear the recipient or vice versa
- noisy lines
- not being able to send or receive faxes
- incoming calls only being received on a rotary if another line was being used for outgoing calls

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Suggested faults

The following causes of the symptoms above have been suggested during the course of the study:

- A fault occurring on the exchange causing incoming calls to "lock up" which could be fixed by taking manual action at the exchange to "free" the exchange and allowing calls to come in again.
- Congestion occurring on the exchange during peak calling, perhaps to some of the capacity not being available due to faults during peak periods.
- Controls over translation tables and standing data on all exchanges, but particularly ARE software.
- Insufficient first office application software testing for any special or customised exchange software.
- High line resistance which when coupled with the CPE equipment is too close to the margin and from time to time will result in insufficient current to allow ringing while still allowing outgoing calls to be made.
- Insufficient voltage/current to signal off-hook condition to the exchange when the telephone is answered.
- Minor or intermittent contact fault conditions which prevent incoming ringing while still allowing outgoing calls to be made.
- Faults in the CAN.
- Cards left out of exchanges.
- Congestion due to there being insufficient trunks between the local exchange and the adjacent exchange.

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14.00 TECHNICAL ISSUES RAISED BY COOPERS & LYBRAND

The technical issues identified by Coopers and Lybrand are summarised in a list of symptoms and a list of possible faults as outlined in Attachment B.

The symptoms listed reflect trouble conditions which could occur in the Public Switched Telephone Network because of equipment failures in the exchanges, failure of equipment on customer's premises, numbers dialled incorrectly etc.

The symptoms by themselves are meaningless in terms of overall network performance. Customer trouble reports together with Telecom's trouble clearance reports would assist in the identification of true trouble conditions. Indeed, no single trouble or failure condition could create such a wide variety of generic conditions.

BELL CANADA INTERNATIONAL INC.

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The suggested faults are also a generic list which cannot be supported by analysis of reports, traffic patterns or other complaints from customers served by the same exchanges.

14.10 BCI comments on suggested faults (C&L Report)

1. A fault occurring in the exchange causing incoming calls to "lock-up" which could be fixed by taking manual action at the exchange to "free" the exchange and allowing calls to come in again.

Comment - Some exchanges serving COT customers are unattended. It is unlikely that maintenance personnel would be dispatched on a 24 hour basis to release "lock-up" switches. Digital exchanges servicing COT customers have no switches to "lock-up".

2. Congestion occurring in the exchange during peak calling, perhaps due to some of the capacity not being available due to faults during peak periods.

Comment - This theory is not supported by the traffic carried on these routes and the capacity and alternate route chains being offered to all customers using these common paths to the terminating switches. Also, tests performed by BCI dispute this theory.

3. Controls over translation tables and standby data on all exchanges, but particularly ARE software.

Comment - Controls over translations and trunk tables on all exchanges is a recommendation we support and is included in our test results. However, any translation errors uncovered during actual testing and verification of routing diagrams, do not support the magnitude or variety of troubles reported by COT customers.

4. Insufficient first office application software testing for any special or customised exchange software.

No comment

5. High line resistance which, when coupled with the CPE, is too close to the margin and from time to time, will result in insufficient current to allow ringing while still allowing outgoing calls to be made.

Comment - There are routine tests and telephone testing procedures which can measure high line resistance.

6. Insufficient voltage/current to signal off-hook condition to the exchange when the telephone is answered.

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Comment - Insufficient voltage in the exchange would impact many customers. Patterns created could easily be tracked from trouble analysis carried out in Telecom Repair Centres.

7. Minor or intermittent contact fault conditions which prevent incoming ringing while still allowing outgoing calls to be made.

Comment - This statement is true and can be said about any analogue exchange. This is one reason why maintenance personnel are needed to carry out repairs.

8. Faults in the CAN

Comment - These occur in any access network and can be investigated and corrected from customer reports. In addition, since these COT customers use facilities common to many customers, multiple reports would help form a pattern.

9. Cards left out of exchanges

Comment - This condition is easily found and would be corrected on a trouble clearance log.

10. Congestion due to there being insufficient trunks between the local exchange and the adjacent exchange.

Comment - Traffic data studies and tests performed by BCI indicate if anything, trunk groups are over provisioned.

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NOV 30 '93 05:07PM

P.2

**Bell Canada
International Inc.**

1 Nicholas Street, Suite 800
Ottawa, Ontario, Canada
K1N 9M1

Tel: (613) 563-1811
Fax: (613) 563-6679
Telex: 053-4849

November 30, 1993

Mr. Alan Humrich
General Manager
Telecom Australia
Central Area
Network Operations
6th Floor East Tower
Transit Centre 151 Roma Street
Brisbane Q4000
Australia

fax 07-236-4247

Dear Alan:

Based on discussions with Mike Norman of Bell Canada International (BCI), we understand there are now three items you have requested.

1. A "re-extension" of the COTS Consulting contract for Gerry Kealey and Mike Norman for an additional two weeks, during which time they will Test and Report on the Rotary Hunting Groups.
2. A quote for a "Local loop/Regulatory Expert" for a period of one month.
3. Local Loop and Regulatory Documentation.

I am enclosing Annex 1 to this letter, "re-extension to the contract for Gerry Kealey and Mike Norman"; and also Annex 2, the contract for the Local Loop/Regulatory Expert.

The quote for the "re-extension" to the contract for Gerry Kealey & Mike Norman is \$U.S. twenty-two thousand dollars (U.S. \$22,000.00).

The quote for the "Local Loop/Regulatory Expert" is \$U.S. twenty-thousand dollars (U.S. \$20,000.00). We have initiated recruitment proceedings and have a candidate selected. If you wish us to pursue this, we would appreciate hearing from you no later than December 6th. Please sign and return the enclosed Annexes and we will proceed immediately.

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NOV 30 '93 05:07PM

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**Bell Canada
International Inc.**

David McKendry - Alan Humrich
Page 2 of 2

We have provided documentation to Mike Norman, in confidence and are presently pursuing the price and availability of this information to Telecom Australia for sale. We will advise you as early as possible the price and availability.

The validity for the pricing for Local Loop/Regulatory Expert is December 31, 1993. We will reconcile all outstanding pricing issues at the end of this re-extension once Mike Norman & Gerry Kealey have submitted their time sheets.

I believe this concludes the current outstanding requests. Please let us know if there is anything further that is required.

Best regards

A handwritten signature in cursive script, appearing to read 'D. McKendry'.

David J. McKendry
Vice-President Sales - Pacific

attachments (2)

5
K47463

Bell Canada International Inc.

1 Nicholas Street, Suite 800
Ottawa, Ontario, Canada
K1N 9M1

Tel: (613) 563 1811
Fac: (613) 563 9679
Telex: 053-4849

Mr Alan Humrich
General Manager
Central Area
6th floor, 151 Roma Street
Brisbane

14 December 1993

Subject: Austel Letter of 9 December 1993.

The purpose of this letter, is to respond to comments made in Austel's letter to Mr Ian Campbell dated 9 December 1993 and entitled Bell Canada International Report.

Austel's comment in the letter states that "on a preliminary analysis the report fails to live up to the expectations raised by the terms of reference".

In response to this comment, Bell Canada International Inc (BCI) was commissioned by Telecom Australia (Telecom) to test the network and to determine if there was a fundamental network fault or series of faults which would create the type and magnitude of troubles identified by the difficult fault customers. The BCI approach (given the study time requirements) was to complete an overall review of network translations and routing patterns and to assess any common network elements that could be applicable to the COT Customer's problems. The potential problem was deemed to be in the public switched telephone network.

The Austel letter states that "The test calling patterns adopted apparently reflected the main network traffic streams relevant to the exchanges currently providing services the COT cases and related customers, but did not necessarily reflect typical traffic patterns experienced by those customers".

The original tests covered over 17 exchanges and used 11 transit nodes.

The majority of all calls originating and terminating in Melbourne utilise final choice trunks via EXHA (Exhibition) and WINC (Windsor) exchanges.

All western nodes with the exception of Brunswick system 12, were tested.

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Tests were run over periods of time, to ensure that the exchange office busy hours were selected as well as business and residential peak calling periods, including discount weekend calling patterns.

In our opinion and supported by additional tests carried out during the rotary hunting group study, expanding the tests to additional exchanges would not likely produce different results because the majority of switching and transmission paths are merely being re-tested.

Austel further identified that the network study should have included "Test calling via any relevant 008 number" BCI was not directed by Telecom to test the 008 service for specific customers however, 008 is essentially a service that utilises the inter-exchange network and is a set of translations which directs calls to the appropriate telephone number through the inter-exchange network.

Many services could have been tested however, not every COT customer has a common set of services that would create the problems being reported.

Finally, Austel's statement in the letter that "opinion that the BCI in its report should not be made available to the assessor(s) nominated for the COT Cases without a copy of this letter being attached to it"

The (Inter-Exchange) Network Study is a snap-shot of the network performance in exchanges selected for the study and that if a major network fault or series of faults were inherent in the network, they would have been identified during the study period.

The Austel letter raises specific COT customer issues which were ancillary to the BCI study.

The study is the property of Telecom for its intended use and BCI is prepared to stand behind the results and content of the study.

Yours Truly,



M. A. Norman

K47460

6

Bell Canada International Inc.

1 Nicholas Street, Suite 800
Ottawa, Ontario, Canada
K1N 9M1

Tel: (613) 563 1811
Fax: (613) 563 9679
Telefax: 053-4849

Mr Alan Humrich
General Manager
Central Area
6th floor, 151 Roma Street
Brisbane

14 December 1993

Subject: (Inter-Exchange) Network Tests

Dear Mr Humrich

Attached are the results of supplementary Inter-Exchange Network tests, which were conducted during the past two weeks.

More specifically, BCI tested four outer Melbourne exchanges namely Werribee - ARE, Thomastown - ARE, Tarneit - ARE and Sunshine - ARE to the 318-6XXX terminating exchange.

The overall test results demonstrated a successful completion level of 99.4%. There were 7,874 calls originated with 45 failures.

In addition, on December 10, 1993, Austel requested that BCI conduct network tests from Thomastown - ARE, Sunshine - ARE, Tullamarine - ARE, Maidstone ARE and Brooklyn - ARE exchanges to the 329-OXXX terminating exchange.

The overall test results for the first Austel series of tests, demonstrated a successful completion level of 98.3%. There were 16,125 analogue calls originated with 267 failures registered during the study. The second series of tests resulted in 98.1% completion level. In this study there were 8109 analogue calls with 155 failures. It should be mentioned that a failure of "first choice trunks" was defective in the North Melbourne exchange, which continuously occurred because of the frequency of the test calls.

Also attached, is a summary report regarding the action taken on the failures identified during the study.

The combined test results for both sets of studies, further confirm the Bell Canada International results described in it's November 1993 study.

We would be pleased to discuss these results further, should additional information be required.

Yours Truly,


M. A. Norman

K47438

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11 August 1995

Mr Steve Black
Group General Manager Customer Affairs
Telstra Corporation Limited
37/242 Exhibition Street
Melbourne Victoria 3000
AUSTRALIA

Dear Mr Black

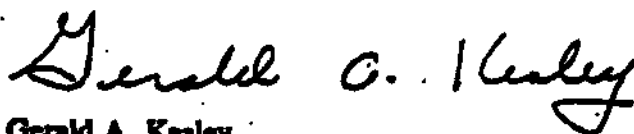
I am sorry for the late reply but I did not receive your correspondence dated September 6, 1994 concerning the anomaly found in the date of the test call records. However, Kevin Dwyer did call me in August 1994. Kevin Dwyer and I discussed the tests performed, equipment used both at the originating and terminating office and the test results. I also reviewed my personal travel log to verify the times and dates of my movements from Melbourne to Portland during the testing period.

I was subsequently provided with a copy of the correspondence on August 7 1995 as well as a copy of my original hand written notes on tests performed and the network failures noted.

Specifically, the anomaly involved the start and finish times for the test run for a small number of test calls from Richmond digital exchange (RCMX), test line 03 428 8974 to Portland exchange, Cape Bridgewater RCM (CBWR) number range, test line 055 267 211 (detailed in Section 15.23 of the report).

Unfortunately, the wrong date was recorded in the handwritten notes which was transcribed to the final report for Telstra. It must be pointed out that, while the actual date was incorrectly recorded, this error does not affect the validity of the testing process or the test results and is not a significant factor in assessing the overall performance of the network.

Yours sincerely



Gerald A. Kealey
Bell Canada International

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I have checked with Paul Killeen and found that we do not hold any records of the details of the test call runs made by the BCI team for the runs in question to Cape Bridgewater / Portland in November 1993.

The queries will have to be referred on to BCI if you think we should pursue this.

If the query from [redacted] is a formal request, I would think we would similarly need to make a formal request to BCI for more detail of the tests performed.

Paul,

Can you advise the limits of settings for call duration for the NEAT - PTARS or normal duration of TRT - TCARS calls.

Kevin
24/6/94

From: Gamble, Peter
To: Humrich, Alan; Dwyer, Kevin
Cc: Leen, Maurie; Killeen, Paul
Subject: Smith Query-BCI tests to C. Bridgewater
Date: Monday, 20 June 1994 8:55PM

[redacted] has queried some of the details of the testing done by Bell Canada from a couple of locations to Cape Bridgewater. The attached report summarises the results from the Bell Canada Report (Part 2).

<<File Attachment: [redacted]QRY.DOC>>

It would appear that there is an error of some sort in the report of the testing from Richmond on the afternoon of the 5/11/93.

Can anyone provide any clarification please?

He also wants to know the time interval between calls for the TCARS / PTARS.

Peter.

N00040



9A

FOI RECEIVED
26/5/95



6 September 1994

Central Area
Network Operations
6/171 Roma Street
Brisbane
Australia

Ph (07) 837 3212
Fax (07) 236 4247

Mr G. Kealey
Bell Canada International
Suite 800, 1 Nicholas Street
Ottawa, Ontario, Canada, K1N 9M1

9B

Gerry,

N00005

As you have been made aware through discussions with Mr K. Dwyer, an anomaly has been found in the test call records contained in the report "Bell Canada International Inc. REPORT TO TELECOM AUSTRALIA 1 NOVEMBER 1993".

Specifically, the start and finish times for the test run from Richmond digital exchange (RCMX), test line 03 428 8974, to Portland exchange, Cape Bridgewater RCM (CBWR) number range, test line 055 267 211, (detailed in section 15.23 of the report) are impracticable. The number of calls made during the test run could not have been completed within the time span shown and the test run would have clashed with other test runs performed within those times.

An examination of the test result summary forms filled out after the test runs (a copy of the relevant record forms is enclosed) reveals that the report details have been correctly derived from the summary forms.

This inconsistency in recording of times for a test run is not a fundamental flaw in the test results or the conclusions of the report, but the proper times of the run should be recorded if at all possible.

Discussions with a number of people assisting with the test call program during that period confirmed that considerable care was taken to avoid clashes of test calls to test answering bases and to ensure that test calling devices originated calls only to a single terminating test code during any test run.

From their recollections of events several points regarding the sequence of events have been brought together:

- The tests were initiated to provide extra data from test calls into the number ranges of the CoT customers connected to Devlin's Bridge exchange and Portland exchange. The data was to be added as an addendum to the report dated 1 November 1993.
- Testing began Wednesday 3/11/93. Traffic Route Testers (TRT's) in the NIB test room 7/35 Collins Street Melbourne originated calls, via test lines connected to Richmond exchange, to test answering bases at Portland exchange and Devlin's Bridge exchange. A portable TRT at South Yarra exchange was also used to originate calls to the same exchanges.

9B

FOI RECEIVED
26/5/95

- As Mr G. Kealey and Mr R. Baltais intended to travel to Portland exchange (via Warrnambool exchange) on Friday afternoon 5/11/93, they ensured that a TRT run from Richmond had finished and that a run from the South Yarra TRT had commenced satisfactorily before they left Melbourne at approximately 12.45 that day. They also arranged for test calls to begin from Bendigo exchange that afternoon, and made a call from Warrnambool exchange to South Yarra exchange late in the afternoon to ensure the South Yarra TRT had completed its test run program and stopped.
- No staff recalls or attendance were recorded or required at either South Yarra or Richmond exchange to attend to TRT's on Friday 5/11/93 or the weekend 6/11/93 & 7/11/93.

A complete examination of the times of the test calls from all the exchanges to the test lines at Cape Bridgewater and Devlin's bridge over the period from 3/11/93 to 9/11/93 shows that the only time the test run from the Richmond digital test line to the Cape Bridgewater 055 267 211 test answer base could have been made, without clashing with other test calls to the same test number, was between the afternoon of 3/11/93 and about midday of 4/11/93.

It appears that the details for the test run from the Richmond digital test line (03 428 8974) to Cape Bridgewater RCM (055 267 211) should have been recorded as beginning at approximately 4.18 pm on 3/11/93 (rather than 12.45 pm on 5/11/93) and finishing at about 12.45 pm on 4/11/93 (rather than 4.18 pm on 5/11/93), with other aspects of the test run remaining the same as previously recorded. These timings fit in with other test runs from the Richmond TRT line and with other test runs from other exchanges to the same line at Cape Bridgewater. They also provide a logical sequence in the overall test program and a reasonable average test call interval (43.9 sec. per call).

A table has been drawn up to show the test calls made over the period and is attached, showing the test run between the Richmond digital test line and the Cape Bridgewater test line in this logical time-slot within the overall test run program.

Could you please confirm whether or not this interpretation of the sequence of test runs matches with your recollections and personal notes, or whether there is any other way to correct the records of the test runs shown in the report.

N00006

Alan Humrich
GENERAL MANAGER
CENTRAL AREA

9B

06 03 '95 03:01PM EMPLOYMENT CENTRE OTT

F.O.I. RECEIVED P.5
26/5/95

AH

Humrich, Alan

From: Dwyer, Kevin
To: Humrich, Alan; Gamble, Peter
Cc: Baltais, Rudi; Killeen, Paul
Subject: re: Smith's query on BCI Tests
Date: 23 August 1994 10:03
Priority: High

Mr Smith is correct in the suggestion implied in his query that the test results recorded in the 'Addendum - Additional Tests' part of the BCI report to Telecom, 1 November 1993, are impracticable.

Specifically the tests:
from - Richmond Digital, RCMX, 03 428 T
terminating to - Cape Bridgewater 055 26 shown in section 15.23 of the report is impractical as the number of calls recorded could not have been made within the times shown and would have clashed with other test runs performed during these times.

Unfortunately the TRT run results tabulations filled out by the BCI reps. following the tests, from which the report was prepared, have the same times and dates and run results as are printed in the final report. The error in recording must have occurred in the transcription from the rough notes to the test results data tabulation forms. None of the original rough notes which may have been made by the various people involved are now available.

I have spoken to Gerry Kealey, the Bell Canada International representative, Paul Killeen and Rudi Baltais of NNI, and to staff at South Yarra exchange to determine the actual sequence of testing during that period. Each had similar recollections of beginning the series of tests to Portland Exchange (the Cape Bridgewater RCM code range) and Devlin's Bridge exchange from TRTs connected to Richmond and South Yarra lines on Wednesday 3/11/93. As Rudi and Gerry intended to go to Portland to see the Exchange and RCM, travelling on Friday afternoon 5/11/93, they ensured that a TRT run from Richmond had ceased and that a run from South Yarra had commenced with no troubles before they left Melbourne at about 12.45 that day. They made a call from Warrnambool exchange to ensure the run from South Yarra was terminated, but have no notes to confirm the date and time of the call.

It appears that the TRT run details for the run from Richmond (428 T) to Cape Bridgewater RCM range (055 26) should have been recorded as beginning approximately 4.18 pm, on 3/11/93 and finishing at approximately 12.45 pm, on 4/11/93, other aspects of the run remaining the same as recorded.

These timings would fit in with the other test runs from the Richmond TRT line and with other test runs to the same terminating line at Cape Bridgewater. They also provide a logical test run sequence and a reasonable average test call interval (43.9 sec. per call).

A detail record of the test runs performed during the extended test period is shown in the table (BCINOV.DOC) below:

<<File Attachment: BCINOV.DOC>>

Kevin Dwyer
657 3003

N00037

ht COT

BCI
(consultants)

9c



Central Area
Network Operations

8th Floor East Tower
Transit Centre 151 Rama St
Brisbane Q 4000
Australia

Telephone 07 337 3212
Facsimile 07 238 4247

Mr David McKendry
Bell Canada International

FAX NO: 0011 1 613 563 9679

DIFFICULT NETWORK FAULTS

Dear David

The field work of BCI in reviewing aspects of the Telecom Australia network is now almost complete.

A report has been written with some appendices to follow.

It is planned to release this report and to brief appropriate stakeholders on the report in mid to late November. The presence of one of the technical experts is required to assist in this presentation. I realize this will require a contract extension to cover the extra flights, time and other expenses. The person I would wish to have for this purpose is Gerry Kealey.

Telecom is also interested in having BCI use their own public relations resources to prepare a press release on the BCI report and a suitable short presentation. There may be merit in BCI using their own P.R. person to control or even deliver the presentation. The type of stakeholders envisaged are the regulator, politicians, selected media and possibly the customers concerned with separate presentations to each group.

Could you please prepare a short proposal covering these tasks for Telecom's consideration. Please align the cost segments against the various services. Could I get an early indication of your proposal by Thursday 4/11/93?

I look forward to hearing from you. Please don't hesitate to ring if you need more information.

Alan Humrich
GENERAL MANAGER
CENTRAL AREA
NETWORK OPERATIONS

K47480

10

IN THE MATTER OF an arbitration pursuant to
the Fast Track Arbitration Procedure dated 21
April 1994

Between

ALAN SMITH

Claimant

and

**TELSTRA CORPORATION LTD trading as
TELECOM AUSTRALIA**

Telecom

WITNESS STATEMENT OF CHRISTOPHER JAMES DOODY

I, **CHRISTOPHER JAMES DOODY**, Regional Field Manager, Telecom Network Operations - Eastern, Country Victoria, of 111 Doveton Street South, Ballarat, in the State of Victoria, solemnly and sincerely declare and affirm as follows:

BACKGROUND

1. I have been employed with Telecom Australia for 17 years and have been in my current position since June 1994.
2. In March 1991 I took up a position as a Network Performance Consultant as part of Telecom's Network Operations Group. My role was to look at the performance of the switching transmission and service delivery areas of Network Operations Country Victoria. This role principally involved making recommendations to the Network Operations Manager Country Victoria on ways to improve the performance of those areas. These recommendations included such things as the introduction of performance monitoring systems and measure, maintenance process improvements and trend analysis on a regional basis.

MR SMITH

1992 Involvement

3. In late March 1992 I made arrangements for a testing program to be undertaken throughout every AXE node and major trunking node in Victoria to confirm that calls from those nodes could successfully be made to 055 267 XXX telephone numbers. I therefore established that there was excellent telephone access from all AXE nodes and major trunking nodes throughout Victoria to 055 267 XXX telephone numbers including those of Mr Smith.

1993/94 Involvement

4. From December 1993 until April 1994 I held a position as a Network Operations Case Manager for Mr Smith and another Telecom customer who believed they were having ongoing problems with their telephone service. Complaints were referred to me by Bruce Pendlebury and Alan Miles of the Glen Waverley Fault Management & Diagnostic Group.

//

Each complaint made by Mr Smith was investigated.

Mr Smith made a complaint about a customer's call from a particular location, I often directed the local exchange technicians to undertake a program of test calls through to the test line number which was 055 267 211. There were no faults ever detected by this testing program in relation to any of Mr Smith's complaints.

In addition to this testing system, I made arrangements to utilise CCS7 call data which was derived from equipment set up at the Warrambool AXE exchange. There were no problems identified by this standard test method.

AND I MAKE this solemn declaration conscientiously believing the same to be true and correct.

DECLARED at Melbourne)
in the State of Victoria)
this 12th day of December 1994.)

Chris Dooley
.....

Before me:

Chris McLeod
.....

CHRISTOPHER MARK McLEOD
Freehill Hollingdale & Page
101 Collins Street, Melbourne
A Solicitor holding a current
Practising Certificate pursuant
to the Legal Profession
Practice Act 1958.

//

IN THE MATTER OF an arbitration pursuant to
the Fast Track Arbitration Procedure dated 21
April 1994

Between

ALAN SMITH

Claimant

and

**TELSTRA CORPORATION LTD trading as
TELECOM AUSTRALIA**

Telecom

WITNESS STATEMENT OF DAVID JOHN STOCKDALE

I, **DAVID JOHN STOCKDALE**, Principal Technical Officer Grade 2, of 7th Floor, 35 Collins Street, Melbourne, in the State of Victoria, solemnly and sincerely declare and affirm as follows:

BACKGROUND

1. I am a member of Telecom's Networks and Interconnect Branch ("NIB"), in the Service Quality Improvement section. I previously worked for National Network Investigations (NNI) between October 1986 and May 1994.
2. NNI is the final point of referral in Telecom for the investigation of complex or unresolved faults with a customer's service. The requirement for involvement of NNI in a technical investigation is such that all normal fault handling procedures should be applied to the customer's problem (e.g. the appropriate "first-in" maintenance group should conduct testing and consult with the customer) prior to NNI being involved. NNI is a general network investigations group, as opposed to a technology specific support group (which can only provide technical support for a specific range of equipment). By referring a problem to NNI, a standard investigative procedure can be undertaken to determine that all aspects of the total customer service are operating satisfactorily.
3. I have been employed with Telecom continuously since February 1980.
4. My Industrial experience can be broadly considered in two phases, Exchange Operations and Network Investigations. As a result of several years in Exchange and Inter-Exchange Maintenance, I was involved with the maintenance and operation of a wide variety of switching and transmission systems and this has given me the opportunity to develop a good working knowledge of the day-to-day requirements of Exchanges and of Network operations as a whole. Over the six and a half year period that I worked in operations, I was involved in ARE, ARF and Step by Step exchange maintenance, as well as the maintenance and operation of a wide variety of transmission and support systems.

12

5. My experience in Network Investigations brought me into detailed contact with a broad cross section of the Network whilst working as part of a team of specialists. I have had to develop a detailed working knowledge of the switching, signalling, metering and transmission systems that make up the network as a whole and I have been involved in detailed, complex technical investigations into a variety of problems in the network and customer equipment areas. This has given me valuable insight into problem solving of complex network problems, as well as a good knowledge of the activities and requirements of many areas of Telecom. My work has led me to seek further knowledge in the Engineering field and as a result I have undertaken the Bachelor of Engineering part -time for the last six years.
6. More recently I have taken up a position as signalling systems specialist with the Service Quality Improvement section of Networks and Interconnect Branch. In this position I am required to provide technical assistance into the analysis of signalling data for the analogue and digital exchange system, with a specific emphasis on Common Channel Signalling System number 7 (CCS7).

MR SMITH

The first investigation of Mr Smith's service.

7. I was involved, as one of the principal investigating officers, with NNI's original investigation of Mr Smith's telephone service, between July 1992 & January 1993.
8. At the time that the NNI investigation commenced, Mr Smith had complained that customers who called him received a recorded voice announcement that his telephone was not connected ("RVA"). This information was conveyed to NNI by Mr. Smith, and also in background information passed to NNI from the Network Management Centre (the area that requested NNI involvement). The majority of these RVA complaints reportedly arose for calls from Melbourne.
9. There was substance in Mr Smith's original RVA complaint for a period of less than three weeks in March 1992. The problem in question related to a specific main trunking exchange situated in Melbourne known in Telecom as the MELU exchange. In March 1992, calls that passed through Melbourne to Cape Bridgewater progressed through one of three main exchanges - known as MELQ, MELU and MELX. At the MELU exchange in Windsor, a change was incorrectly made to programming within the network which resulted in calls to telephone numbers beginning with 055 267 not getting through. The problem was remedied on 19 March 1992 and Mr Smith was made aware of this problem both verbally and at a later point by Rosanne Pittard.
10. My colleague Hew Macintosh, through searches at the MELU exchange, discovered the RVA problem existed between 4 and 19 March 1994. This period was determined by checking the exchange data log for MELU to determine the date the change had been implemented and the date the resulting problem was rectified.
11. During NNI's original investigation of Mr Smith's alleged problems, the only event discovered that was of substance was the MELU problem. The commercial resolution of this problem was dealt with by Rosanne Pittard.

12. NNI's first investigation was very lengthy and involved numerous test calls and the collection of line data. As an indication, an interim analysis of the work undertaken included a table detailing the testing completed and it showed a total of over 34,000 test calls had been made from a variety of origins. In the course of making these test calls, we did inadvertently cause a problem within the network. When conducting a test call run of over 8,000 calls from the Richmond area to Cape Bridgewater, we experienced an abnormally high congestion level. On further investigation it was found that a route between Hamilton and Portland had blocked itself from use due to an excessive number of short duration calls made over that route. It is almost certain that our test calls resulted in that problem.
13. Even after the MELU problem was remedied, we continued with our investigation and did not assume that everything was satisfactory with Mr Smith's telephone service until our investigation was completed. This was done in response to continued reports of difficulty by Mr. Smith and to ensure that there were not other factors influencing the performance of Mr Smith's service.
14. At the time of our first investigation, Mr. Smith received incoming calls and could make calls out on his 267 267 line. Many of the complaints received by those attempting to call Mr Smith up to that point were that Mr Smith's telephone was busy when Mr Smith said it was not. I believe that Mr Smith often miscalculated when he was on the telephone or for how long. On many occasions SMART 10 line event monitoring records established that when a person attempted to call Mr Smith, Mr Smith was talking to someone else on his 267 267 line.

The second investigation of Mr Smith's service.

15. I was also involved with NNI's second investigation of Mr Smith's telephone service, from May 1993 until December 1993, as a principal investigating officer (the investigation has, as yet, not been officially closed due to an ongoing requirement for NNI involvement). On 3 June 1993, as part of the second investigation of Mr Smith's telephone service, both myself and Hew MacIntosh met with Mr Smith at his Cape Bridgewater premises to discuss his reported problems and to ascertain more detailed information about the configuration and usage of his service. At the conclusion of our discussions with Mr Smith, we returned by car to Melbourne only to realise later that we had left Hew's briefcase at Mr Smith's premises. Gordon Stokes from Telecom in Portland went to pick up the briefcase from Mr. Smith's premises. Mr Smith gave Gordon the briefcase and while Gordon was going through the documents contained in that briefcase to make sure everything was there, Mr Smith came out to Gordon's car and handed him another file which had originally been in the briefcase. The documents in the briefcase were also in a different order when recovered from Mr Smith than they had been originally. It is therefore clear that Mr Smith looked through the contents of the briefcase. The contents of the briefcase included the complete file from NNI's first investigation of Mr Smith's alleged faults. During the evening of the day the briefcase was left at Mr Smith's premises, SMART 10 line event monitoring records show that Mr Smith's 055 267 230 service was used to make calls to a number of people, some of whom he had not previously called who were related to data held in files from the briefcase. This suggests that Mr Smith had gone through not only the files relating to his service, but also other business and personal material kept in the briefcase.

16. One letter contained in the briefcase was a summary report prepared by myself which concluded that the MELU fault had existed for approximately six weeks. When I had prepared this summary report, I referred to the initial investigations NNI conducted into the MELU problem. However, as mentioned above, Hew Macintosh had made further investigations at the MELU exchange which revealed that the problem had only existed for a maximum of three weeks. Although a note concerning Hew's investigation was on Mr Smith's file at the time I wrote my summary report, I had overlooked it when preparing the summary report and therefore used the incorrect estimate of six weeks. This oversight on my part was corrected in the final report of early 1993.
17. During NNI's second investigation of Mr Smith's service, we inadvertently caused a fault ourselves as part of implemented testing procedures. This fault arose from the use of the "malicious call trace" facility ("MCT"), that was placed on Mr. Smith's service at the Portland Exchange in an attempt to ensure more detailed data relating to Mr Smith's incoming calls. The additional information (specifically Calling Party number information) was required so that we could more accurately match possible problem calls against his fault reports. Mr Smith knew this form of testing was being undertaken, as we had discussed it with him. During the period that malicious call tracing was in place, when Mr Smith received calls from exchanges that can only provide limited detail regarding the A party number and hung up his telephone, there was a 90 second period after he hung up that the Exchange controlling the call believed that his call was not over. (Limited call details can occur for exchange technologies such as step by step. This is known as Partial Calling Line Identification, Partial CLI.). As a result, if parties attempted to call Mr Smith within this 90 second period, they would not be able to do so. Likewise, if Mr Smith attempted to make calls during this 90 second period, his phone would appear to be "dead" with no dial tone.
18. This fault is likely to have had only a marginal effect on Mr Smith's telephone service and was possible only between late May 1993 and early August 1993. The customer whose complaint alerted us to the problem was calling from Horsham.
19. The party calling from Horsham who alerted us to the MCT problem reported that they had a telephone discussion with Mr Smith which lasted for about fifteen minutes. However, the SMART 10 line event monitoring records suggest that the call in question lasted for two hours. Mr Smith believes this is evidence that the network has serious problems. My belief is that Mr Smith did not hang up his phone after the call was completed and therefore the SMART 10 equipment did not record his call as ending until the phone was later hung up. I base this belief on the testing conducted as a result of the discovery of the side effect of using MCT, as well as analysis of CCS7 data for the period that the MCT facility was in use.
20. At the beginning of our second investigation of Mr Smith's telephone service, we placed CCS7 testing equipment at the Warmambool exchange because the Portland Exchange, despite being an AXE digital exchange, does not utilise CCS7 signalling and could not facilitate CCS7 testing. Placing CCS7 testing equipment at the Warmambool exchange was a way of arriving at data relating to calls to and from Mr Smith's services for calls that went through the

Warrnambool exchange. The majority of Mr Smith's incoming and outgoing STD calls went through the Warrnambool exchange.

21. CCS7 testing showed that during the period that the MCT was on the Portland exchange, no other calls were received by Mr Smith from exchanges that would cause a problem other than the Horsham call in question.
22. We also used End of Selection "call trapping" at the Portland exchange which provided us with even further information. This is a method whereby the exchange operations staff were requested to modify data relating to the handling of Mr Smith's incoming calls so that call path details for each call (both local and STD/IDD) were stored in a personal computer attached to the exchange. This method was employed at the discretion of local operations staff over a period of some months. However, this form testing has now ceased because call trapping is not designed for extended use in this way and can limit the normal operation and maintenance of the exchange.
23. During our second investigation SMART 10/CCAS line event monitoring equipment was also installed at the Portland Exchange to record call data relating to Mr Smith.
24. Whenever Mr Smith raised a query, we checked all the call data from all the various data gathering units. This gave a number of different data sources with which to compare and thereby increased our ability to respond to reported difficulties. At no point did we discover a serious ongoing fault that would explain or support Mr Smith's perceived problems.
25. During NNI's investigations of Mr Smith's telephone service we were not locked into rigid rules concerning the way our testing was to be conducted. We were inventive in trying to think up novel ways of testing for faults with Mr Smith's service. An example of this was the use of CCS7 and also End of Selection tracing, both techniques uncommon at that time for general investigations. Nevertheless, despite running thousands of test calls and employing a range of investigative methods, it was not possible to isolate a recurrent fault with Mr Smith's service that would result in problems of the magnitude that he was alleging.
26. At the meeting with Mr Smith that involved the briefcase incident, it was also agreed after discussions with Mr. Smith, that we should limit his 055 267 267 line from being able to make outgoing calls (with the exception of making calls to emergency services and to Telecom's service difficulties and faults). Mr Smith indicated that he did not use the 267 267 service for outgoing calls however call data and billing information showed that this was not the case. As a result of our discussions with Mr Smith, he agreed that limiting outgoing calls from 267 267 would be to his advantage and after NNI arranged with local operations staff to implement the appropriate changes, the line number 055 267 230 became Mr Smith's sole outgoing line for normal telephone calls. It was hoped that this would overcome the problem where callers into Mr Smith's camp reported the phone being busy because Mr Smith was inadvertently using the 267 267 service to make a call himself. However, it would not overcome the problem where Mr Smith left the phone off the hook.
27. In 1993 NNI were also called to investigate Mr Schorer's telephone service in North Melbourne. Mr Schorer had regular occasion to call Mr Smith. During this

Investigation we noticed that some complaints logged by Mr Schorer on the Leopard fault reporting system were due to mis-dialling. If Mr Schorer made outgoing calls from his premises, he could choose from either PABX lines (which require him to dial 0 before his intended number) or direct exchange lines (which do not require the additional 0 to be dialled). The line event monitoring records show that on some occasions Mr Schorer dialled 0 when it was unnecessary, and on other occasions did not dial 0 when it was necessary. For example, if Mr Schorer attempted to telephone Mr Smith on 055 267 267 through his PABX and did not dial the extra 0, he would dial 55 267 267 (which is an unallocated number) and would receive a recorded voice announcement. Alternatively, if Mr Schorer dialled the extra 0 when he should not have, he would dial 0055 267 267 (which is an unallocated 0055 number) and again he would receive a recorded voice announcement.

Conclusion

28. I believe that Telecom has provided Mr Smith with a very high level of personal attention (in terms of the amount of resources that have been committed to solving his problems). Examples of this include the assistance rendered to Mr Smith in relation to equipment not directly Telecom's responsibility (e.g. his facsimile machines), repeated attempts to try and identify a possible cause of Mr Smith's perceived difficulties and extensive time spent allaying Mr Smith's concerns.

AND I MAKE this solemn declaration conscientiously believing the same to be true and correct.

DECLARED at Melbourne)
in the State of Victoria)
this 5th day of December 1994.)
Before me:

David Stockdale

Waynelander

WAYNE MAURICE CONDON
Freshell Hollingdale & Page
101 Collins Street, Melbourne
A Solicitor holding a current
Practising Certificate pursuant
to the Legal Profession
Practice Act 1958.

BELL CANADA INTERNATIONAL INC.

**ADDENDUM
REPORT
TO
TELECOM AUSTRALIA**

10 November 1993

Bell Canada International Inc.

All details relate to other customers

13

15.00 ADDITIONAL TESTS

Additional tests have been programmed for Devlin Bridge and Cape Bridgewater. The results were not available in time for the first draft and have been added in this addendum.

15.10 Glen Waters Fish Farm John Mayne

Numbers - 057 978 384
057 978 376 (Fax)
057 978 425 (Fax)

15.20 Cape Bridgewater Holiday Camp Alan Smith

Numbers - 055 276 276
- 055 267 230 (Fax)
- 055 267 260 (Gold Phone)
008 816 522 translates to 055 267 267

Test Base

The test base was extended to country exchanges with the addition of these two COT cases. Test calls were originated both from country and metropolitan exchanges using Traffic Route Testers (TRT) and terminating calls to Test Call Answer Relay Sets (TCARS) or Portable Tone Answer Relay Sets (PTARS).

These units enable call completion to the same hundreds group of numbers in the exchanges where COT customers reside.

Scope and Procedures

The test base was extended to include two specific COT customers with services homing on country exchanges. These customers offered extra challenges since the services offered by both clients encouraged calling from urban and rural exchanges in peak and non peak periods.

Telecom Planners assisted in drafting a test case that would ensure a representative sample of exchanges to originate calls and test the Public Switched Telephone Network (PSTN) completing calls to the Devlin Bridge ARK-D rural X-bar office parented off Seymour AXE digital exchange and to the remote multiplexing equipment serving Cape Bridgewater from the Portland AXE digital exchange.

As shown in 15.13 and 15.23, the TEKELEC CCS7 monitoring system was used to monitor all CCS7 links terminating to the homing exchanges of the two COT clients. As tests were performed, network specialists in Brisbane tracked all calls and provided immediate response and analysis of all traffic failing to terminate.

Executive Summary

The two additional COT cases, both homing off country exchanges, gave the test team the opportunity to assess the quality of service offered by Telecom to customers outside the metropolitan areas.

There were no major network or system failures found during our test procedures that could create the variety and number of troubles reported by these COT customers.

Test calls terminated to TCARS or PTARS test boxes within a hundreds group of numbers in the same exchanges serving these customers. Also it is important to note that all test calls were tracked and the progress of all lost calls immediately identified by network specialists in Brisbane using state of the art CCS7 monitoring systems. In this way any troubles found were identified to the appropriate groups for immediate action.

As stated earlier in this report and confirmed with these tests, as Telecom escalates its modernisation program and moves towards total digitilisation of the exchanges, with the capability of automatic test features, network diagnostics built into the intelligent exchanges and the capability to monitor all CCS7 signalling links, service quality and network survivability will only move closer to perfection.

The overall test results are within world standards and in our opinion exceed the standards set by Telco's in a similar mode of modernisation.

1313.

3

Test Results - Overall

14.10 Golden Messenger

14.20 Dawson's Pets Control

14.30 Tivoli Theatre Restaurant/Japanese Spare Parts

15.10 Glen Waters Fish Farm

15.20 Cape Bridgewater Holiday Camp

TOTAL ANALOGUE TESTING

TOTAL ANALOGUE CALLS	TOTAL ANALOGUE FAILURES	% COMPLETION
32621	512	98.4

TOTAL DIGITAL TESTING

TOTAL DIGITAL CALLS	TOTAL DIGITAL FAILURES	% COMPLETION
49862	256	99.5

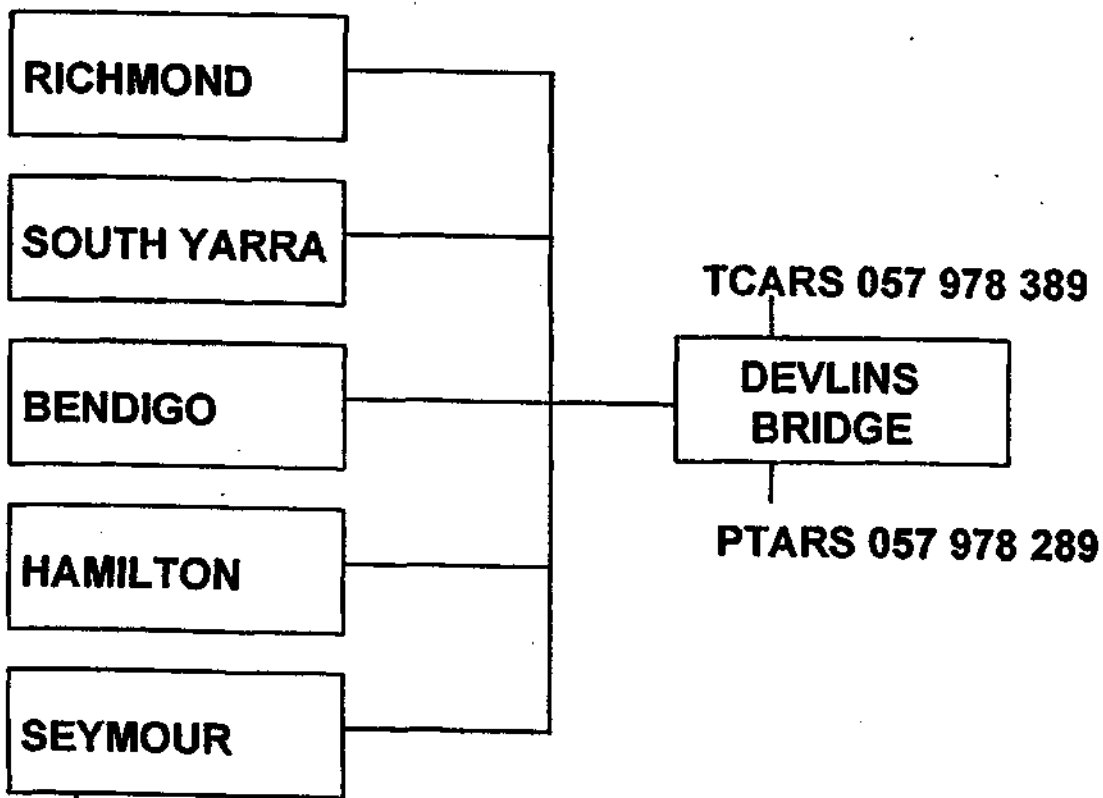
TOTAL TESTING

TOTAL CALLS	TOTAL FAILURES	% COMPLETION
82483	768	99.1

Network service results indicated customers receive a grade of service that meets global performance standards.

TESTING FOR GLEN WATERS FISH FARM

057 978 384
 057 978 386 (FAX)
 057 978 425 (PRIVATE)



Isolation testing
 if required

EXCHANGE	CODE	EQUIPMENT
RICHMOND	RCMD	ARE-114
	RCMX	LSS
SOUTH YARRA	SYRA	ARE-113
	SYRX	LSS
BENDIGO	BEND	ARF REG-LP
	BENX	RSS
HAMILTON	HMON	ARF REG-LP
	HMOX	AXE

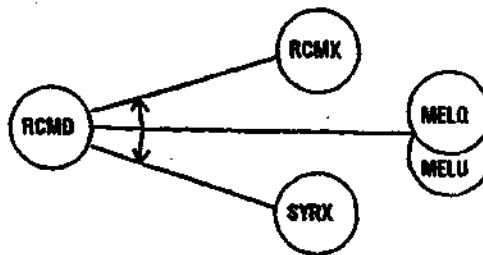
15.23 (2 of 5)
 ORIGINATING
 RICHMOND (RCMD)
 ANALOGUE

03-429-1102

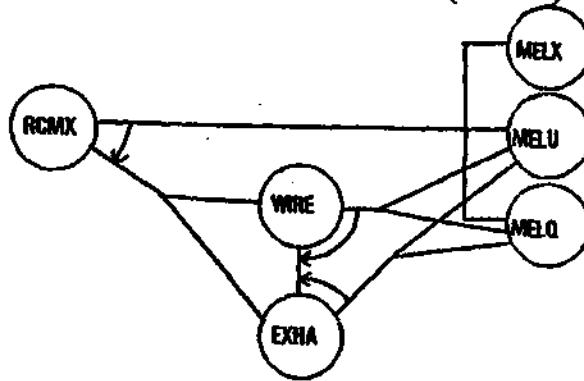
TERMINATING
 CAPE BRIDGEWATER
 (CBWR)
 DIGITAL (RCM VIA
 PORTLAND AXE 104)

055-267-211 (PTARS)

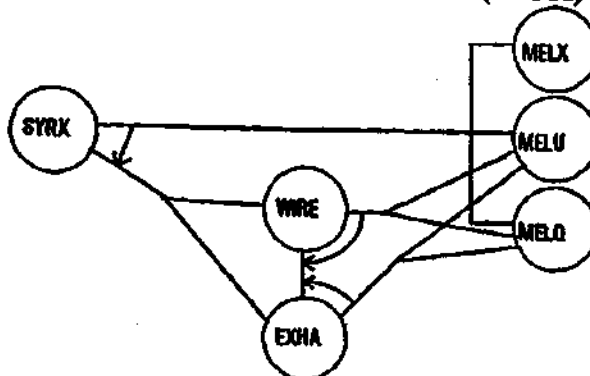
DATE / TIME	TOTAL	FAILURES			
		PREDIAL	CONG	BUSY	SWITCHING
4/11/93 / 17:25 TO 5/11/93 / 11:55	1618	0	0	2	0



ROUTING VIA RICHMOND (RCMX)



ROUTING VIA SOUTH YARRA (SYRX)



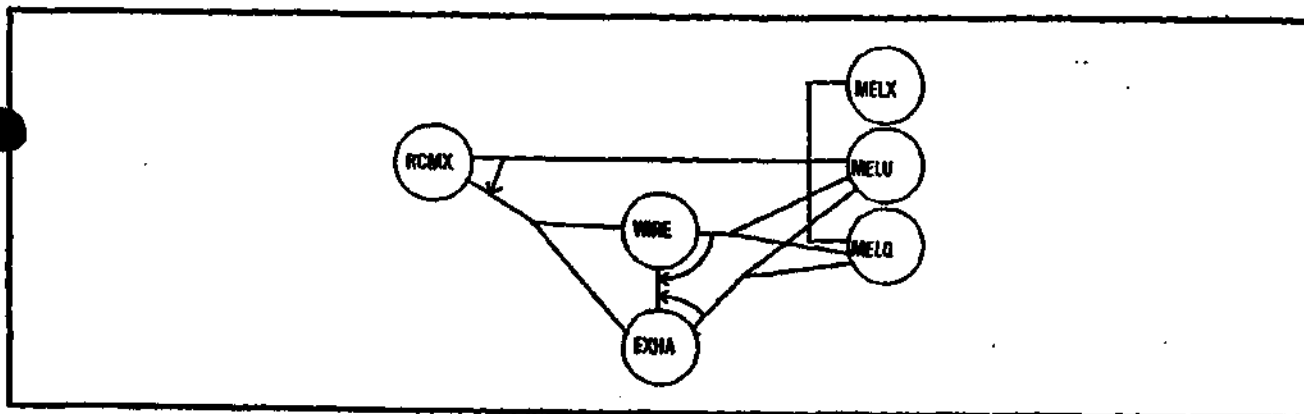
15.23 (3 of 5)
 ORIGINATING
 RICHMOND (RCMX)
 DIGITAL

428-8974

TERMINATING
 CAPE BRIDGEWATER
 (CBWR)
 DIGITAL (RCM VIA
 PORTLAND AXE 104)

055-267-211 (PTARS)

DATE - TIME	TOTAL	FAILURES			
		PREDIAL	CONG	BUSY	SWITCHING
5/11/93 - 12:45 TO 5/11/93 - 16:18	1675	0	0	1	0



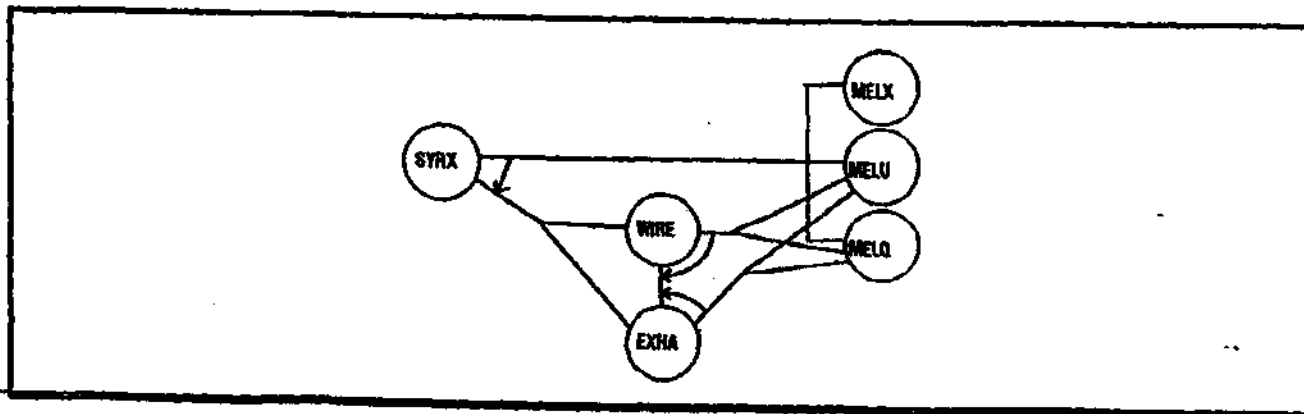
ORIGINATING
 SOUTH YARRA (SYRX)
 DIGITAL (AXE)

03-820-1101

TERMINATING
 CAPE BRIDGEWATER
 (CBWR)
 DIGITAL (RCM VIA
 PORTLAND AXE 104)

055-267-211 (PTARS)

DATE - TIME	TOTAL	FAILURES			
		PREDIAL	CONG	BUSY	SWITCHING
8/11/93 - 10:45 TO 9/11/93 - 12:45	1848	0	1	1	1



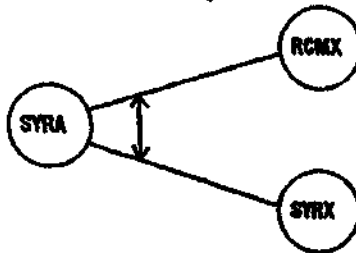
15.23 (4 of 5)
 ORIGINATING
 SOUTH YARRA (SYRA)
 ANALOGUE

03-867-1234

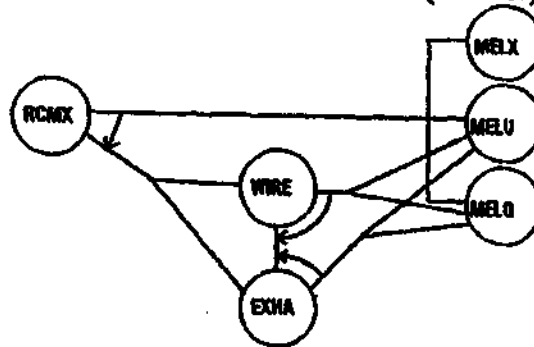
TERMINATING
 CAPE BRIDGEWATER
 (CBWR)
 DIGITAL (RCM VIA
 PORTLAND AXE 104)

055-267-211 (PTARS)

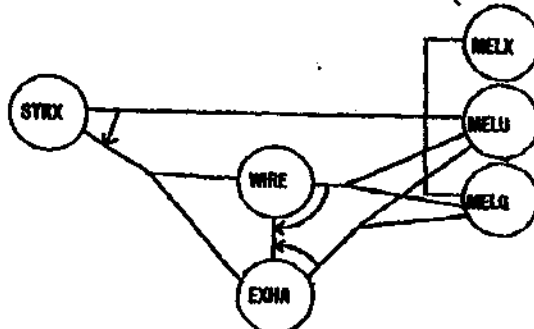
DATE - TIME	TOTAL	FAILURES			
		PREDIAL	CONG	BUSY	SWITCHING
5/11/93 - 12:45 TO 5/11/93 - 16:30	328	0	0	0	1
9/11/93 - 09:00 TO 9/11/93 - 14:50	587	0	0	1	2



ROUTING VIA RICHMOND (RCMX)



ROUTING VIA SOUTH YARRA (SYRX)



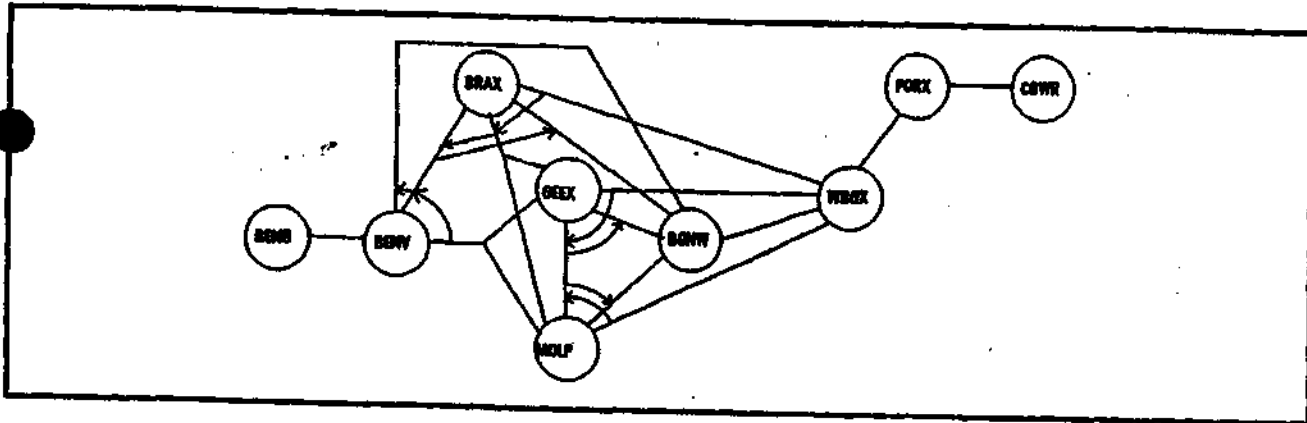
15.23 (5 of 5)
 ORIGINATING
 BENDIGO (BENB)
 ANALOGUE

057-434-234

TERMINATING
 CAPE BRIDGEWATER
 (CBWR)
 DIGITAL (RCM VIA
 PORTLAND AXE 104)

055-267-211 (TCARS)

DATE - TIME	TOTAL	FAILURES			
		PREDIAL	CONG	BUSY	SWITCHING
6/11/93 - 09:00 TO 8/11/93 - 10:00	4169	0	0	74	12



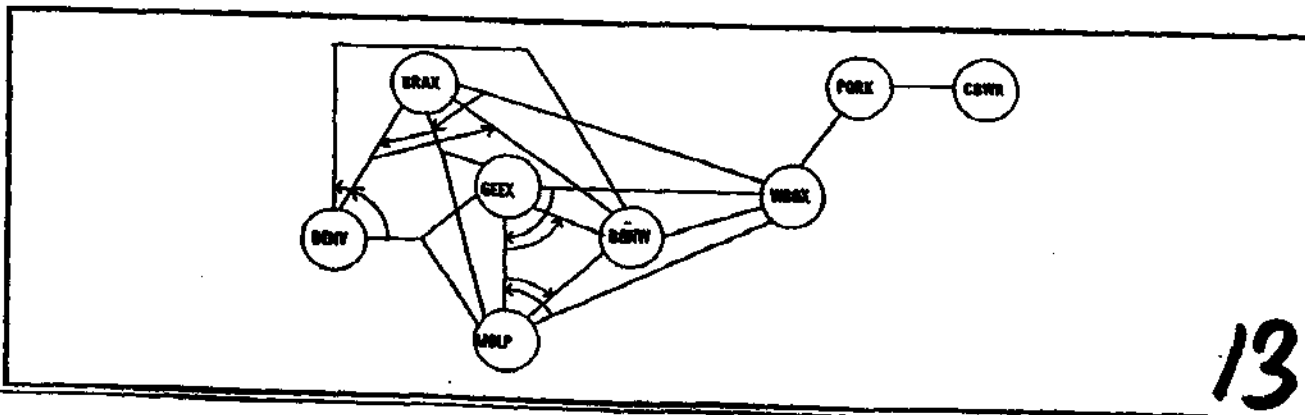
ORIGINATING
 BENDIGO (BENX)
 DIGITAL

TEST CONNECTION

TERMINATING
 CAPE BRIDGEWATER
 (CBWR)
 DIGITAL (RCM VIA
 PORTLAND AXE 104)

055-267-266 (TCARS)

DATE - TIME	TOTAL	FAILURES			
		PREDIAL	CONG	BUSY	SWITCHING
6/11/93 - 09:00 TO 8/11/93 - 10:00	3365	0	40	1	0



13

OVERALL TEST PERFORMANCE**TOTAL ANALOGUE TESTING**

TOTAL ANALOGUE CALLS	TOTAL ANALOGUE FAILURES	% COMPLETION
6702	92	98.6

TOTAL DIGITAL TESTING

TOTAL DIGITAL CALLS	TOTAL DIGITAL FAILURES	% COMPLETION
6888	45	99.3

TOTAL TESTING

TOTAL DIGITAL CALLS	TOTAL DIGITAL FAILURES	% COMPLETION
13590	137	99.0

Congestion in the Bendigo AXE digital exchange was tracked using the intelligent CCS7 monitoring system to congested circuits on the final route between Warrnambool and Portland. Although the 1.19 to 1.37% blocking was within acceptable standards, the Capacity Planning Group on further analysis, decided to increase the trunks in preparation for the upcoming Summer busy period.

No major network problems were encountered in over 13,000 test calls.

Percentage completions are within world standards.

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**SERVICE MONITORING AND TESTING - REPORT FOR AUSTEL
SEPT-OCT 1993**

Cape Bridgewater Holiday Camp

1. Introduction

An investigation has been carried out into the service supplied to customer Mr Alan Smith of Cape Bridgewater Holiday Camp. In accordance with the AUSTEL Directive dated 12th August 93, paragraph 16, calls to and from the customer's service were monitored at the exchange and at the customer premises over a period of five weeks, and a test call program was carried out from the network to the customer's exchange, seeking to establish the service performance levels, and correct any faults detected.

This document provides a comprehensive report on the results of the monitoring and testing programs.

2. Service Details

The following details apply to this service.

Customer's Number	055 267267 008 816522
Exchange	Cape Bridgewater
Exchange Type	RCM
Minor Switching Centre	Portland AXE
Customer Premises Monitoring Equip.	Single Channel ELMi Call Analyser
Exchange Monitoring Equip.	Call Charge Analysis System
Length of Dual Monitoring	Five (5) Weeks total from 2 Sept to 12 October 1993
Monitoring Investigation Dates	September 3 to October 12th 1993.

3. Test Call Program

A program of test calls was carried out between 28/10/93 and 8/11/93 using the Ericsson Network Evaluation and Test System. To perform the test a NEAT Network Test Unit was connected to test number 055 267211 in the same line group as the customer.

101311

14

The test calls were made over several days from a variety of origins to the destination test line. The spread of origins and times over which calls were made are indicated in Attachment 1. The calls were made over the full 24 hour period in order to achieve an adequate sample size in the time available. However an analysis of those calls made in the business traffic periods for this exchange has also been carried out to ensure that the overall results are also representative of the business hours results. In Cape Bridgewater the main busy traffic period occurs in the evening hours at levels usually greater than in the day .

The NEAT system tests for the following network conditions:

- Congestion
- RVA/Wrong number
- Communication error which includes transmission failure, drop out or other failure after connection
- No answer.

The sum of these failures is the network loss.

Calls may also be lost due to:

- Can't break dial tone:- this is due to a condition at the originating line which prevents the call from proceeding.
- System error - an internal problem within the NEAT system

These causes are not attributable to the network.

Attachment 1 shows the results of the test call program and the distribution of origins and times over which the calls were made. The overall results indicated as follows:

- Call success rate - 99.3%
- Network loss 0.29%.

The busy period analysis indicated a network loss of 0.51% on a sample size of 390. These results show the grade of service provided on incoming calls to Cape Bridgewater is better than the network average.

4. Call Event Monitoring Program

4.1 Call Monitoring Arrangements

The customers services were monitored via the Call Charge Analysis System in the exchange and by single channel ELMi Call Event recorder at the customer's premises for a period of over 5 weeks from 3/9/93 to 12/10/93.

The data from the customer's premises ELMi was recorded on paper tape and collected from the premises by a local Telecom Area Technician and then forwarded to Network Investigation's office in Melbourne for manual transcription into electronic format. The data from the CCAS at the exchange was down loaded for centralised analysis.

Attachment 3 is a summary of the data files associated with the call monitoring program.

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4.2 Monitoring Results

Attachment 2 summarises the results of six consecutive weeks of monitoring on the service line 055 267267.

The comparison of exchange and customer end records revealed two classes of discrepancy as follows

1. A number of short duration seizures of the line with duration between 1 and 5 seconds by the customer were recorded by the customer end equipment but not by the exchange based equipment. The Call Charge Analysis System does not record short seizures in this mode unless at least three digits are dialled and therefore this is an expected difference between the two records. The seizures or some of them may have been genuine but could also have been a result of electrical interference or changes in ground potential or reference voltage because of the remoteness of the customer end monitor from the exchange reference voltage. The total number of short duration seizures over the 5 week period was 33.
2. A total of five calls at different times were recorded by the exchange end equipment but not by the customer end equipment. All of these were incoming answered calls with significant conversation times. No sure explanation can be given for these omissions although there are a number of possibilities.

None of these discrepancies are indicative of a customer service problem but appear to be associated with the recording facilities.

4.3 Call Statistics and Usage Patterns

The overall usage statistics for the period of observation based on exchange end monitoring results are as follows:

Total Incoming Calls	384
Total Incoming Unanswered	8
Total Incoming Unanswered with RTime < 10Sec	1
Total Incoming Answered	376
Total Incoming Answered with CTime < 5Sec	0
Total Calls with CTime > 10min	62
Total Calls with CTime > 30min	12
Total Outgoing Seizures	3
Total Outgoing Calls with CTime < 10Sec	3

The number of outgoing calls is very low because the customer uses another line for outgoing calls. The results for incoming calls show a generally consistent pattern of usage and a high answered call rate. Only one call was of short duration was observed and this was unanswered. No service problems were evident from the results.

The customer usage patterns on incoming calls appeared normal

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5. Conclusion

The monitoring program did not reveal any service problems. The test call program showed the network access to Cape Bridgewater was providing a very good grade of service. Overall the study indicated a good standard of service is being provided.

101314

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Internal Memo



To Mr A Humrich
From David Shepherd
Manager
Subject Test Call Program

Network Operations
Networks & Interconnect

7/30 Pirie Street
ADELAIDE SA 5000
GPO Box 2426 SA 5001
Australia

Telephone 08 230 6306
Facsimile 08 410 4038

Date 15 November 1993

K34976

File

Attention

In response to the letter from Mr J MacMahon's letter to Don Pinel of 11 November 1993 on the issue of the hours over which the COT test call program was conducted the following explanation and comments are given.

1. The definition of what was meant by Business Hours in the Austel direction was not specified and it was assumed that the test call patterns would be left to the discretion of Telecom depending on the situation applying to the particular customer and local area. Many of the COT customers have businesses which operate over extended hours and are connected to exchanges in which the major busy periods occur in the evening and weekend. In this context Business Hours could be interpreted in a number of ways:
 - CBD business hours (9am - 5pm, Monday - Friday)
 - the hours over which the COT customer concerned conducted business (which in most cases would include evenings and much of the weekend)
 - the major traffic periods of the exchanges to which the nominated customers were connected (this would also cover the hours of 9am to 10pm 7 days per week)The interpretation applied by the testing staff was to ensure a substantial proportion of calls were generated in the major traffic periods of the exchanges concerned.
2. In the case of NEAT testing calls also had to be generated in low traffic periods in order to achieve an adequate sample size in the time available. The target sample size was set at 1000 calls.
3. The NEAT testing program was designed to broadly simulate the patterns of calls which might apply to the customer concerned and included interstate, intrastate STD and local calls. It took some time and effort to allocate the test number, install NEAT Terminating Units and design the test program before testing could commence. The exchanges tested by TRT or AET were small rural exchanges which have only one trunk access from the network and call dispersion is therefore less significant.

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The NEAT testing system allows analysis of results in specified time frames. On the basis of the Business Hour definitions for the exchanges tested an analysis has been done as sought by Mr MacMahon and the results are as follows.

Exchange	Business Hours	BH Calls	% of Total Calls	BH Network Loss
Valley Exchange	Mon-Sun 9a-10p	1114	42	0.52%
North Melbourne	Mon-Fri 9a-5p	384	15	2.1%
Maidstone	Mon-Fri 9a-5p	412	28	2.9%
Rockbank	Mon-Fri 9a-10p	386	28	0%
Dixons Creek	Mon-Sun 9a-5p	556	43	0.72%
Cape Bridgewater	Mon-Sun 9a-10p	390	38	0.51%
Woodend	Mon-Sun 9a-10p	1155	55	0.6%

The TRT/AET tested exchanges were small rural locations with night time and weekend busy periods. The percentage of calls generated in the busy period is estimated at 50%. Congestion was not major factor in either final result and the hours of testing would not have significantly affected the outcome.

These results show that performance in the business hours was comparable to that measured over the full period of testing. Congestion was significant contributor to overall loss only in the case of North Melbourne and Maidstone.

The testing program was a genuine effort to test the quality of service provided into the exchanges concerned and there has been no attempt to circumvent the directions of Austel or to obscure any service affecting conditions which might exist.


 David Shepherd
 Manager
 Networks & Interconnect

K34977

15^A

TELECOM'S TEST CALLING INTO CAPE BRIDGEWATER AXE/RCM EQUIPMENT

Cape Bridgewater Holiday Camp: 28 October 1993 to 8 November 1993 inclusive

Test No (055) 267 211
Business hours 0800-2200

	24 hour calling		Business hours calling	
	Sample	% of calls	Sample	% of calls
Total calls	1030		390	
Effective calls	1023	99.32	387	99.23
Total failed calls, as below	7	0.68	3	0.77
Congestion	2	0.19	1	0.26
Communications error	1	0.10	1	0.26
RVA/Wrong number	0	0.00	0	0.00
No answer	0	0.00	0	0.00
Couldn't break dial tone	1	0.10	0	0.00
System error	3	0.29	1	0.26

TELECOM'S TEST CALLING INTO DIXONS CREEK AXE EXCHANGE

Lovey's Restaurant: 21 October 1993 to 8 November 1993 inclusive

Test Nos (059) 652 414 and (059) 652 415
Business hours 0800-2200

	24 hour calling		Business hours calling	
	Sample	% of calls	Sample	% of calls
Total calls	1279		556	
Effective calls	1269	99.22	552	99.28
Total failed calls, as below	10	0.78	4	0.72
Congestion	5	0.39	3	0.54
Communications error	1	0.08	1	0.18
RVA/Wrong number	0	0.00	0	0.00
No answer	0	0.00	0	0.00
Couldn't break dial tone	4	0.31	0	0.00
System error	0	0.00	0	0.00

service providers and so on which are complaints about the billing system. Does that indicate that she may have been partly wrong?

Mr Benjamin—From memory, I do not think the Bell Canada inquiry looked at billing systems.

Senator SCHACHT—The claim is that she said that Bell Canada's international report substantiated that there were no systematic problems within Telstra's billing system; that was her claim. I am just saying that, since then, you have got major litigation running into hundreds of millions of dollars between various service providers and other telecommunications providers claiming false overbilling running into hundreds of millions of dollars.

Mr Ward—I cannot comment on the Simone Simmons statement and I guess we will get that checked if it is not with us today.

Senator SCHACHT—So we start at the right place. That is another question being taken on notice.

Mr Ward—No, I did not say that. We will check if we can get the information from the people we have here. The comment I was going to make about billing was that, since that time, the development in the wholesale market of service provision between Telstra and service providers has taken off quite significantly, and that is a wholesale, if you like, billing service based on, at that stage, a retail platform. I suspect—and we will have this checked—that the Bell Canada report would not have looked at that aspect of the billing.

Senator SCHACHT—Has Telstra received any complaints from CoT members and other people about the BCI report findings being flawed or fabricated?

Mr Benjamin—Yes, there have been complaints made—sorry, not fabricated; there have been complaints made by various CoT members about disagreement with aspects of the Bell Canada report.

Mr Armstrong—Can I just add I think one of the CoT members has alleged that the Bell Canada report was fabricated.

Senator SCHACHT—That is what I am saying: there is a pile of stuff there that has come into my office from a range of CoT case people and I am trying to summarise a range of their complaints. They claim it is fabricated. I do not automatically accept that. I want to get them on the record in order to get the cases into the open. I want to get to the bottom of many of those complaints. As a result of those complaints, did you find that Telstra had to take any action in respect of the BCI report to rectify any inaccuracies or shortcomings in the system?

Mr Armstrong—Yes. The basis upon which it was put that the report was fabricated was an apparent clash of dates, as I recall, with two sets of testing. This goes back a couple of years. I believe that claimants raised the matter with the TIO. Telstra went to Bell Canada and raised the clash of dates with it. As I recall, Bell Canada provided a letter saying that there was an error in the report.

Senator SCHACHT—Can you please provide us with a copy of that letter from Bell Canada?

Mr Armstrong—I do not have it with me.

Senator SCHACHT—Can you get it for us?

Mr Armstrong—Yes.

Senator SCHACHT—I will put that question on notice. As to the complaints to Telstra from the CoT cases—Mr Benjamin, you may think that you have drawn the short straw in Telstra, because you have been designated to handle the CoT cases and so on. Are you also a member of the TIO board?

Mr Benjamin—I am a member of the TIO council.

Senator SCHACHT—Were any CoT complaints or issues discussed at the council while you were present?

Mr Benjamin—There are regular reports from the TIO on the progress of the CoT claims.

Senator SCHACHT—Did the council make any decisions about CoT cases or express any opinion?

Mr Benjamin—I might be assisted by Mr Pinnock.

Mr Pinnock—Yes.

Senator SCHACHT—Did it? Mr Benjamin, did you declare your potential conflict of interest at the council meeting, given that as a Telstra employee you were dealing with CoT cases?

Mr Benjamin—My involvement in CoT cases, I believe, was known to the TIO council.

Senator SCHACHT—No, did you declare your interest?

Telstra executive Hew Macintosh stated in F.O.I. document K03888 that Telstra's internal PTARS 267211 testing "will hold up for 15 seconds after a test call, therefore if possible a delay of 15 seconds between calls should be inserted to avoid incorrect results".



Facsimile

To	Steve Hodgson Network Products	From	Hew Macintosh FTT02	National Network Investigation 250 Collins Street Melbourne VIC 3000 Australia Telephone (03) 657 3447 Message Centre Facsimile (03) 654 4601
Facsimile	(053)334219	File	NT10/504	
Company	Telecom Australia	Date	7 July, 1993	
Location	Balfour Exchange	Total Pages	1	
Month				

K03888

Test Calls to Cape Bridgewater

National Network Network Investigation, Melbourne, are currently investigating a customer at Cape Bridgewater. Some complaints have come from the Ballarat area, namely Sebastopol, Cardigan (053-448367), Loreto College (053-832682, 053-301521) & Haddon (053-424675).

As previously discussed, could you please arrange for 500-1000 test calls from the following locations calling 053-267211. The latter is a PTARS connected at the Cape Bridgewater RCM. It should be noted the PTARS will hold up for 15 seconds after a test call, therefore if possible a delay >15 seconds between calls should be inserted to avoid incorrect results of busy.

When completed, could you please fax details to National Network Network Investigation, Melbourne, on (03)654-4601.

Your assistance in this matter will be greatly appreciated and if there are any difficulties please contact NNI on (03)657-3447.

Hew Macintosh
FTT02 - National Network Network Investigation, Melbourne.

7/7/93

Telstra equipment recorded the set of tests by Bell Canada International as shown. The top print out shows that between 12:45 and 16:18 on 5 November 1993 a total of 1675 test calls were made. The other record shows a slightly larger number of test calls in a longer time frame. Gerald Kealey noted "the test run for a small number of test calls from the Richmond Digital Exchange" - how can 1675 test calls to my exchange be regarded as "small"? Kealey further states "the wrong date was recorded in the handwritten notes" but that the wrong date "is not a significant factor in assessing the overall performance of the network". I have acquired other Bell Canada International documents concerning still another set of tests on a different day that could not have taken place at the time recorded.

15.23 (4 of 5)
 ORIGINATING
 SOUTH YARRA (SYRA)
 ANALOGUE

03-867-1234

TERMINATING
 CAPE BRIDGEWATER
 (CBWR)
 DIGITAL (RCM VIA
 PORTLAND AXE 104)

055-267-211 (PTARS)

DATE - TIME	TOTAL	FAILURES			
		PREDIAL	CONG	BUSY	SWITCHING
5/11/93 - 12:45 TO 5/11/93 - 16:30	328	0	0	0	1
9/11/93 - 09:00 TO 9/11/93 - 14:50	587	0	0	1	2

15.23 (3 of 5)
 ORIGINATING
 RICHMOND (RCMX)
 DIGITAL

428-8974

TERMINATING
 CAPE BRIDGEWATER
 (CBWR)
 DIGITAL (RCM VIA
 PORTLAND AXE 104)

055-267-211 (PTARS)

DATE - TIME	TOTAL	FAILURES			
		PREDIAL	CONG	BUSY	SWITCHING
5/11/93 - 12:45 TO 5/11/93 - 16:18	1675	0	0	1	0

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Confused? It seems that tests were being carried out using lines into my exchange (PTARS) simultaneously - the internal Telstra tests and the Bell Canada International tests. I have received independent technical advice to the effect that it is virtually impossible to conduct these two types of tests on the same line/network during the same time frame. Please remember that the test line requires a 15 second delay and that Bell Canada International said that they put through 1675 calls to the same test number in approximately four hours on 5 November 1993. The record reproduced on the previous page shows another set of 328 test calls at approximately the same time to the same test number (055 267 211 PTARS). These test calls generated from two different locations would have clashed and caused either congestion or a busy signal. These records clearly indicate that this documentation was, and is, either flawed, fabricated, or both.

Food for Thought

- there are 12,780 seconds between 12:45 p.m. and 16:18 pm.
- when 12,780 seconds are divided by 1675 test calls the time for each call is slightly less than 8 seconds.
- how can a test call that requires at least 15 seconds be fitted into less than 8 seconds?
- how can 328 more test calls be fitted into this time frame?
- how can two sets of mutually exclusive tests use the same line at the same time without recording either congestion or a busy signal?
- how could Bell Canada International testing show an extremely small, and statistically insignificant, number of busy calls when two independent exchange numbers were being directed to the same number (055267211 PTARS) at the same time?



95 / 0594 - 01

AUSTRALIAN TELECOMMUNICATIONS AUTHORITY

141

93/507

9 December 1993

Mr Ian Campbell
Managing Director - Commercial Business
Telecom

Fax 634 3876

Dear Mr Campbell

BELL CANADA INTERNATIONAL REPORT

This letter is to convey to you advice to the effect that while AUSTEL was -

- consulted on the terms of reference for the Bell Canada International (BCI) audit of Telecom's testing and fault finding capability, and study of its network, to determine if there is a fundamental network fault
- of the view that the proposed testing would provide a useful *snapshot* of current network functionality and that the terms of reference allowed for sufficient flexibility to produce results relevant to a consideration of issues raised by *COT Cases* (without drawing conclusions on an individual customer's complaint),

on a preliminary analysis the report fails to live up to the expectations raised by the terms of reference.

Findings must be qualified

The BCI study concluded that "...customers served from the test originating and test terminating exchanges receive a grade of service that meets global network performance standards..." (sixth paragraph of the Executive Summary). Any findings to that effect must be qualified by the fact that the BCI audit focused on only one part of what is commonly called "the network", namely Telecom's exchange-to-exchange operations. BCI's audit did not extend to an equally significant part of "the network", namely the customer access network.

To put it another way, the tests conducted by BCI neither were nor purported to be "end-to-end" testing, but involved testing of part of the network only - the inter-exchange network. The tests were not applied in a manner designed to check complete end-to-end network performance from a customer's perspective. They were made from exchange equipment to exchange equipment and, except in one case, did not traverse customer lines or use customer premises equipment. The conclusions which may be drawn from the

5 QUEENS ROAD, MELBOURNE, VICTORIA
POSTAL: P.O. BOX 7443, ST KILDA, MELBOURNE, VICTORIA, 3004
TELEPHONE: (03) 828 7300 FACSIMILE: (03) 820 3021

20 A

study cannot go beyond the inter-exchange network. The findings cannot be presented in the way they were in the Executive Summary to suggest that they embrace the network as a whole, including the customer access network.

Test call patterns not typical of COT Cases

The test calling patterns adopted apparently reflected the main network traffic streams relevant to the exchanges currently providing services to the *COT Cases* and related customers, but did not necessarily reflect typical traffic patterns experienced by those customers. While the results can be considered indicative of the general switched public network performance of the exchanges involved, they cannot be guaranteed to be representative of calling performance from typical client locations to the exchanges serving the *COT Cases* and related customers.

Also for whatever the reasons, such as time constraints, the testing undertaken by BCI appears very narrowly focused. For example, in Melbourne BCI undertook test calling from only seven exchange localities out of the 100 or more in the Melbourne metropolitan area, with only selective test calling from the Western suburbs. This is particularly disappointing in that both of the Melbourne businesses included in the testing claim to have experienced difficulties with respect to calls from Western suburbs based clientele.

Testing of PBX ("rotary") search facility

Particular concern has been expressed by *COT Cases* dependent on older (cross bar) exchange technology, in relation to periodic faults of the rotary search facilities which are designed to allow calls dialled to a single number to be offered to a group of access lines appearing in the customer's premises.

With the benefit of hindsight, exchange-to-exchange network integrity tests for *COT Cases* traffic cannot be considered comprehensive without the inclusion of testing of this facility in the terminating exchanges serving the relevant *COT Cases*.

I understand that BCI is currently undertaking further testing to redress this shortcoming in its report.

008 services

Also with the benefit of hindsight, given the concerns expressed by certain of the *COT Cases* the realistic testing of network performance should have included test calling via any relevant 008 number.

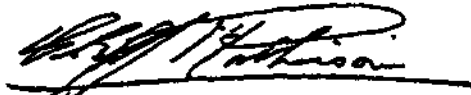
Retrospectivity

The report itself highlights the fact that the tests provide only a *snapshot* which does not necessarily reflect the problems that *COT Cases* have experienced in the past - see paragraph 5.00 of the report which "... recognises that the tests performed by BCI ... look at the network at a specific point in time. The results therefore, may be completely different from those obtained at some other point in time. Furthermore, as troubles are cleared when found, it is unlikely that the same trouble conditions will show up in subsequent tests".

In summary

Having regard to the above, I am of the opinion that the BCI report should not be made available to the assessor(s) nominated for the COT Cases without a copy of this letter being attached to it.

Yours sincerely



Cliff Mathieson
Specialist Advisor - Networks

20^A

DRAFT

Commercial & Consumer

15 December 1993

Level 5
242 Exhibition Street,
MELBOURNE VIC 3000
Australia

Telephone (03) 634 6
Facsimile (03) 634 6

VIA FACSIMILE

Mr R. Davey
Chairman
AUSTEL
Jetnet House, 5 Queens Road
MELBOURNE, Vic. 3004

Dear Mr Davey,

I refer to the following events involving AUSTEL officers in recent days regarding the Bell Canada International (BCI) report.

- A letter of 9 December 1993 from Mr Mathieson to me.
 - Comments attributed to Mr MacMahon on 10 December 1993 in the "Australian Financial Review".
- Advice to Telecom is that the comments attributed to Mr MacMahon are, in substance, accurate.
- A letter reported in the same article from Mr MacMahon to the CoT spokesperson, Mr Schorer.

The conclusion to be reasonably made from these events is that AUSTEL publicly judges the BCI report "fails to live up to expectations raised by the terms of reference", has inadequacies, and raises concerns. Further, AUSTEL publicly agrees with CoT views along these lines.

Reasonable inferences might be drawn about deficiencies in the competence, professional standing and integrity of BCI, and the competence and integrity of Telecom and myself in the conduct of the study and representation of the findings.

We can argue about matters of detail, but in substance these events are of concern and disappointing to Telecom.

A00404

21

PERSPECTIVE

Before stating Telecom's position, I point out the considerable efforts Telecom has made to assist AUSTEL in its investigation of CoT cases. Telecom has gone well beyond the usual responses to AUSTEL's directions, to actively support AUSTEL in an attempt to achieve as thorough and objective an assessment as possible of the issues in the limited time available, in some cases at considerable risk to its own position.

It would be difficult to conceive of any significant, practical additional action Telecom could have taken to support AUSTEL, given resources were already stretched, to respond to AUSTEL's directions.

In Telecom's view, AUSTEL may criticise Telecom at times for shortcomings in competence or judgment, but in no way can AUSTEL claim lack of co-operation, obstruction or bad faith during the investigation in what has been a difficult period for both parties.

Indeed, Telecom hopes AUSTEL's view is the reverse.

TELECOM'S POSITION

Telecom's position regarding the recent events concerning the BCI report are as follows:

1. *The BCI study was conducted professionally by BCI and Telecom, and in the limited time available, achieved the objectives discussed and agreed with AUSTEL.*

The findings are reassuring to Telecom and ought to be reassuring and welcomed by AUSTEL and telephone users around Australia - at least for the test period there appears no evidence that there is a fundamental problem in the interexchange and local exchange network and that the network performed within specification.

You will recall the study arose following (unsubstantiated) allegations that a fundamental problem in Telecom's network may be preventing a large number of calls being delivered by the network to the terminal exchanges to which those customers were connected.

The basic aim of the BCI study was, in the short time available, to test the network and assess related operating procedures for fault detection and restoration.

Alleged failures in the letter of 9 December, such as exclusion of the CAN and exclusion of "end-to-end" testing, were not necessary to be included to achieve the aim of the study, were specifically excluded (with the agreement of your officers),

A03405

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- 3 -

were not included and were never purported to be included either in the findings or subsequent presentations of the findings.

The terms of reference and conduct of the BCI study were discussed on a number of occasions with your officers, and they raised no concerns of substance. Indeed, on several occasions, they apparently considered the basis of the study sufficiently sound to suggest a number of additions to the testing programme (e.g. Portland and Devlin's Bridge), and these were accepted.

My understanding is that AUSTEL further requested testing in customers' premises, but then decided that this was a duplication of the service monitoring programme directed by AUSTEL, would serve little purpose, and risked disruption of the customers' services.

You will recall in the presentation of the report to you I particularly pointed out the limitations of the study, and this was done in presentations to the Minister's office, Senators Boswell, Alston and Bourne, the media, and CoT members present at a videoconference.

In summary, the BCI study proceeded as discussed with AUSTEL, reported as directed, and the findings ought to be regarded as reassuring and welcome.

Briefly, an acceptable conclusion would have been along the lines of the previous sentence, but with a qualification that to obtain a complete assessment of the performance of a particular customer's service, "end-to-end" testing would need to be done which included the customer access network.

2. Telecom is concerned about several other aspects of these events. For example:

- (a) AUSTEL reached a conclusion about Telecom without giving Telecom the opportunity to comment.

In this case, the position was advised to others and made public before Telecom was advised.

In an investigation of Telecom, it would seem reasonable that Telecom be given such an opportunity.

- (b) AUSTEL allows (an unfair) position to be made public which appears to support other parties in a civil suit against Telecom.

In Telecom's view, the task of a regulator in investigations of this nature is to form conclusions and decide related recommendations and intended actions on an issue and, after due discussion with the parties, publish these in its report.

A00406 21

B

We believe AUSTEL risks its reputation if, during an investigation, it appears to take sides in civil proceedings between parties - in this case, arbitration, but court proceedings in the future on matters under investigation are possible.



- 3. Considering the above circumstances, Telecom cannot agree to attach a copy of AUSTEL's letter of 9 December to the BCI report if the latter is made available to the assessor(s) nominated for the CoT cases.

Accordingly, Telecom requests AUSTEL to confirm Telecom's view of the BCI report, and to consider how our concerns might be addressed.

I am available to discuss the above matters at your convenience.

Yours sincerely,

→ States there is a multitude of inaccuracies.

Ian Campbell

— This is a statement to a manager of Austel that we (T) will not provide assessor with all the relevant facts

A00407

21



Hunt & Hunt LAWYERS

COPY

2 May 1994

Our Ref: GLH

Matter No:

Your Ref:

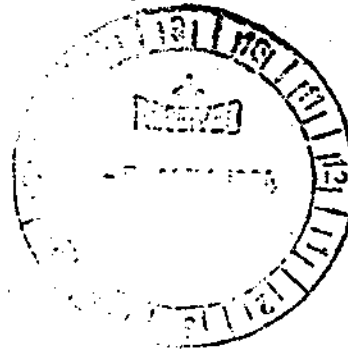
BY HAND

Mr John Rundell
Ferrier Hodgson
Chartered Accountants
Level 11, 459 Collins Street
Melbourne VIC 3000

Partners
Edward S Boyce
James G.F. Marrowell
Christine A. Galley
Gordon L. Hughes
Mark T. Knapman
Ian S. Craig
Peter J. Ewin
Wayne S. Cahill
Neville G.H. Dobney
Grant D. Selton
Charles Veevers
Andrew Logie-Smith

Consultants
Kenneth M. Martin
Richard J. Kellaway

Associates
Peter A. Cornish
Shane G. Hird
John S. Molnar
Melissa A. Henderson
Francis V. Gallicchio
Roy Seit
Randal P. Williams



Dear Sir

TELECOM AUSTRALIA - COT CLAIMS

As you are aware, Maureen Anne Gillan signed (through her power of attorney) the Request for Arbitration on 8 April 1994.

Ann Garms (on behalf of herself and other related claimants), Alan Smith and Graham Schorer (on behalf of himself and other related claimants) signed the Request on 21 April 1994.

Mr Steve Black signed each agreement on behalf of Telstra Corporation Ltd.

Pursuant to clause 5 of the "Fast-Track" Arbitration Procedure, the Administrator, Warwick Smith, has formally notified the parties and me in writing that he has received completed and signed Request for Arbitration forms from both parties in each instance. Pursuant to clause 7.2 of the Fast-Track Arbitration Procedure, each claimant must, within four weeks of receipt of Mr Smith's notice, send to Telecom and to me its Statement of Claim together with supporting claim documents.

I have been advised by the Administrator that formal notice pursuant to clause 5 was delivered to Garms, Smith and Schorer on 27 April and to Gillan on 3 May 1994.

I am anxious for these matters to proceed as expeditiously as possible. In the circumstances I believe it would be appropriate for the Resource Unit to familiarise itself with documentation which will unquestionably be placed in evidence, namely:

melbourne

sydney

sydney west

brisbane

canberra

newcastle

represented in

adelaide

darwin

11241692_GLH/AK

Level 21, 459 Collins Street, Melbourne 3000, Australia. Telephone: (61-3) 614 8711.

Facsimile: (61-3) 614 8730. G.P.O. Box 1533N, Melbourne 3001. DX 252, Melbourne.

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22

1. Bell Canada International Inc, "Report to Telecom Australia", 1 November 1993;
2. Coopers & Lybrand, "Review of Telecom Australia's Difficult Network Fault Policies and Procedures", November 1993;
3. Telecom Australia, "Response to Coopers & Lybrand Report and Bell Canada International Report", December 1993;
4. AUSTEL, "The COT Cases: AUSTEL's Findings and Recommendations", April 1994.

I believe a thorough understanding of this documentation will assist you in anticipating the scope and extent of investigations which the Resource Unit may be called upon to carry out.

I suggest also that you familiarise yourself with the *Commercial Arbitration Act 1984 (Vic)*.

Yours sincerely

GORDON HUGHES

cc P Bartlett, W Smith, M Gillan,
A Garms, A Smith, G Schorer, P Rumble

S22 response
21/7/94

Hunt & Hunt LAWYERS

Partners
- P. L. J. Keane
Edward S. Boyce **EMF**
James G.F. Harrowell
Christine A. Colley
Gordon L. Hughes
Mark T. Krugman
Ian S. Craig
Peter J. Erwin
Wayne B. Cahill
Neville G.H. Debeney
Grant D. Selton
Charles Veevers
Andrew Leslie-Smith
William P. O'Shea
Consultants
Kenneth M. Martin
Richard J. Kellaway
Associates
Shane G. Hill
John S. Molnar
Malissa A. Henderson
Francis V. Galichio
Roy Salt

18 July 1994

Our Ref: GLH
Matter No:
Your Ref:

Mr Paul Rumble
National Manager - Customer Response Unit
Telecom Australia
Level 8
242 Exhibition Street
Melbourne VIC 3000

Dear Mr Rumble

COT MATTERS

On 13 July 1994, the Resource Unit requested copies of the Bell Canada Report, the Coopers & Lybrand Report and the Telecom response to these Reports. The purpose of the request was to enable the Resource Unit to commence perusing relevant background documentation.

This documentation was provided to me by Mr Rod Pollock by hand on 15 July 1994 and has now been passed on to the Resource Unit. In addition, certain other material was provided to me. The documents concerned are numbered 1, 4, 5, 6 and 7 in the attached Table of Contents.

I do not know whether this additional material has previously been made available to the Claimants. I also do not know, whether the additional material is considered by Telecom to be related to the documentation requested by the Resource Unit or whether perhaps, Telecom considers that the documentation requested by the Resource Unit cannot be read in context without the benefit of this additional material.

You will appreciate that I cannot forward material to the Resource Unit which is not made available simultaneously to the Claimants. You will also appreciate that Telecom will have an opportunity to submit its own evidence in respect of each of the current claims once the respective Claimants have finalised their submissions.

Melbourne
Sydney
Sydney West
Brisbane
Canberra
Newcastle
represented by
Adelaide
Darwin

11285575_GLH/RS

Level 21, 459 Collins Street, Melbourne 3000, Australia. Telephone: (61-3) 614 8711.
Facsimile: (61-3) 614 8730. G.P.O. Box 1533N, Melbourne 3001. DX 252, Melbourne.

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M34047

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X H
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Against this background, could you please clarify the basis upon which documents 1, 4, 5, 6 and 7 in the attached Table of Contents have been submitted to me?

Yours sincerely

GORDON HUGHES

CC R Pollock, P Bartlett, W Smith

11285575_GLH/RS

M34048

23



Hunt & Hunt

LAWYERS



Partners
 Edward S. Boyce
 James G.F. Harrowell
 Christine A. Cailey
 Gordon L. Hughes
 Mark T. Knapman
 Ian S. Craig
 Peter J. Ewin
 Wayne B. Cahill
 Neville G.H. Debnoc
 Grant D. Setton
 Charles Veevers
 Andrew Logie-Smith
 William P. O'Shea

Consultants
 Kenneth M. Martin
 Richard J. Kellaway

Associates
 Shane C. Hird
 John S. Molnar
 Melissa A. Henderson
 Francis V. Gallicchio
 Roy Selk

11 August 1994

Our Ref: GLH

Matter No:

Your Ref:

BY FAX: (055) 267 230

Mr Allan Smith
 Cape Bridgewater Holiday Camp
 RMB4408
 Cape Bridgewater VIC 3305

Dear Sir

ARBITRATION - TELECOM

Subsequent to my earlier facsimile today, I have received the report of George Close & Associates dated August 1994. A copy has been forwarded to Telecom.

I am forwarding you some additional material previously provided to me by Telecom:

1. Telecom Australia, *Submission to Austel*, November 1993;
2. Telecom Australia, *Response to the Coopers & Lybrand Report and Bell Canada International Report*, December 1993;
3. Telecom Australia, *letters from S Black, Group General Manager - Customer Affairs, re: Reark Surveys*, namely, letters dated 24 January 1994, 4 February 1994 and 22 March 1994;
4. Reark Resources Pty Ltd, *Quality of Service Stage 1 Survey*, 14 December 1993;
5. Bell Canada International Inc, *Telecom Australia, Rotary Hunting Group Study*.

melbourne

sydney

sydney west

brisbane

canberra

newcastle

represented at

adelaide

darwin

Pursuant to clause 16 of the "Fast-Track" Arbitration Procedure, these documents are to be treated in confidence.

I do not know if these documents have been or will be provided to you by Telecom independently in response to your FOI Application. If they are,

11301163_GLH/RS

Level 21, 459 Collins Street, Melbourne 3000, Australia. Telephone: (61-3) 634 8721.

Facsimile: (61-3) 614 8730. G.P.O. Box 1533N, Melbourne 3001. DX 252, Melbourne.

24

they will then become "part of the public domain" as defined in clause 16.2 of the Fast-Track arbitration procedure.

Having submitted the report from George Close & Associates, it will now be necessary for you to give consideration to the question of whether your submission is "complete". You may wish to consider the enclosed material before making that decision. I refer you to my earlier letter of today's date dealing with the implications of a declaration by you that the Claim Documentation as submitted is "complete".

In the meantime I am anxious to forward a copy of the material enclosed with this letter, along with the report enclosed in my letter of 26 July 1994, to the Resource Unit. The purpose of forwarding the material would be to enable members of the Resource Unit to commence familiarising themselves with the background to the COT claims. I require your consent for this material to be forwarded to the Resource Unit and I would be pleased to hear from you in this regard as soon as possible.

Yours sincerely

GORDON HUGHES

Encl

CC P Rumble, W Smith, P Bartlett, J Rundell

TAITS

SOLICITORS - CONSULTANTS

Apply to: Warrnambool
Our Ref: Mr. Eesy:7:18
Your Ref:

June 29, 1995.

WARRNAMBOOL

121 Kepler Street,
Warrnambool.

P.O. Box 311,
Warrnambool, 3280

DX 28003 Warrnambool

Tel: (055) 61 4111
Fax: (055) 61 4567

PORT FAIRY

6 Princes Street,
Port Fairy.

P.O. Box 121
Port Fairy, 3284

Tel: (055) 68 1010
Fax: (055) 68 2731

MORDAKA

118 Dunlop Street,
Mordaka.

P.O. Box 1
Mordaka, 5272

Tel: (055) 99 2574
Fax: (055) 99 2036

FAKINEES

C/O Alden
5
Kings, via the
Grant Bay

ASSOCIATE

Elizabeth Laidlaw

ACCREDITED

SPECIALISTS

James Tuh
Business Law:
Wills & Estate Planning;
Local Government,
Planning & Environment.

Grant Eesy
Family Law;
Commercial Litigation.

Mr. Neil Tuckwell,
Chairman,
Austel,
P.O. Box 7443,
ST. KILDA ROAD,
MELBOURNE. 3004
FAX 03/9820 3021

29/6/95

Dear Sir,

Alan Smith - Cape Bridgewater Holiday Camp

We act for Mr. Alan Smith of Cape Bridgewater Holiday Camp, Portland.

Mr. Smith instructs:

1. He has had recent correspondence with your office and also discussions with Mr. Matherson regarding the testing by Bell Canada International Inc. and Neat during November 1993.
2. From 28.10.93 to 8.11.95 the Neat Testing was being evaluated. To perform the test an Ericsson Neat Network Test Unit was connected to the test number at the Cape Bridgewater RCM 055 267 211 in the same line group as Mr. Smith's number (055 267 267). Mr. Smith has the results of those tests.
3. Over the same period, during the Neat testing, Bell Canada International Inc. performed their tests to the same RCM number at Cape Bridgewater PTARS 055 267 211, from 12.45 p.m. on 5.11.93 until 4.30 p.m. 5.11.93 (from South Yarra 03 867 1234). Also, on the same day, from Richmond (03 428 8974), between 12.45 p.m. and 4.18 p.m. further tests were done to the same PTARS 055 267 211.
4. On 6.11.93 from 054 434 234 to the PTARS 055 267 211 more tests were done to that same number, finishing at 10 a.m. on 8.11.93.
5. Mr. Smith has already refuted the amount of test calls that took place over these days.

Please within 14 days advise our client as to whether or not the NEAT Testing was performed over the same period and time-frame as mentioned (November 5th, 6th and 8th), while Bell Canada International were also performing their own tests.

Yours faithfully,

Tait
TAITS SOLICITOR

25



5 Queens Road

Melbourne

Victoria 3004

Tel: (03) 9828 7300

Fax: (03) 9820 3021

Free Call: 1800 335 526

TTY: (03) 9829 7490

94/0269 -10

12 July 1995

Taits Solicitors
PO Box 311
WARRNAMBOOL 3280

Facsimile (055) 61 4567

Attn Mr Ezzy

Dear Sir

Re: ALAN SMITH - CAPE BRIDGEWATER HOLIDAY CAMP

This letter responds to your correspondence dated 29 June 1995 (your reference Mr Ezzy:7:18) in relation to your client Mr Alan Smith. Mr N Tuckwell, Chairman, AUSTEL, has requested that I reply on his behalf.

The tests to which you refer were neither arranged nor carried out by AUSTEL. Questions relating to the conduct of the tests should be referred to those who carried them out or claim to have carried them out.

Yours faithfully

Cliff Mathieson
General Manager
Carrier Monitoring Unit

cc Mr A Smith
Facsimile (055) 267 230

26

world standards and are in fact superior to those used in other similar networks of equivalent digital penetration.

- *Telecom Australia has all the tools, skills and procedures needed to detect and locate troubles reported by the CoT customers.*
- *The troubles found revealed some switching faults and potential for network congestion. The contribution made by these in degrading network performance was rated as insignificant.*

(d) *Telecom generally accepts the findings and recommendation of the report."*

AUSTEL'S COMMENTS ON TELECOM'S RESPONSE

11.8 Prior to receiving Telecom's response to the Bell Canada International report as outlined in paragraph 11.6 above, AUSTEL had written to Telecom informing it that the claim in the Bell Canada International report to the effect that Telecom's customers received a grade of service that meets global standards goes too far because the study was an inter-exchange study only and did not extend to the customer access network - AUSTEL had agreed to the study being so limited on the basis that other monitoring it had requested Telecom to undertake on AUSTEL's behalf should provide AUSTEL with the data on the efficacy of the customer access network. *

11.9 AUSTEL also noted that from the *COT Cases'* perspective there were limitations in Bell Canada International's first report, namely -

- *test call patterns used by Bell Canada International may not be typical of the COT Cases - but that of itself does not necessarily invalidate the outcome*
- *it did not extend to testing of PBX (rotary) search facilities that are of significance to some COT Cases but, again, this does not invalidate the results of the tests as far as they went*
- *it did not include test calling via 008 numbers which is of relevance to some COT Cases but, yet again, this does not invalidate the results of the tests as far as they went."*

(Letter dated 16 December 1993, AUSTEL to Telecom's Managing Director, Commercial Business)

- the test calling programs run by Telecom and Bell Canada International were based on more general network traffic flows than on particular traffic patterns relevant to the *COT Cases*
- some *COT Cases'* services are dependent on rotary search facilities provided by older exchange equipment which has not been subject to preventive maintenance of electro-mechanical control processes which may give rise to intermittent faults (see Chapter Eleven)
- they provide only a *snapshot* of the service provided to the *COT Cases* at the time of the tests or monitoring.

7.25 It should also be noted that over the extended period in which the *COT Cases* have experienced difficult network faults, and before Telecom undertook its monitoring pursuant to AUSTEL's direction and Bell Canada International undertook its testing, Telecom undertook some modernisation of its network as it affected the *COT Cases*. In some of those cases Telecom tried to replicate its pre-modernisation network conditions for the purpose of test calling.

7.26 It has also been alleged by the *COT Cases* that prior to Telecom undertaking its testing and monitoring and prior to Bell Canada International undertaking its testing, maintenance was carried out on the relevant exchanges which may have addressed faults causing some of the difficulties experienced by the *COT Cases*. By letter dated 24 January 1994 AUSTEL sought from Telecom details of the maintenance undertaken in each month of 1993 in respect of the exchanges included in Bell Canada International's testing. At the time of writing this report (April 1994) Telecom had provided the detail sought in respect of two of the nine exchanges. The detail for one of those exchanges (Maidstone) showed no unusual patterns over the relevant period; the detail for the other (North Melbourne) showed that maintenance spent on -

- customer fault clearance
- equipment fault clearance
- routine maintenance

averaged 39 hours per month over 1993. The figure for September 1993 when Telecom commenced its monitoring and testing and immediately prior to when Bell Canada International conducted its testing in October 1993 was 72 hours which included 12 hours for setting up test equipment.

PAST NETWORK PERFORMANCE

7.27 AUSTEL has also endeavoured to obtain a historical perspective of Telecom's network performance as it may have affected the *COT Cases*. Having

27B

Would you please send
Telecom
AUSTRALIA

Dismissed 29/4/94

Group General Manager
Customer Affairs
37th Floor, 242 Exhibition Street
MELBOURNE VIC 3001
Ph: (03) 632 7700
Fax: (03) 632 3241

April 27, 1994

Mr. Robin Davoy
Chairman
AUSTEL
5 Queens Road
St Kilda
Melbourne, VIC 3005

ris 27/4/94

BY FACSIMILE: (03) 830 3021

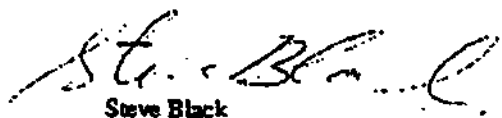
Dear Robin,

Attached for your information, an updated draft of the standard Verification Tests for use in Telecom's Public Switched Telephone Network.

The tests have been prepared in consultation with Mr Cliff Mathieson of AUSTEL and will form the basis for determining whether an individual telephone service is operating satisfactorily. I would appreciate your confirmation that the tests have met all the requirements of AUSTEL for service Verification Tests.

Once agreement has been reached on these Verification Tests, Telecom will be in a position to commence the testing of the services associated with COT customers, and ensure they meet the agreed requirements for a satisfactory service. As you would appreciate the completion of this testing is required under the recommendations of the recent AUSTEL report on COT customers.

Sincerely,


Steve Black

28A

Office of Customer Affairs
Commercial & Consumer

Level 37
242 Exhibition Street
Melbourne Vic. 3000

Telephone (03) 9632 7700
Facsimile (03) 9632 3235

21 August 1995

Mr John Pinnock
Telecommunications Industry Ombudsman
321 Exhibition Street
MELBOURNE VIC 3000

By facsimile: (03) 9277 8797

Dear Sir

Fast Track Arbitration Procedure - Alan Smith

I refer Dr Hughes' letter to you dated 21 June 1995, which enclosed a copy of a facsimile from Mr Smith to Dr Hughes dated 20 June 1995. Dr Hughes copied his letter to Telstra.

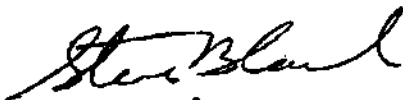
I refer also to our recent telephone conversations on this subject.

As you are aware Mr Smith alleges in the fifth paragraph of his letter of 20 June 1995 to Dr Hughes that "... the Bell Canada Testing was flawed". In support of this allegation Mr Smith refers to a letter from Telstra to Bell Canada International (BCI) dated 6 September 1994. The Telstra letter to BCI refers to the recording of an incorrect date on one test sheet and at no stage suggests or intimates in any way that the BCI results are "flawed".

I enclose a copy of the letter dated 11 August 1995 from Gerald Kealey of Bell Canada International to me which responds to Telstra's letter to BCI of 6 September 1994. That letter makes it clear that there is no question of the BCI results being "flawed" as alleged by Mr Smith.

I will have a copy of this letter forwarded to Mr Smith and trust that this will allay his concerns in relation to the BCI testing.

Yours faithfully



Steve Black
Group General Manager
Customer Affairs

sb-jp001.doc

28B
Telstra Co
ACN 0617

95080973

FAX FROM: ALAN SMITH
C. O. T. (CASUALTIES OF TELSTRA
formerly CASUALTIES OF TELECOM)

DATE: 22.8.95

FAX NO: 055 267 230

PHONE NO: 008 816 522 **NUMBER OF PAGES (including this page)**

FAX TO: HON MICHAEL LEE
MINISTER FOR COMMUNICATION & ARTS
CANBERRA
A.C.T.

Dear Mr Lee,

Your office is well aware of my continued complaints with regard to the misleading and deceptive conduct of Telstra. On Monday 21st August, 1995, in an article published in the Melbourne Age newspaper, Telstra has admitted to discrepancies in the Bell Canada Testing process at Cape Bridgewater. This turn-around may well be seen by your office as a simple admission that a typing error was made during the production of the report, however this 'admission' still does not include the fact that, regardless of the times or dates of the alleged testing, these calls could not have occurred at all.

On the days in question, from 28th October, 1993 to 8th November, 1993, between the times of 06.00 to 22.00, an Ericsson NEAT Testing procedure was being conducted on the phone number PTARS 267 211 at Cape Bridgewater. I believe that it is not possible for Bell Canada International to have been generating any of their testing over the same period as this NEAT testing.

I am therefore requesting that your office direct Telstra to state clearly that testing, similar to Bell Canada Testing, CAN be generated at the same time as NEAT testing; ie on the same line, generated from three different locations, all to the same phone number (055 267 211) and all over the same period of time. For that is exactly what would have had to have happened if the Bell Canada Testing had taken place between 3/11/93 and 8/11/93.

I believe that this request is in the interest of both parties concerned - Telstra and Smith.

I remain,
Yours Respectfully,



OFFICE OF HON MICHAEL LEE MP

by Min Information
 by Parl Sec Approp Action
 by Dept Advice

Copy held for min to see

File within.....

KL

Alan Smith

cc Senator Richard Alston, Shadow Minister for Communications, Canberra
Senator Vicky Bourne, Australian Democrats
Senator Ron Boswell, Leader - Senate, National Party

29

Handwritten notes:
1. Kindly check
with the
office
of the
Minister
for
Communications
and the Arts
P95/605



DEPARTMENT OF
COMMUNICATIONS
AND THE ARTS

14 SEP

Our Reference
P95/605

Mr John Pinnock
Telecommunications Industry Ombudsman
321 Exhibition Street
MELBOURNE VIC 3000

Dear Mr Pinnock

The attached facsimiles were received by the office of the Minister for Communications and the Arts, the Hon Michael Lee MP, on 22 and 23 August 1995 from Mr Alan Smith of Cape Bridgewater Holiday Camp, Portland VIC 3305. Mr Smith wrote to the Minister in relation to his ongoing dispute with Telstra about the Bell Canada testing process at Cape Bridgewater.

I am referring these facsimiles to you in view of your responsibility for the Casualties of Telstra (COT) arbitrations.

I have written to Mr Smith advising him that his correspondence has been forwarded to you for consideration.

Yours sincerely

John Neil
Acting First Assistant Secretary
Telecommunications Industry Division

30 August 1995

30

29 October 1997

Corporate Office
16 National Circuit
BARTON ACT 2600
Australia

Postal Address:
PO Box 434
Kingston ACT 2604

Telephone 02 6273 5899
Facsimile 02 6273 5884

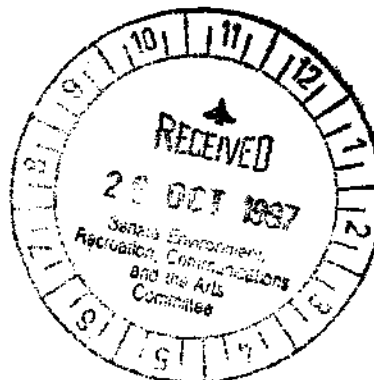
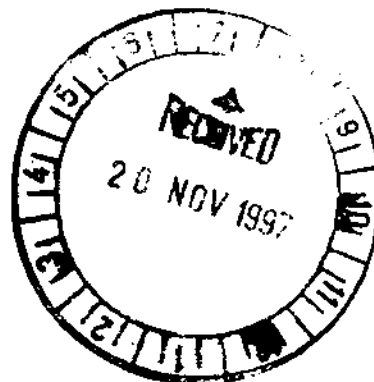
Dr Pauline Moore
Secretary
Environment, Recreation, Communications
and Arts Legislation Committee
Parliament House
CANBERRA ACT 2600

Dear Dr Moore

As previously advised, enclosed are Attachments associated with Senate responses provided to your Office yesterday.

Yours sincerely

Graham Murphy



Telstra is a proud sponsor of
the Australian Olympic Team

Telstra Corporation Limited
ACN 051 775 556

31

28 October 1997



Corporate Office
16 National Circuit
BARTON ACT 2600
Australia

Postal Address:
PO Box 434
Kingston ACT 2604

Telephone 02 6273 5899
Facsimile 02 6273 5884

Dr Pauline Moore
Secretary
Environment, Recreation, Communications and
the Arts Legislation Committee
Parliament House
CANBERRA ACT 2600

Dear Dr Moore

Attached are further answers to Questions Telstra took on notice at the Legislation Committee Hearing on 26 September 1997.

Improved copies of Attachments are in the overnight mail from Melbourne and will be provided to you tomorrow morning.

Telstra will provide the remaining answers as soon as they are available.

Yours sincerely



Graham Murphy

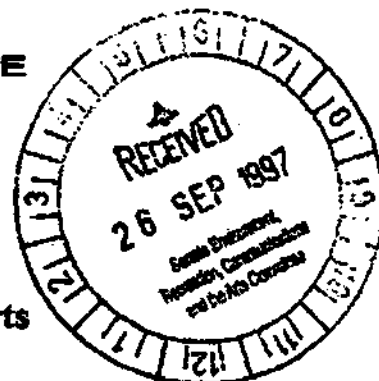


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the Australian Olympic Team



PARLIAMENT OF AUSTRALIA - THE SENATE

SENATOR RON BOSWELL
LEADER OF THE NATIONAL PARTY IN THE SENATE
SENATOR FOR QUEENSLAND



**The Environment and Recreation Communications and the Arts
Legislation Committee.**

Matters arising from Telstra Annual Report 1995-1996

**Questions on notice to Telstra and the Telecommunications Industry
Ombudsman - Friday 26 September 1997.**

TELSTRA:

1. What was the nature of the CoT Cases complaints concerning the BCI (Bell Canada International) Report? Please list the name of the CoT Case member and the specific complaints.
- ✓ 2. Did Telstra provide BCI with the Network Performance documents including those documents which record "Congestion" and "Switching" losses in order for them to reach their conclusions when formulating their report.
3. Has Telstra taken any action to rectify the apparent inaccuracies or shortcomings in the BCI Report.
- ✓ 4. Did Telstra submit the BCI Report to the Arbitrator and/or the Administrator for his consideration. Did the Arbitrator refer to the BCI Report in his "Awards."? Is the BCI Report still being used in the non-completed Arbitrations?
- ✓ 5. Why did Telstra knowingly use the Addendum BCI Report, Cape Bridgewater in Arbitration, when Telstra was aware that the Report was flawed.
- ✓ 6. Why did Telstra not advise the Arbitrator, the Administrator or the Cot cases that the BCI Report was flawed.
7. Have Telstra in response to the CoT Members FOI requests limited the documentation provided to the specific CoT telephone lines, therefore excluding documents relevant to the performance of the Exchange and Telstra Network, when the testing conducted by BCI and which was recorded in the BCI Report identified the exchange and network servicing the Cot Members individual telephone services.



PARLIAMENT OF AUSTRALIA · THE SENATE

SENATOR RON BOSWELL
LEADER OF THE NATIONAL PARTY IN THE SENATE
SENATOR FOR QUEENSLAND

8. Why did Telstra limit the scope of individual CoT Members' FOI requests to their telephone lines when Telstra had recorded in Board Meeting Minutes that "Congestion" was one of the CoT's complaints, when documents relating to the performance of the Telstra Network contained information relating to "Congestion" and switching failures relevant to the CoT's telephone services.

9. As BCI identified in their Report the network servicing and relevant to the individual CoT Cases, Why did Telstra limit the CoT Cases FOI requests to their individual lines and exclude Exchange and Network documents.

10. Has Telstra provided to the CoT Cases the "data" in disk form or hard copy, generated from the testing identified in the BCI Report.

11. Has Telstra destroyed or otherwise disposed of documents relevant to the CoT Arbitration/Litigation's or the disputes which are the subject of them, after those proceedings were on foot or within the contemplation of the parties to them.

12. Did Telstra disclose to AUSTEL all documents relevant to the issues and "Objectives" the subject of those proceedings; prior to the handing down of AUSTEL's findings and recommendations on the "CoT Cases" dated 13 April 1994, and if not, describe by reference to the nature of and the dates of any such documents which were not so disclosed. If not, why were these documents withheld?

13. Did CoT Members complain that Telstra personnel had provided false or misleading statements under oath in Telstra's defence? If so please provide details of the name of the complainant and the nature and date of the complaint.

14. Were the Statutory Declarations and/or Telstra's Defence Submissions withdrawn when the inaccuracies were identified.

Senator Boswell

Why did Telstra not advise the Arbitrator, the Administrator or the CoT cases that the BCI Report was flawed?

Answer:

↙ Telstra has not at any time believed that the BCI Report was flawed. In relation to the allegations made by Mr. Smith that the BCI Report was flawed, Telstra notes that Mr. Smith raised these allegations with the Arbitrator during his arbitration and with the Administrator.

Senator Boswell

Has Telstra taken any action to rectify the apparent inaccuracies or shortcomings of the BCI report?

Answer:

The only inaccuracy in the BCI report which Telstra is aware of is an apparent clash in the dates of two sets of testing to the Portland Exchange, Cape Bridgewater RCM (CBWR) number range, test line 055 267 211, see section 15.23 of the BCI Report.

By way of a letter dated 6 September, 1994 Telstra wrote to Bell Canada International (BCI) noting this apparent clash in dates and seeking BCI's comments to same. A copy of Telstra's letter to BCI is at Attachment 7. Attachment 1 to these answers are copies of two letters received by Telstra from Gerald Kealey of Bell Canada International in response. In those letters, Mr. Kealey notes:

"Unfortunately, the wrong date was recorded in the hand written notes which was transcribed to the final report for Telstra. It must be pointed out that, while the actual date was incorrectly recorded, this error does not affect the validity of the testing process or the test results and is not a significant factor in accessing the overall performance of the network."

As noted in the answer to the first question above, Mr. Smith made complaints about the BCI testing in documentation lodged by him with the Arbitrator in the arbitration process and also in a letter to the Arbitrator in June, 1995. A copy of a letter from the Arbitrator to the Telecommunications Industry Ombudsman, which attaches a copy of a letter dated 20 June, 1995 from Mr. Smith to the Arbitrator which sets out his complaints, is at Attachment 3. The Telecommunications Industry Ombudsman referred that complaint to Telstra and, by way of a letter dated 21 August, 1995, Telstra provided to the Telecommunications Industry Ombudsman a copy of the letter dated 11 August, 1995 from BCI to Telstra. A copy of Telstra's letter to the Telecommunications Industry Ombudsman is at Attachment 8. Telstra also provided a copy of that letter from BCI to Mr. Smith.

Questions on Notice from Senate Estimates Hearing.

Hansard Page 139

Senator Schacht: In relation to the complaints by the CoTs that the Bell Canada International Report was fabricated, could Telstra provide a copy of a letter from Bell Canada International to Telstra.

Answer:

Copies of a letter dated 10 August, 1995 from Gerald Kealey of Bell Canada International to Telstra and a letter dated 11 August, 1995 from Gerald Kealey of Bell Canada International to Telstra are Attachment 1.

August 10th., 1995

Mr. John Armstrong
Senior Solicitor
Telstra Corporation Limited

Subject: Cape Bridgewater Holiday Camp

Sir,

I am sorry for the late reply but I did not receive your correspondence dated September 6th., 1994 concerning the anomaly found in the date of the test call records. However, Kevin Dwyer did call me in August 1994. Kevin Dwyer and I discussed the tests performed, equipment used both at the originating and terminating office and the test results. I also reviewed my personal travel log to verify the recorded date of the tests performed from Richmond to Cape Bridgewater.

I was subsequently provided with a copy of the correspondence on August 7th., 1995 as well as a copy of my original hand written notes on tests performed and the network failures noted.

Specifically, the anomaly involved the start and finish times for the test run from Richmond digital exchange (RCMX), test line 03 428 8974 to Portland exchange, Cape Bridgewater RCM (CBWR) number range, test line 055 267 211 (detailed in Section 15.23 of the report).

Unfortunately, the wrong date was recorded in the handwritten notes which was transcribed to the final report for Telstra. It must be pointed out that while the actual date was incorrectly recorded, it is not a significant factor in assessing the overall performance of the network. The critical factor in making this assessment is the ratio of the total calls placed in a given test timeframe to the number of calls successfully completed by the network. The variance in the dates recorded is not significant since both are in the same busy period. In addition, the duration of the testing was sufficient to ensure that the busy hour was captured.

Also attached to the correspondence dated August 7th., 1995 was a copy of a letter from Alan Smith to Bell Canada International (G.A. Kealey) dated 27-7-95. I personally take great exception to the accusations made in this letter and to the wide distribution chosen by Alan Smith to air his grievance.

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During my assignment in Australia I worked diligently as an unbiased network expert, professionally and accurately reporting the results of network tests recorded at the time regardless of their outcome. In fact, as can be seen from my handwritten notes, occurrences of network congestion and/or failures were recorded directly on the test forms.

I consider my reputation and honesty a very sacred trust and would be pleased to testify under oath at any official proceedings that may be undertaken to resolve this matter, contingent upon suitable contract negotiations. The report addendum submitted was prepared by me and accurately documents (with the minor exception of the date error noted) the results of network testing and were in no way modified or fabricated to alter the results.

Sincerely,

Gerald A. Kealey

Gerald A. Kealey
Bell Canada International
(Telstra Project - 1993)

Written Questions On Notice received on 29 September, 1997

Senator Boswell

What was the nature of the CoT cases' complaints concerning the Bell Canada International Report (the BCI Report)? Please list the names of the CoT case members and the specific complaints.

Answer: There were 16 CoT case claimants, 14 of whom entered into the arbitration process. Consequently, there is a substantial volume of correspondence and arbitration documentation to be reviewed in order to respond to this question. Telstra has not necessarily been able to provide details of each and every complaint ever made by a CoT case member in relation to the BCI Report. However, Telstra has provided in this answer those details which it has been able to locate in the time available. Telstra has identified four of the sixteen CoT case claimants as having made complaints about the BCI Report. They are:

- Alan Smith complained that the BCI testing was flawed. He made these complaints in documentation lodged by him with the Arbitrator in the arbitration process. Copies of some of the documents lodged by Mr. Smith with the Arbitrator, which record his complaints, are Attachment 2. Also, Mr. Smith wrote to the Arbitrator referring to the BCI Report in June 1995. A copy of a letter from the Arbitrator to the Telecommunications Industry Ombudsman, which attaches a copy of a letter dated 20 June, 1995 from Mr. Smith to the Arbitrator which sets out his complaints, is at Attachment 3;
- Mrs. Garms complained about the BCI Report to the then industry regulator, AUSTEL, by way of a letter dated 13 December, 1993. A copy of Mrs. Garms' letter to AUSTEL and AUSTEL's response dated 16 December, 1993 is at Attachment 4;
- Mr. Schorer complained about the BCI Report to AUSTEL by way of a facsimile to AUSTEL dated 3 January, 1994. Attachment 5 is a copy of that letter;
- Mr. & Mrs. Dawson, in a letter to Telstra dated 6 December, 1993, made a series of complaints in relation to the BCI Report. A copy of that letter is at Attachment 6. Mr. & Mrs. Dawson provided a copy of that letter to the Arbitrator in support of their claim in the arbitration.

Senator Boswell

Did the Arbitrator refer to the BCI report in his awards?

Answer:

Awards have been made in eight of the CoT claims. The Arbitrators have referred to the BCI Report in four of those awards and no reference has been made to the BCI Report in the other four awards. Telstra has extracted and attached to this answer copies of the references in each relevant award to the BCI Report. The CoT claims in which awards have referred to the BCI Report are:

- Smith - Attachment 10
- Love - Attachment 11
- Gillan - Attachment 12
- Garms - Attachment 13.

IN THE MATTER OF an arbitration pursuant to the "Fast-Track" Arbitration Procedure dated 21 April 1994

BETWEEN:

ALAN SMITH ("Claimant")

AND:

**TELSTRA CORPORATION LTD (trading as TELECOM AUSTRALIA)
("Telecom")**

A. AWARD

My award is as follows:

- (a) After considering the evidence and submissions of both parties, I award the claimant the sum of [REDACTED]
- (b) I find that Telecom is liable and has an obligation to pay this sum in respect of the entire period of time covered by the claim, that is, the period February 1988 to May 1995;
- (c) in any event, were it the case that Telecom were not strictly liable or had no obligation to pay in respect of all or part of the time covered by this claim, I would still recommend pursuant to clause 10.1.1.3 of the arbitration agreement that Telecom should, having regard to all the circumstances relevant to the claim, pay the said sum of [REDACTED]
- (d) in making my calculations, I have set off an amount of \$16,679.30 payable by the claimant to Telecom in respect of Telecom's invoice dated 21 March 1995. This award discharges the claimant's outstanding liability in relation to that account;
- (e) in making my calculations, I have taken into account and deducted the amount paid by Telecom to the claimant under the settlement of 11 December 1992. No further set off is required in this regard;
- (f) in accordance with clause 22 of the arbitration agreement, each party is to bear its own costs;
- (g) my reasons for decision are set out below.

expert reports and statutory declarations and statements from individuals who have some awareness of the problems he encountered. He claims his personal records, and corroborating documentation, are particularly significant because of Telecom's failure to keep comprehensive fault records. He believes he is "the only individual who has a full and comprehensive knowledge of the extent of the faults" on his system.

3.3 *Overview of Defence*

(a) Telecom submits that:

- the claimant in fact experienced relatively few faults and that those which occurred were promptly rectified;
- some faults were attributable to incorrect use by the claimant of the installed telephones and associated equipment;
- the claimant has no entitlement to compensation in respect of the period prior to 11 December 1992 because of a settlement reached on that day, pursuant to which the claimant was paid \$80,000.00 and provided with a 008 telephone service and a \$5,000.00 credit towards 008 charges. The settlement was made with a denial of liability in full and final resolution of all claims to that date;
- a fault free telephone service is not guaranteed and is impossible to provide and, in any event, the level of service as tested was satisfactory during all relevant periods; and
- there are no grounds upon which a finding of legal liability could be based and, even if there were, Telecom would be entitled to take advantage of statutory immunity.

(b) As a consequence, Telecom does not consider it should be required to make any payment, beyond the settlement of 11 December 1992, to the claimant.

3.4 *Previous Inquiries*

(a) The COT Cases have been the subject of previous investigations and reports. These reports were placed in evidence. The most significant of these reports appear to be:

- Report to Telecom Australia, Bell Canada International Inc, 1 November 1993 ("the Bell Canada Report");
- Review of Telecom Australia's Difficult Network Fault Policy and Procedures, Coopers & Lybrand, November 1993 ("the Coopers & Lybrand Report"); and

- *The COT Cases: AUSTEL's Findings and Recommendations*, Australian Telecommunications Authority, April 1994 ("the AUSTEL Report").

↓ (b) An overview of these reports is set out below.

3.5 Bell Canada Report

- (a) Telecom commissioned Bell Canada International ("BCI") to audit its testing and fault finding capabilities as a result of problems reported by a number of commercial telephone customers, including the COT Cases. Telecom noted at the time that it had been unable to find a widespread network problem or individual problems which could account for the nature and extent of these reported faults.
- (b) As part of the audit, BCI conducted test calls in October 1993, originating from digital and analogue exchanges and terminating in the exchanges in Melbourne and Brisbane where four of the COT Case members were located. In summarising its findings, BCI concluded that the tests revealed a grade of service being delivered by Telecom to its customers which met global network performance standards. There was no evidence of any network dysfunction that could create the variety and magnitude of troubles reported by the COT Cases. This was "not unexpected since, in general, customer reported troubles are analysed to the extent which would prevent network faults from remaining undetected". Tests revealed some faults but these would have an insignificant impact on network performance.
- (c) BCI recommended that Telecom accelerate its modernisation program to "maintain its leadership as the quality service provider in a competitive environment". This was a reference to Telecom's older analogue equipment which was past its expected service life.

3.6 Coopers & Lybrand Report

- (a) Telecom commissioned Coopers & Lybrand to conduct an independent audit of the adequacy, reasonableness and fairness of its approach to "Difficult Network Faults" and to recommend changes which would improve, in particular, the perceived quality of customer service.
- (b) "Difficult Network Faults" are faults so described by Telecom and which Telecom is unable to resolve to the satisfaction of a customer through the operation of routine fault clearance procedures.
- (c) The report specifically avoided findings or recommendations in respect of specific cases which may be the subject of claims, including the COT Cases.

FROM:	ALAN SMITH C. O. T.	DATE:	20.6.95
FAX NO:	055 267 230		
PHONE NO:	008 816 522		
		NUMBER OF PAGES (including this page)	
FAX TO:	DR GORDON HUGHES HUNT & HUNT LAWYERS MELBOURNE		

Dear Dr Hughes,

Included with this fax are a number of documents:

- a. Copy of a letter I wrote to you on 15th August, 1994.
 - b. Copy of a letter I wrote to Mr Kransnostein of Telecom, dated 28/8/94
 - c. Copy of a letter from Mr Rumble, Telecom Response Unit, dated 13/9/94
- A. Paragraph six of this letter asks you, through the Chair of the Arbitration Procedure, to access Raw data etc. to do with the Bell Canada Testing.
 - B. This letter asks Mr Kransnostein for assurances that ALL the Bell Canada Testing information which is available has been sent to me under the FOI Act.
 - C. Paragraph five of Mr Rumble's letter states that it appears that the letter I wrote to Mr Kransnostein relates to my request to Telecom for all the raw data associated with the Bell Canada Testing.

Paragraph six of Mr Rumble's letter states that there has been NO direction from the Arbitrator to supply any Bell Canada International documents to Alan Smith.

Dr Hughes, my letter of the 15/8/94, referred to in point A above, is in fact asking you to access this Bell Canada documentation one month before the letter from Mr Rumble, yet Telecom states that you did not seek a direction from Telecom for access to this information.

Right through the Arbitration procedure I have sought for this information because there has been continual conflict between Telecom and me regarding the validity of this testing. I am now left wondering: did you in fact request this data? If you did, then Telecom has wilfully withheld this information and once again they have lied in the Arbitration Procedure.

As a layman I can only ask a polite question: Did you ask for this Bell Canada information that I sought some 8 months prior to the handing down of the results of the Fast Track Arbitration Procedure?

Also included with this fax are three other documents, marked 1, 2 and 3. I received this information on 26/5/95, after the deliberation and your findings. These are, of course, just a few of the documents that show I was right from the very beginning of the Fast Track Settlement

38A

Proposal and Fast Track Arbitration Procedure. I knew all along that the Bell Canada Testing was flawed. Had I received this type of information as a result of my FOI requests, in the beginning of the procedure, my expenses would have been minimal.

I leave this matter in your hands, with respect for your position. However, the question must be asked again: Did you request this Bell Canada data through the Chair of the Arbitration Procedure?

Respectfully,



Alan Smith

38A



Hunt & Hunt LAWYERS

00000

Partners
David M. Scarrett
Edward S. Boyce
James G.F. Harrowell
Christine A. Galey
Gordon I. Hughes
Mark T. Knapman
David P. Cooper
Ian S. Craig
Peter J. Ewin
Wayne B. Cahill
Neville G.H. Debney
Grant D. Selson
Charles Veevers
Andrew Logan-Smith
William P. O'Shea

Consultants
Kenneth M. Martin
Richard I. Kellaway
Andrew Jenkins

Associates
Shane C. Hird
John S. Molnar
Melissa A. Henderson
Francis V. Gallicchio
John D.F. Morris

21 June 1995

Our Ref: GLH

Matter No: 5126886

Your Ref:

Mr J Pinnock
Telecommunications Industry Ombudsman
321 Exhibition Street
MELBOURNE Vic 3000

TB
SB ✓

Dear Mr Pinnock

ARBITRATION - ALAN SMITH

I enclose copy letter from Alan Smith dated 20 June 1995.

As you are aware, Mr Smith's arbitration was completed prior to you taking up your appointment as Telecommunications Industry Ombudsman.

I do not believe I have jurisdiction over this matter any longer, nor do I consider it appropriate for me to enter into correspondence with either of the parties regarding the conduct of the proceedings or matters which may or may not have come to light subsequent to the delivery of my award.

I would, of course, be happy to respond to any queries which you put to me, or which are put to me jointly by the parties. I believe that if Mr Smith has any lingering concerns, however, these should be directed, initially at least, to your office.

Yours sincerely

GORDON HUGHES

Encl.

cc A Smith, E Benjamin, P Bartlett, J Rundell

Melbourne

Sydney

W.C.

12

18

Newcastle

represented in

Adelaide

Dunedin

388

11491212_ACZF/CF

Level 21, 459 Collins Street, Melbourne 3000, Australia. Telephone: (61-3) 9614 8711.

Fax: (61-3) 9614 8720 G.P.O. Box 18228, Melbourne 3001, Australia

FAXED



Telecommunications Industry Ombudsman ACN 057 634 787
Ground Floor, 321 Exhibition Street, Melbourne, Victoria, 3000
Telephone: 61 3 277 8777 Facsimile: 61 3 277 8797

Telecommunication
Industry
Ombudsman

Facsimile Cover Sheet

TO: PLB
Company: Makers
Fax: 9617 4621

FROM: PAD
Company: TIO
Fax: 92778797

Date: 22.6.95
Pages: 1 (including cover sheet)

Comments: Sorry to be so demanding on your first day
Yeter,
back

could you please have a look at Hughes' letter
to Pinnock dated 21 June '95 re Alan Smith.
John wants to discuss it on Monday, and
what the approach should be re parties
seeking to revisit issues post Arb'n. His position
is not to open the can of worms, but would
like to discuss strategy with you.
Regards, Kai.

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I, John Sherard Main
OF Break-O'-Day Road Glenburn 3717 in the State of Victoria
do solemnly and sincerely declare

THAT

I spoke to Ms Pia Di Mattina from the Telecommunications
Ombudsman's Office at approximately midday today.


She advised me that the Bell Canada International Inc Report to
Telecom Australia dated 1 November 1993 and the addendum dated
10 November 1993 were flawed documents.

 JOHN SHERARD MAIN

AND I make this solemn declaration conscientiously believing the
same to be true and by virtue of the provisions of an Act of
Parliament of Victoria rendering persons making a false
declaration punishable for wilful and corrupt perjury.

DECLARED AT LILYDALE In the
State of Victoria this SIXTH (6th)
day of November One thousand
nine hundred and ninety five

Before me

 J. SAVAGE
CONSTABLE 29345

40



August 7, 1995

Telecommunications
Industry
Ombudsman

Mr. Alan Smith
Cape Bridgewater Holiday Camp
Blowholes Road
RMB 4408
CAPE BRIDGEWATER VIC. 3306

John Pincock
Ombudsman

By Facsimile: (055) 267 230

Dear Mr. Smith,

I refer to your recent letters concerning the determination of your claim against Telstra under the Fast Track Arbitration Procedure (FTAP). In these letters you raise a number of complaints.

You have complained that Telstra (formerly Telecom) provided you with approximately 24,000 documents pursuant to Freedom of Information ("FOI") legislation in late December 1994 which was after you had submitted your claim documents, and indeed, after Telstra had lodged its defence.

The Arbitrator made his award on 11 May 1995. I consider that there was sufficient time for you to raise any relevant points arising from the FOI material provided to you prior to the Arbitrator making his award. In any event, the conduct of the Arbitration, including such matters as directions or submissions by the parties, was properly a matter for the Arbitrator.

You have also complained that on 26 May 1995 you received further FOI documents from Telstra which, you state, would have assisted your claim significantly.

In particular, you claim that:

- (a) the further FOI documents released confirmed that Telstra internally acknowledged to Bell Canada International Inc. ("BCI") that your complaints were correct in suggesting that the BCI testing of your telephone service was "fabricated" as the testing could not and did not take place as reported in the BCI Addendum Report;
- (b) Telstra deliberately delayed the release of FOI documents which contained material in support of your claim;

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"... providing independent, just, informal, speedy resolution of complaints."

- (c) Telstra was involved in a deliberate misrepresentation to the Arbitrator which has resulted in you failing to receive the benefits and concessions due to you;
- (d) Telstra has knowingly presented to the Arbitrator a "fabricated" testing and evaluation report that "... was allegedly independently and impartially performed and created" by BCI.
- (e) The Resource Unit took into account the flawed BCI report.

You claim that the assessment of your case by the Arbitrator would have been materially different if the Arbitrator had been aware of the details set out in the points above.


As Administrator of the FTAP, I have a duty to ensure the integrity of the procedure. Your complaints go to this issue, and accordingly, I would be pleased if you would provide me with:

- all documents supplied to you by Telstra on or after 26 May 1995 together with covering letters, schedules or annexures which may identify those documents.
- a concise explanation of the significance of the further FOI documents released by Telstra; in particular, specific instances which support your contentions in (a) and (e) above.
- any other evidence which supports the above contentions.

In order to deal with your complaints expeditiously, I would be pleased if you could provide this material to me within 14 days.

If you have difficulty in providing copies of the material or in otherwise complying with this request, please let me know.

Yours sincerely,


John Pinnock
 Ombudsman



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CAPE BRIDGEWATER
HOLIDAY CAMP

REVIEW OF DOCUMENTATION

27th July 2007

**Brian Hodge, B Tech; MBA
(B.C. Telecommunication)**

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1. INTRODUCTION

I Brian Hodge having over forty years experience in telecommunications as a technician, Tech Office, Engineer & Manager (refer appendix 1), has been requested to examine a quantity of documentation relating to the services delivering to the Cape Bridgewater Holiday Camp (CBHC) at Cape Bridgewater.

In addition, to examine documentation that relate to the testing of services to the CBHC undertaken by Telstra/Telecom Australia and Bell Canada International (BCI).

I have been requested, based on the personal experience in the field, to comment on the reports, testing technique utilised, and other aspects relating to services delivery to CBHC.

A variety of testing techniques and call reporting systems were employed as the basis for the reports & documents prepared by Telstra/Telecom Australia.

2. TESTING SYSTEMS & RECORDING

A quantity of testing system were employed & consisted of the following:

2.1. TCARS/TRT

The TEST CALL ANSWER RELAY SET is utilised for remotely testing the transmission performance of a telephone circuit in both directions, where the operator controls the tests from one end.

The TCAR set is fitted in the automatic exchange & permanently connected to a subscriber number (ie. Fixed test number). The TCAR can therefore be called automatically from an outgoing testing facility (eg Traffic Route Tester – TRT) in any exchange.

The TRT tests are made by dialling a distant exchange (TCAR) number & performing a number of tests. The TRT operate in either of two modes.

- a. Observed service performance runs;
- b. Fault hold & trace runs

The TRT causes the TCAR to respond in a predetermined manner, and appropriate measurements of network performance can be determined.

One purpose of the TCAR is to ensure that the planned transmission losses are within specified limits.

To enable the fully testing cycle to be achieved, the period between seizure & release of the TCAR is a fixed 24 seconds.

2.2. PTARS

The portable equivalent to TCARS is the Portable Tone Answer Relay Set (PTARS).

The PTAR is a "Portable" testbox attached to a line location at a "terminating" exchange to provide answer supervision for test calls (refer BCI Addendum Report – Glossary).

As to the PTARs carries out the same functions as TCARS, the seizure – release time is equivalent.

2.3. NEAT Testing

Network Evaluation and Test System (NEAT) is an Ericsson designed & built testing system.

The system conducts transmissions & continuity tests between dedicated network test units.

"Each test call is held for 100 seconds to conduct transmission test & to detect drop outs" (ref. Telstra doc K35002).

The dedicated Network test unit is connected to the selected test number in the selected exchange line appearance.

Each test call takes 100 seconds to complete (refer K35002).

2.4. Call Event Monitoring

Dedicated test equipment (eg. ELMI event recorder) is provided at the customer's premises.

Hence, this device records all activities relating to the customer telephone handset such as;

- a. Handset lift off
- b. Outgoing call
- c. No. dialled
- d. Incoming ring
- e. Answer time
- f. Call/handset off duration
- g. Call time

As this device is located at the customers premises, no exchange call data can be recorded.

2.5. Call Charge Analysis System

The Call Charge Analysis System (CCAS) is not a testing system but a call recording system. It is primarily used to provide information to enable billing to occur.

The system records & analyses the incoming & outgoing calls specifically:

- a. Incoming call time
- b. Incoming call status (eg. answer or non-answer)
- c. Outgoing call time
- d. Outgoing call dialling
- e. Termination time

This system is associated with the main NODE or switching exchange (eg. Warrambool - WBOX for Portland & Cape Bridgewater Service area).

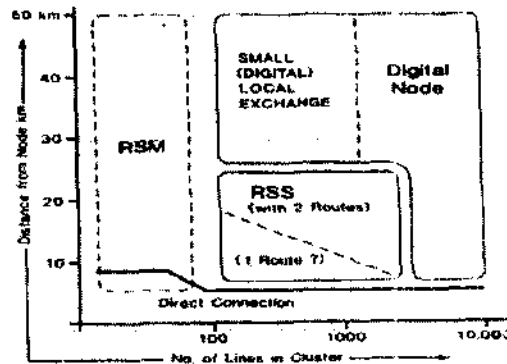
However, to prevent unnecessary data capture, short system seizure are not recorded unless three or more digits are dialled.

This can result in discrepancies between exchanged based (CCAS) data & customer end data (eg. ELM).)

Therefore, "Phantom calls" to the customer services may not be detected or recorded by the CSAS. (Phantom calls are calls generated by the network equipment usually resulting from a fault condition. The call causes an individual customer/subscriber or maybe a group of customers telephone to ring. When answered no calling party exists and maybe dial tone is received or no tone at all)

3. NETWORK TOPOLOGY

3.1. The network is made up of a hierarchy of exchanges. However, the type and selection of the specific connecting equipment depends on the number of customers in a cluster, and the distance of this cluster from the node or terminal exchange.



DISTANCE, NUMBER OF LINES AND EQUIPMENT

(Refer Telecom Aust, Engineer Development Program, Technical Publication TPH 1176, FIG.13)

Customers near the node can be directly connected. Small group of greater distances can be connected by "Remote Subscriber Multiplexer" (RSM) (the term RSM was later changed by Telstra to RCM – Remote Customer Multiplexing when the term Subscriber was replaced by Customer. The term RSM has been used in this report as it was the term utilised at the time in question) over a primary digital line system. Large clusters are best served by "remote switching stage" (RSS).

The RSS equipment being used extensively to make digital SWITCHING available in remote areas.

The RSM being used to make digital SERVICES available in remote areas.

The RSM, as the name implies, is a multiplexer connected to a distant termination exchange via a primary* PCM transmission system. The RSM is NOT an exchange but is a "concentrator" of services. The primary function of the RSM is to:-

- a. Provide current feed to subscriber line
- b. Detection of telephone hook state
- c. Sending tones & ringing signal
- d. Ring tripping
- e. 2/4 wire conversion
- f. Analogue to Digital conversion
- g. Reception of dial pulses

The RSM DOES NOT

- a. Undertake any analysis of the call
- b. Carry out network switching
- c. Carry out call charging
- d. Carry out local call switching
- e. Provide service numbers

All of these activities are undertaken in the terminal or network node.

Local calls between subscribers on a RSM result in "trombone trunking" of the call from and to the RSM AFTER switching has occurred.

(trombone trunking is a term used to describe the switching of local call traffic generated by equipment that has no analysis capabilities locally. All calls are immediately trunked to the main or higher exchange for analysis and all local calls are then sent back to the originating system for termination of the call. The path of the call therefore resembles the musical instrument the trombone)

The RSM is a true multiplexer extending a small number of subscriber appearance via a digital 30 channel PCM Link from the terminal switching

exchange to the remote subscriber cluster. (a multiplexer is a means of combining a number of services or circuits typically in multiples of 30, over one operational trunk or circuit. The multiplexer concentrates or condenses the circuits or services into a bearer trunk that enables simplified transmission of the service)

3.2. Primary Digital System

Digital Transmission Systems are arranged into a hierarchy of digital application based on equivalent channel capacity. The base application being the primary systems with the equivalent channel capacity of 30 channels.

The input being "voice frequency" (voice frequency is an analogue waveform typically 200hz – 3,000hz) & output 2.048 kbits/sec.

This application operating over typical standard pair cable or radio links.

4. NETWORK SIGNALLING

4.1. Common Channel Signalling (CCS 7)

Common Channel Signalling based on CCITT signalling system No. 7 (CCS 7) is used for inter-exchange telephone call signalling within the network.

The CCS network is a packet switch data network designed to provide reliable & speedy transfer of call control and other messages for the telecommunication network.

CCS is also used for non-telephony applications & advanced telephony services, such as network management & services that require translation of the called/calling party identity at centralised databases (eg. billing database). Users of the CCS network are connected at locations known as Signalling Points (SP).

The CCS network is composed of links connecting the nodes known as Signal Transfer Points (STP). Each SP is connected to at least two STP. The STP is also a SP.

Therefore digital exchanges are connected to the CCS via a SP and STP depending on its hierarchy status.

However only digital systems (eg. switching exchanges & digital nodes) are connected & controlled by the CCS network.

4.2. Analogue Signalling

Signalling within the analogue network is/was via Multi-Frequency Code & T&G signalling system.

The analogue system & the signalling system utilised are/were not connected to the CCS network.

Both the signalling systems had the primary function to transfer called number data through the network to enable SWITCHING of the telephone call.

(Switching is the functional carried out by the telephone network, based on the calling data or numbers dialled, to direct the call over trunks and circuits to the determined end destination. This switching action can take place through a single or multiple exchanges depending on the number dialled and the network infrastructure).

Where no call switching occurs CCS7 system is NOT provided.

5. DOCUMENTATION REVIEW

A quantity of documentation relating the testing of the service to and from the Cape Bridgewater area was examined. The documents related to the specifics of the test reported to have been undertaken as well as the Call Charge reports associated with services at Cape Bridgewater Holiday Camp.

A quantity of Telstra, Austel, Bell Canada International Reports were examined during the process. However the examination was by no means limited to the documents mentioned. Other Telecom Australia/Telstra documents were also examined as necessary to assist in the process.

5.1. Cape Bridgewater

The system located at Cape Bridgewater is a Remote Subscriber Multiplexer (RSM). This is NOT an exchange and as such DOES NOT:

- a. Switch call traffic
- b. Analyse call data (eg numbers)
- c. Carry out call metering
- d. Provide any network intelligence
- e. Provide any subscriber monitoring.

As such the "number range" allocated to Cape Bridgewater resides at the Portland exchange. Numbers are therefore allocated at Portland & "extended" to Cape Bridgewater. Multiplexing a number of services over single transmission bearer using PCM technology, is the method of delivery of services to Cape Bridgewater RSM.

Therefore TCARS/PTAR connected to the test number 055 267 211 are within the Cape Bridgewater number range BUT this is physically located as part of the Portland exchange. The RSM has NO number range, this being allocated at the "parent" exchange (ie. Portland). (This is verified in document N00005 (A63152) paragraph 2+6.)

5.2. Common Channel Signalling (CCS7)

Common Channel Signalling No.7 DOES NOT appear or function at Cape Bridgewater RSM. As no switching, analysis, or billing take place CCS7 is not required.

However a similar signalling system operates on the PCM multiplexing transmission system between Portland & Cape Bridgewater BUT is NOT connected to or forms any part of the CCS network.

The purpose of this signalling link to maintain a functional transmission & multiplexing system.

Document K04555 paragraph 4 indicate that CCS 7 was only used to monitor calls to Portland via the Warrnambool node (agin 1993/94).

During the CCS7 network monitoring process, no calls within the Portland area were observed (refer Telstra document K04555 – CCS7 at time 1994, was only utilised on calls from Warrnambool AXE to Portland Axe, NOT during locals within the Portland area) . Indicating that the CCS7 network monitoring undertaken DID NOT take place in Portland, nor Cape Bridgewater systems or equipment.

As the CCS network transists the call through the network no CCS7 link existed from Warrnambool to Portland at this time (eg. 1993/4).

During the early 1990's (eg. 1993), the rollout of AXE & the CCS network was still expanding. NOT all links to within Portland utilised the CCS network for signalling purposes. MFC signalling was utilised in Portland (as CCS7 was not utilised in Portland at this time as mentioned previously, MFC was the signalling system still operational having bee n utilised as part of the ARF system that was the major component of the network at that time).

Therefore collection of CCS7 data & the associated reporting of the network performance when related to services connected to Cape Bridgewater RSM. was inconclusive & flawed, as it only enable parts of the network hierarchy to be monitored at this time. Where network upgrading had not been completed or implemented the old signalling system were still operational and required for network operation. The monitoring techniques utilised for CCS7 were not applicable or relevant to the existing and obsolete systems and technologies.

5.3. Test Calls

The documentation indicated that in the region of 13,000⁺ test calls were placed to the test numbers nominated (eg. Portland number range).

These test calls were undertaken by Bell Canada International (BCI) and by Telstra Network Operations (NEAT testing).

5.3.1. BCI Testing

The BCI tests were primarily from Traffic Route Test located across the network to TCARS/PTARS connected to 055 267 211. As indicated previously, the testing time for such calls is typically 24⁺ seconds (minimum). The actual time being 43.9 seconds (ref doc. N00006).

The analysis of times indicated for ALL tests reported from all TRT's listed, reveals major conflict in call traffic to the test numbers. Test times allocated from specific originating exchanges were in conflict with other simultaneous calls made from other locations. As the same test terminating number was also allocated to multiple originating testing (TRT) units, serious levels of call conflict would naturally occur.

Such significant (this is significant as the level of simultaneous call generation as documented could and would result in call conflict generating a HIGH level of fault reports during the testing regime) overlap of testing time & testing period WOULD result in high levels of call failures due to congestion, & busy number. (simultaneous calls to the same number where only 1 call can be successful MUST and WILL result in a large number of call failures being recorded – the test call is not successful – CALL FAILURE)

No such failures were reported. Hence the only realistic technical conclusions that can be derived are that the indicated tests were:

- a. Not undertaken
- b. Incorrectly recorded and documented – fraudulently or accidental it is not possible to tell as replication of the tests is not possible nor that the original test notes are not available for analysis
- c. Testing periods flawed and were not undertaken as specified
- d. Testing processes flawed and calls to different terminating numbers were undertaken
- e. Testing processes incomplete – when call conflict was noted the tests were abandoned and results incorrectly documented

5.3.2. NEAT Testing

As indicated, the NEAT test requires:

- a. Installation of NEAT test units to a dedicated test number.
- b. Test calls held for minimum of 100 seconds.

The test numbers being located in the Portland exchange (number range allocated for Cape Bridgewater subscribers).

The allocated test number being 055 267 211, being the same number allocated for test calls as part of the Bell Canada International testing regime.

Discrepancies associated with the NEAT testing include:

- a. Timing of recorded test are in conflict with the TRT test from numerous exchange – utilising same test numbers over same test period. (as mentioned in section 5.3.1 high levels of call failure would have been recorded with such call conflict – this was NOT recorded therefore major discrepancies in the testing and reporting process has been identified)

- b. NEAT testing unit does not utilise the TCAR/PTAR terminating set (as NEAT test is a Ericsson designed system it utilises a dedicated terminating set. This set is not the same unit as the TCARS/PTAR. The TCARS/PTAR is not compatible with the NEAT testing system

The results of the test do NOT record any level of "busy connection" (calls failing due to simultaneous calls to the test answering unit) as would be expected (eg encountering busy number) from the high level of duplicated calls to the test number.

Similarly, the call terminating set utilised is not the same unit specified for the two different test regimes occurring at identical time period. Hence for simultaneous calls to be made to the same terminating number from two different testing systems the terminating set would have to be change for calls from both system to be successful. The time period for all calls from both originating systems makes this impossible to achieve

The results from both testing regimes are therefore:

- a. Flawed – as simultaneous calls by two disparate systems to the same number is impossible to achieve
- b. Lack creditability – results cannot be replicated nor can the raw data be examined
- c. Dishonestly reported - to achieve the results as document significant fabrication of the document and report would be necessary.

and as such fail to meet the stated operational standard & quality contrary to the claims stated in the reports to Austel dated 10 November 1993 (Telstra doc K35002), BCI Report of 10 November 1993, and others.

5.3.3. 008/1800 Testing

Under the Service Verification Testing (SVT) testing of the 008 Service, terminating on service number 055 267 267, a number of calls were made via the new 1800 service terminating on service number 055 267 298.

During the early 1990's when the 008 service was being replaced by 1800, two separate and completely different networks were in operation. Both calls through the 008 & 1800 networks would translate to the customers end service.

The 1800 used the IN Network (Intelligent Network), and is via digital network. Concurrently, the 008, which was superseded by the 1800 was via the analogue (plus digital as necessary) network. Hence dual trunking of calls was occurring (that is calls via the 008 and 1800 service both terminated at the same destination BUT the route take by both calls were via two entirely different paths and equipment-hence no comparisons of call processes were accurate or possible.

Similarly separate billing systems were operating.

Therefore calls via the 008 & 1800 network were completely separate & different. To claim that a 1800 call is equivalent to a 008 call & translating to a different number is completely false & erroneous.

All tests carried out on the 1800 network are rejected as being irrelevant to the issue. Telstra was aware of the changes as the old obsolete 008 network was to be removed under Telstra network replacement plans & the fact that the calls were via old (008) and new (1800) technologies. Hence dual trunking of the calls was occurring, and did so for approximately 18 months to ensure that the amount of 008 calls could be reduced by advertising and documentation change by the customers.

5.4 Call Event Monitoring

Monitoring of services at the subscribers premises is obtained only when specialised equipment is provided such as call detail recording systems or ELMI event recorders.

Calls being made to the service number are recorded. Any activity (eg ringing, handset lift off, dialling etc) is recorded in real time as it occurs. All activity associated with the handset (event) is recorded

All activity at the subscribers premises is recorded, including short derivation incoming calls to the service number – eg. phantom calls (refer section 2.5).

Although acknowledge in the report no formal investigation appears to have been undertaken as no testing of services or data error rate testing of the multiplexing equipment was mentioned or recommended.

As the RSM equipment is a multiplexing of services via a PCM system from Portland, the failure of Telstra to carry out suitable & professional testing (eg. bit error rate tests of multiplexing system & link etc) is a serious concern as this is a basic system check and only this level of testing on such digital equipment will verify if the system is operating correctly. If such test are not undertaken the correct operation of that system and all related equipment cannot be guaranteed.

High or abnormal error rate can & will impact on the operation of the RSM equipment for both incoming & outgoing calls but generating or losing vital operational data. Such data loss can manifest in a numerous number of ways from generating fictitious (phantom) calls or more serious loss of call and call data

As the function of the RSM is to signal the service telephone & convert analogue (voice) to digital code, inferior performance of the equipment (including transmission system) would have detrimental impact on the overall operation & service delivery on both incoming & outgoing calls.

It is my opinion the failure of Telstra to undertake such tests (no evidence exists to confirm any such tests take place), is an indication of their failure to delivery/confirm the "service quality" to Cape Bridgewater.

5.5. Call Charge Analysis (CCAS)

Incoming & outgoing call traffic is recorded at the node (eg. Warrnambool) to allow billing of successful calls to take place.

Extensive examination of the available reports (Call Charge Analysis reports) was undertaken. These reports are produced for all incoming and outgoing calls and forms the basis of the Telstra billing system data for each customer

Areas of interest were the "Service Verification Tests" (SVT) reported to have taken place from the following services:

055 267 267

055 267 60

055 267 230

Twenty calls from each service number listed above were reported to have taken place.

Austel (Austel doc 94/0268 of 11 October 1994, 16 November 1994 and 9 November 1994) had specified the test calls (all 20/service) had to be "held" for a minimum of 120 seconds to ensure adequate testing time elapsed, and hence transmission quality is confirmed or measured.

Examination of the CCAS printout for the day specified (29 Sept 1994):

20 calls from each service number DID NOT take place;

The calls attempted WERE NOT held for the prescribed 120 seconds;

NO incoming test calls were made to the services in question. The CCAS printout for the period DO NOT indicate any calls to or from the service numbers in question. As this data is used for billing purposes ALL such call activity must be recorded

It is my opinion that the reports submitted to Austel on this testing program was flawed, erroneous, fictitious, fraudulent & fabricated, as it is clear that not such testing has taken place as Telstra's own call charge system DOES NOT record any such activities. Therefore the results are flawed or did not occur.

From these conclusions the statutory declarations by Gamble & others must be considered to be questionable and may be considered to be incorrect to say the least.

6. CONCLUSION

The regime of test calls established to verify the quality of the services at Cape Bridgewater must be considered to flawed and erroneous.

The fact that overlap of test calls from numerous locations & types of tests to specific test numbers indicates a serious flaw in the testing process, or simply that the tests were not carried completed successfully as stated.

As the Cape Bridgewater RSM is not a telephone exchange, no replicable tests were carried out to verify the conditions being experienced by the subscribers.

The so called tests reported to have taken place at Cape Bridgewater RSM cannot be verified by examination of the normal exchange based call data, neither incoming or outgoing. In addition, the failure to carry out the number & duration of the prescribed tests (eg. 20 calls per service, each held for 120 seconds), indicate the erroneous & fraudulent nature of the report to Austel.

The failure of Telstra to carry out standard performance tests (eg. bit error rate etc), at the multiplexer (RSM) at Cape Bridgewater is alarming & of concern. CCAS data over recent times (eg. 2004-2006), indicate a continuing & worsening level of "Outgoing Released During Setup" calls (ORDS). These reports on the CCAS data indicate that the calls are not successful in the call set up stage of the connection or is lost in the network

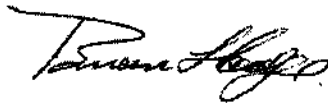
Such reports would indicate that the service was operating in a very unsatisfactory manner. The common factor being the multiplexer system & digital link, Portland exchange or subscriber usage.

However, the continuing report of phantom calls, lost faxes & missed calls ALL point to the network including the RSM at Cape Bridgewater being the source of the problem. As a significantly bit error rate in the data network can present it self to the end user in many different ways. Unfortunately all being a degradation of services

Telstra's failure to carry out detailed technical testing of the system, or to fabricated TRT calls to services not located at the source of the problem (eg, RSM) is negligent.

As the test cannot be reproduced or verified by an independent body, Telstra has failed to meet basic Professional Standards. As such, the results are flawed, erroneous & fraudulent.

Yours faithfully

A handwritten signature in black ink, appearing to read "Brian Hodge". The signature is written in a cursive, flowing style.

BRIAN HODGE, B. Tech, MBA
(B.C. Telecommunication)

7.0 Appendix 1

Mr. Brian Hodge Btech. (Electronics), MBA (Uof A).

- Mr. Hodge has been involved in all facets of the telecommunications industry for over 40 years.
- Mr. Hodge commenced with the PMG in Adelaide in 1961 as a technician in training. This was a 5-year specialist industry based training scheme at the time recognized as the leading course of its type in Australia.
- After completion of the training Mr. Hodge, experienced all fields of technical work including system installation and maintenance.
- In the late 1960s Mr. Hodge moved to what was then classified as the sub/para professional ranks as a technical officer and draftsman. Then able to gain experience in medium to large design and installation projects. This included total project control and management.
- From 1970 Mr. Hodge commenced and completed tertiary studies at the University of South Australia (formerly the Institute of Technology) initially in the degree (Bachelor of Technology) specialising in electronic engineering.
- The last three years of this course was completed under a trainee engineer position awarded to Mr. Hodge.
- From the mid 1970 to the mid 1980s Mr. Hodge held various engineering positions in Telecom Australia (now Telstra) covering all disciplines within the organisation.
- With changes in the market place especially in the terminal products field, Telecom Australia introduced to the Australian market new generation products that are now accepted as the minimum requirements for business.
- Mr. Hodge was selected to lead and operate a division to introduce the new range of products to the market place and re-educate the technical, sales and support staff in use and support of the products(s). This was a major change in director not only for Telecom Australia (Telstra) but also the market place and the customers.
- During this time Mr. Hodge commenced and completed, on a part time basis (after hours only) a Master of Business Administration (MBA) at the University of Adelaide. The Masters Degree being awarded in 1986.

- From 1986 Mr. Hodge was appointed in to senior management in Telecom Australia directly and indirectly responsible for more the 500 staff through out South Australia and Northern Territory.
- In December 1990 Mr. Hodge left Telecom Australia and started Beta-Com Pty Ltd as a consultancy and faciilities management company. Beta-Com has recently diversified into Audio Visual and Video Conferencing systems.
- Since deregulation of the telecommunications market in Australia Mr. Hodge has been involved in a number of companies covering both carrier service and terminal products. All companies have successfully traded for minimum of 8 years and have been or are in the process of being purchased by larger and more diverse organisations.
- Mr. Hodge commenced Digital Communication Systems in 1999 and selected and marketed a range of products and services to the Adelaide market.
- Digital Communication Systems in 2007 merged with a national company based in Sydney
- Mr. Hodge is now the Adelaide based Business Development Executive for this group.

If it were not for the persistence of the COT cases, Austel's involvement, ministerial involvement, the involvement of you, Senator Alston, and other senators that have taken an interest in this matter, I think the whole thing would have been swept under the carpet again. But some good is coming out of all these issues. It has had a very salutary effect on Telecom. Certainly, the people that we deal with display a genuine desire, firstly, to see that this sort of thing rights the wrongs of the past and, secondly, that it does not happen again. I have just got a note from the Telecommunications Industry Ombudsman indicating that he is hopeful that the fast-track settlement proposals will be signed off today.

Senator BOSWELL—Is that just for the COT cases?

Mr Davey—That is what we call the four original COT cases. Mr Score, Mrs Ganns, Mrs Gillan and Alan Smith placed a signing on the dotted line to get this fast-track settlement assessment process in place. The other 15 that we know of and other people that come within this category can then be processed through a more general arbitration process.

Senator BOSWELL—When do you anticipate that the settlement will take place?

Mr Davey—Quite frankly, Senator, I prefer not to guess at that. It depends on Dr Gordon Hughes, the independent assessor that has been appointed, and how quickly he can move.

Senator BOSWELL—Can you give this committee an assurance that your report will address the problems that have happened in the past, and that we will never face this situation again?

Mr Davey—The report will clearly address the deficiencies in the past and what should be done to ensure that it does not happen in the future.

Senator ALSTON—Mr Davey, I presume you are aware of considerable public dissatisfaction with the basic service, beyond that of the COT complainants. I hesitate to suggest you watch commercial television but, the other night, the Alan Jones program claimed that it had record response because it did a

segment. To the extent that there is a fair degree of general community concern, do you think that it might be appropriate for Telecom not to spend millions of dollars on advertising which effectively implies that it is a first-class service with no problems? Do you think that perhaps that should be scaled down until such time as these problems have actually been addressed?

Senator McMullan—Do you think that might be a bit past Austel's area of responsibility?

Senator ALSTON—Do you have a view on it, minister?

Senator McMullan—Probably.

Senator ALSTON—You do. Perhaps you would like to share it with us.

Senator McMullan—No.

Senator ALSTON—You would not?

Senator McMullan—Thank you for the invitation.

Senator ALSTON—That is all right. I will assume you agree with me, unless you want to say anything to the contrary.

Senator McMullan—Carry on.

Senator ALSTON—I have a note from an ex-Telecom employee who says he had responsibility for security and file management between 1987 and 1992 during which time Telecom installed computer links between its billing computers, a database system containing customer details, and computers in other organisations, such as Australia Post. Are you aware of all organisations which are linked to Telecom's billing computer?

Mr Davey—No.

Senator ALSTON—Do you think it is desirable that you should be and that you have privacy guidelines to ensure restricted access to Telecom's customer records by these organisations?

Mr Davey—Yes. We did a call charging and billing inquiry to ensure the accuracy of Telecom's billing. There are certain recommendations in that which have been adopted and which we are pursuing to get a standard consistent for all carriers on call charging and billing. We have done an inquiry on privacy

tigated. If true this casts serious doubts on our investigations to date', what do you understand that to mean?

Mr Davey—What the words say.

Senator ALSTON—'Serious doubts on our investigation'.

Mr Davey—It is not our investigation; it is Telecom's.

Senator ALSTON—But have you pursued it with Telecom?

Mr Davey—We have been pursuing that, and a number of other issues, with Telecom.

Senator ALSTON—That is why I ask: what do you take them to mean by that? You have had the benefit of discussions with them.

Mr Davey—I have not had the benefit of discussions with them about it. Quite frankly, it is typical of the issues that we are continually pursuing with Telecom. It is one of the reasons why this report has taken longer to produce than it might otherwise have.

Senator ALSTON—Because they talk in riddles?

Senator McMullan—I do not know that we need to answer that question.

Senator ALSTON—It was rhetorical. Are you able to indicate whether you have detected or identified any discrepancies in the BCI's report on Telecom's network or will that be the subject of your report?

Mr Davey—It will be the subject matter in our report. The main comment that I make on the BCI report at this point—indeed we have conveyed this to Telecom and it has taken action to correct what we saw as the major limitation in the BCI report—is, namely, that it focused on the exchange to exchange quality of service that Telecom was offering at that point. It did not extend from the exchange to the customer's premises.

Senator ALSTON—It seems an extraordinary omission, does it not?

Mr Davey—Not really. It is more likely than not that these intermittent faults that have been identified are more likely to be exchange faults. So Telecom was reasonable in focusing on that. But then it was making

claims in respect of the report that we felt took the report further than it did.

As I recall it, it used words to the effect that 'Bell Canada International has cleared our network'. In other words, it said its network was given a clean bill of health whereas its exchanges had been given a clean bill of health—not its complete network, as the ordinary person would understand it.

Senator ALSTON—So that was the least description of reality, was it?

Mr Davey—It was less accurate than it should have been.

Senator ALSTON—In relation to Mr Dawson, a Telecom internal document states that the complaints had been received in 1986 but that Telecom still failed to repair the problem on the section of the exchange linked to Dawson's phone until mid-93, even though he had been complaining to Telecom of wrong numbers, busy lines, et cetera since 1987. Are you aware of those discussions with Mr Dawson and the fact that it took something like six years to get around to fixing a problem which then took the technicians only something like 45 minutes to repair?

Mr MacMahon—I have not seen that document.

Senator ALSTON—Perhaps I could give you the relevant memo, and you could give me a considered reply. Will your report consider the possibility that what has been happening in a number of these instances, particularly in Fortitude Valley, is that Telecom has formed a judgment that it would be quite expensive to upgrade the local exchange or individual lines when the pace of technological change might be such that those whole exchanges would be rendered redundant. FMO is now seeing a dramatic reconfiguration of its network—a reduction of something like 3,000 local exchanges to 500. All of that could well mean that Telecom has taken a policy decision to fob these people off until such time as it is able to come over the top and start again. Is that a matter that you are looking at?

Mr Davey—It will be canvassed in the report. There are issues of the network quali-

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Prudential Building, cnr London Circuit & University Avenue, Canberra City
GPO Box 442, Canberra, A.C.T. 2601, Australia
Tel: (06) 276 0111; Fax: (06) 249 7829; Int. Fax: + 61 6 249 7829

27 October 1994

281.

C/94/195

M. Wynack
Mr John MacMahon
Australian Telecommunications Authority
PO Box 7443 St Kilda Road
MELBOURNE VIC 3004

Dear Mr MacMahon

As I promised during the interview on 22 September 1994, enclosed is a copy of a transcript which was made by AUSSCRIPT from the audio tape of the interview. I have enclosed a copy of the tape in case you wish to confirm the accuracy of the transcript.

Thank you for your assistance in this matter.

Yours sincerely

John Wynack
Director of Investigations

44

**TRANSCRIPT
OF PROCEEDINGS**



AUSCRIPT

**ACT and Southern
NSW Region
Level 1
Melbourne Building
West Row
Canberra ACT 2601**

**GPO Box 476
Canberra ACT 2601**

**Phone (06) 249 7322
Fax (06) 257 6099**

COMMONWEALTH AND DEFENCE FORCE

OMBUDSMAN

RECORD OF INTERVIEW

CONDUCTED ON

THURSDAY, 22 SEPTEMBER 1994

INTERVIEWERS:

**JAMES HINDS, Senior Investigation Officer
JOHN WYNACK, Director of Investigations**

INTERVIEWEE:

MR JOHN McMAHON

MR J. HINDS: It is 3.20 pm on 22 September 1994. This is an interview with John McMahon at the offices of AUSTEL, 5 Queens Road, Melbourne. I would like those present to identify themselves. I am James Hinds, Senior Investigation Officer.

MR J. WYNACK: I am John Wynack, Director of Investigations.

MR B. MATTHEWS: I am Bruce Matthews. I work in AUSTEL's consumer protection area.

MR J. McNAMARA: And John McNamara from AUSTEL.

MR HINDS: Now, we will need to administer an oath. I am just wondering whether you want to make an oath or an affirmation.

MR McMAHON: An oath.

JOHN McMAHON, sworn:

MR WYNACK: Thank you, John. First of all, we're interested in filling in some understanding of the development of the fast track settlement proposal for the four original COTs which culminated in the agreement of 21 November 1993. I don't want chapter and verse. Our primary concern is what consideration was given to the processes whereby these people would be able to obtain documentation to enable them to submit their claims. So my first question is was there any discussion prior to the signing of the proposal of the means whereby the claimants could obtain documents?

MR McMAHON: Well, I think the - it was always envisaged that they would get their documentation from Telecom. Telecom wasn't going to hand it out simply by request and it was run down the FOI line and essentially AUSTEL always was under the impression that they would make FOI requests and have the documentation made available to them.

MR WYNACK: I don't have a copy of the letter with me, but AUSTEL in fact inaudible. . . . to Telecom and an FOI application lodged by Ann Garms. Robin Davey actually relayed it on to Telecom complete with the application fee. The letter concluded with a statement along the lines - or a request along the lines, "Would you process this application

urgently as Ms Garms needs the information to submit her claim to - under the FTSB." Were you aware of that letter going out, John?

MR McMAHON: Yes.

MR WYNACK: And is - was that really the expectation that Telecom would give some priority to FOI requests?

MR McMAHON: I think the background to that letter was that there was not good feelings between Telecom and the COT cases. There wasn't a high level of mutual trust at that stage and when Mrs Garms sought to get documentation from Telecom she just wanted to involve AUSTEL in the process, and so I think it was a unique set of circumstances, but rather than lodge a request directly with Telecom she wanted to relay it through AUSTEL to try to give it that extra highlighting, I guess, and certainly the COT cases had been reported to AUSTEL the difficulty that they had faced in getting documentation from Telecom. You know, we knew it wasn't really forthcoming and certainly the fast track settlement proposal sought then to lodge their submission within six weeks of agreeing I think, and so it was apparent that the success of the whole arrangement was going to revolve around getting prompt access to their documentation. And so when Mrs Garms' request was relayed by the chairman he just noted that prompt co-operation on the provision of documentation was - seemed to be important.

MR WYNACK: Do you recall whether there'd been any discussion with Telecom officers generally about giving some priority to the FOI requests.

MR McMAHON: Well, my recollection is there wasn't a - there wasn't such a discussion. We've always taken the point of view that FOI is not within our jurisdiction and it's not for us to make too much of a - too much of the issue, but as I've said you know there have been occasions in which the allegations made by the individuals that they had difficulty in getting these documentation provided was raised with Telecom, but it was raised you know as an issue of relevance and not one that we were in a position to pursue, but just in the spirit of what had been entered into it shouldn't - it was a necessary part of the process.

MR WYNACK: In that period, around November just prior to the finalising of those agreements, did Telecom and AUSTEL discuss whether there were perhaps alternatives to FOI to getting the documents to the COTs? Did Telecom for example suggest another way?

MR McMAHON: Prior to the FOI - prior to the fast track, I don't believe they - I don't believe that took place. I think from the - originally

the - originally we always thought that the FOI mechanism was the one that would be utilised. As I said, I mean, Telecom wasn't handing out documentation without FOI. And I think that you know part of Telecom's attitude was conditioned by some of the things that happened in the early stages of FOI where some of the - at least one of the COT cases got documentation which was sensitive as far as Telecom was concerned under FOI and they put it into the public arena, and the impression I got was that Telecom's attitude to FOI hardened at that point, that they didn't want to have sensitive documentation going into the public arena and so there was provision in the arbitration procedures whereby the arbitrator could determine - or if he considered that there was documentation that Telecom had that hadn't been made available, then he could seek that extra material under that provision and I think there was some suggestion that Telecom would be happier with that rather than FOI as a means of preserving the confidentiality of the documents.

MR WYNACK: These events occurred back in late February through March '94 I suspect, the ones you're talking about. That would have been between the period when an arbitration process was proposed by Dr Hughes and the period when the COTs accepted or agreed to enter into the arbitration in April - or are we talking about a different period?

MR McMAHON: We're probably talking about a probably a different period. I think we're probably talking about an earlier period and I think the - I think the things that really gave rise to the attitude was summary material on taping and that would have - that would have been, what, early - that would be early January, wouldn't it?

MR WYNACK: Yes, I think this correspondence was late December.

MR McMAHON: Yes, late December, just after Christmas, and I think the release of some suggestion as to the taping of conversations to the press was a bit of a watershed.

MR HINDS: So the proposal was in November and this correspondence that?

MR McMAHON: Yes, yes, the - the fast track settlement proposal had this provision whereby the arbitrator could seek additional detail. Now, that I believe is a fairly standard clause in arbitration. But it was probably after the - putting in the public domain some sensitive documents that Telecom started to see that that might be from their point of view a preferable mechanism. I mean, that's my judgment. I've got nothing to support it.

MR WYNACK: The fast track settlement proposal, clause 1B - have you got a copy of it there, John?

MR McMAHON: Yes.

MR WYNACK: It refers to the attached copy of a proposed arbitration procedure. Is your recollection that that proposed procedure in that paper, which I have not seen, but say - - -

MR McMAHON: Do you want it?

MR WYNACK: Yes, okay, then, perhaps it would fill out my files a little. But was it ever intended that those rules in that procedure would apply to the four COTs who were signatories to the fast track settlement proposal?

MR McMAHON: The - yes, it was a general approach. It was the approach that Telecom was suggesting that they would use in arbitration procedures and my recollection is we put these details in front of the COTs to let them get a feeling for the general approach Telecom was intending to adopt. But they - their own fast track settlement was going to have some unique provisions. So this would be the general approach, but there would be certain variations for them in terms of - yes, some of those conditions would have been liberalised for them.

MR WYNACK: We have been informed by two of the COT members that Robin Davey assured them that the rules in that document which at some stage was attached to the proposal were not to apply to the four COTs and that they were never actually given a copy of that document, the document being the attachment referred to in clause 1B. Have you any recollection if that was so?

MR McMAHON: No, I - I couldn't state firmly one way or the other. I - I do believe that - I mean, certainly my belief, without going back to the files, and I'm not even sure that the files would establish it. This is some of the chairman's own papers that don't have the COT documentation you know from the COTs themselves. It's more his writings. But I believe that they were - that this document was put in front of them and certainly - certainly discussed with them. I mean, you know we had discussions in the boardroom here as to the general approach, and I think they - my recollection - I'll just check with Bruce, but my recollection is they came back with comments on it.

MR MATTHEWS: Well, that's my general recollection as well, but I'm not certain on it either. I would have to go back and check our file documentation.

MR WYNACK: It would be difficult for us to verify whether it happened. One way to do it of course would be to speak to the former chairman - former chairman, isn't it - - -

MR McMAHON: Yes.

MR WYNACK: - - - on the matter. We did see the - what purported to be copies of the signed agreements - there were four of them - and none of those had the proposed arbitration procedure rules appended to and I'd be interested to know whether or not when - was it AUSTEL who forwarded them on to Telecom or did the Telecommunication Industry Ombudsman? I'm not sure now. But I'd be interested to know whether or not they were appended at the time they were signed.

MR HINDS: Well, would your records show that? You say you can check your records. Would they show that or - - -

MR MATTHEWS: It may show that. Our records may show that. I'd have to check that.

MR McMAHON: I would hope though they would show one way or the other, but I think pages have been on and off the file on so many occasions that I couldn't 100 per cent vouch for it, but the chances are they showed them and I guess we can identify that before you leave the premises.

MR WYNACK: No, there's no need to do that. Perhaps you can contact me some time later and let me know. So I'm quite happy for that - - -

MR McMAHON: All right. But the other thing I'd say - and sure, I appreciate the timing element in - but these conditions that are set out in the proposed procedure were also incorporated in the public COT report as to what the procedure that Telecom was proposing.

MR WYNACK: Well, I haven't looked at the report - the AUSTEL report - and the reason is that the Ombudsman's investigation here is confined to a complaint about Telecom's processing of an FOI request. The questioning I'm engaging in here now is necessary because of statements made - conflicting statements made as to what the expectations of the parties were in regard to the provision of documents prior to the formal processes being agreed with Dr Hughes, which occurred ultimately in April but commenced on 3 February.

If I could just depart from that for the moment, has AUSTEL been involved in seeking to speed up the provision of documents by Telecom by any means or is that just - once the agreement was reached did you bow out then?

MR McMAHON: I think there have been a number of occasions on which we have mentioned to the Telecom personnel that the COT cases were alleging they were having difficulty in getting it and my recollection is we probably made reference to that in one or two letter to Telecom. But again because we were - it was outside our jurisdiction you know we didn't make a big issue of it and indeed when the - when some of the COT cases have complained to us you know we've said, "Well, there's a very limited amount that AUSTEL can do about it. It's not within its power but you could well take the case to the Ombudsman's office."

MR MATTHEWS: Can I add a comment to that as well, and that is in our report - one of the recommendations in our report that goes to Telecom's treatment of FOI applications and I think the recommendation said something along the lines that Telecom should increase the resourcing of its FOI area and improve the treatment of FOI applications, so in a sense that's a general pressure that we put on Telecom to hurry up the process.

MR WYNACK: What was the date the report was issued, the AUSTEL report?

MR MATTHEWS: The final report was April - I can't remember the date in April, but April 1994. The draft report was produced in March 1994 and Telecom received their copy of that at that time.

MR WYNACK: So that observation was made by AUSTEL notwithstanding that there was in place then, or about to become in place, an arbitration process which enabled the arbitrator to make directions that Telecom provide documents?

MR MATTHEWS: It was a general statement. It didn't necessarily apply to the four COT cases. It was just a general statement.

MR McMAHON: But, yes, I mean to say you know some of the suggestions made were that FOI was not dealt with when the - when the person with that responsibility went on holidays. You know, nobody filled in for him. Whether that's right or wrong I don't know, but that was the suggestion made and I've never heard it denied. So you know - and I think that's part of the background to the recommendation that Bruce identified there.

MR WYNACK: Are you aware whether Telecom had indicated that they would not provide documentation other than under FOI? I mean, if the claimants could obtain documents through other processes, why would it be necessary to use the FOI Act and why would there be such emphasis on FOI by both AUSTEL and the COT complainants? I mean, Ms Garms put her claim in under FOI on the day I think, or soon after the day she signed the fast track settlement proposal.

MR McMAHON: Well, Mrs Garms has had FOI you know claims in the past and she's had years ago - you know that's just the path they've run down. I mean, I don't know that anybody amongst the COT cases has got any documentation other than with an FOI request and I don't think a simple request is - leads you anywhere.

MR WYNACK: Is it true that the COTs needed to obtain documents - some documentation from Telecom in order to submit the claims, and to the assessor under the proposal agreed to in November?

MR McMAHON: Well, I would think so, yes. I mean to say, the whole emphasis of the fast track settlement proposal is that there should be a case establishing the extent of loss. Now, the individuals could have had some personal diary of telephone difficulties but you know the nature of the complaints that they were dealing with meant that - in particular I guess it was instances where people were ringing them but their phone wasn't ringing. And so you know by maintaining a diary of their own, they would never know of such instances or the frequency and extent of them. You know and the other cases were people ringing but the phone being engaged when it wasn't, and again they wouldn't know that. So the Telecom documents of exchange performance, testing, you know, were really essential to get a comprehensive picture and certainly one that would have due weight before an objective assessor. So, yes, very important to be able to establish a case.

MR HINDS: So Telecom would understand that the documentation was essential.

MR McMAHON: Absolutely.

MR HINDS: Regardless of how it was to be provided to them.

MR McMAHON: Yes.

MR WYNACK: For the moment, if I can just leave that, there is some question as to what information was provided to AUSTEL. Part of Mr Schorer's Freedom of Information application referred to documents

provided to AUSTEL and some other people in the period prior to the date of his FOI application which was 24 November; he specified that date. And we were interested to ascertain whether AUSTEL has a record of the documents of Telecom which it examined in the 12 months prior to November 1993.

MR McMAHON: No, we would not.

MR WYNACK: How did you examine documents during your investigation?

MR McMAHON: We - we firstly put a direction on Telecom to make available to us all relevant documentation. The - Telecom came and said, "Look you know these are live documents that we're working on, etcetera. Rather than flood you and disrupt ourselves, would it be acceptable to you that we establish a room at Telecom headquarters in which we assemble all relevant documentation that you have sought? Where there are additional folios going onto those files you know we will continue to put them on so that you have the advantage of seeing any additional material that's coming on." And the chairman agreed to that, that we would have full access to all documentation in a viewing room in Telecom and so our personnel went over there and were able to assess - access them and where they saw material that they wanted to copy and to consider and put on - back on our record here, they took copies at the time.

MR WYNACK: So when you wanted additional information, that is, information which your people perhaps couldn't find in the viewing room, how would you go about accessing that? Would you write to Telecom or

MR McMAHON: Yes, well, you know the rules were essentially that everything relevant was to be there. So everything should be there. You know, where we did seek additional material - we might have got a clue to its existence from examining the files - yes, we did write to Telecom and ask them can they provide us with something specific in addition.

MR WYNACK: And presumably their response would be in writing and would say they're now in the viewing room, or would they deliver them to you, or was the viewing room generally regarded as the - - -

MR McMAHON: Yes, you know my recollection is there were a couple of documents which involved them in processing some material and drawing up some additional charts which they forwarded to us eventually. Other things - if it was a file to which we saw references being made in the

* view room but we couldn't locate it, we asked them for it and that was made available in the viewing room.

MR WYNACK: In the viewing room. So it may well be accurate to say that all of the information provided by Telecom to AUSTEL in connection with that investigation was provided in the viewing room.

* MR McMAHON: That is essentially the case, yes. You know, I would say that's certainly 99 per cent.

MR WYNACK: I listed five documents in my note to you? Do they mean anything to you, those - - -

MR McMAHON: Certainly do. The first two and the last two are the same.

MR WYNACK: That's supplementary into exchange network. That's - it's not a - it suggests another name for the one report.

MR McMAHON: Yes.

MR WYNACK: And were they in existence prior to - - -

MR McMAHON: Well, the first - let's say the Telecom submission to AUSTEL - I mean, I can't say anything as to the date that it came into existence. It was made available to AUSTEL as Telecom's main submission. On the day we received it we never had any access to a preliminary draft or anything like that. It came to us in November. The other two documents that you list there, again we never saw any preliminary draft. They came to us with a - under covering letter dated 7 January.

MR WYNACK: 7 January what year?

MR McMAHON: '94.

MR WYNACK: That was - right, so the first you saw them was 7 January but you don't know when they were created?

MR McMAHON: No, but I mean let's say the - you're talking about the BCI supplementary inter-exchange network. Now, the - that was a matter of conducting some traffic tests in a range of exchanges and the document itself shows that they were - that the tests were run in December. So presumably they were run in December and the report assembled and prepared in late December, early January.

MR WYNACK: Those were the reports of the BCI tests. Did you ever examine the raw data on which those reports were based?

MR McMAHON: I don't believe so. I mean, it was - those reports were essentially reviewed by the technical people in AUSTEL. Yes, the background was BCI had undertaken some technical tests and the COF cases themselves and AUSTEL's technical people had some reservations about them and as a result of those reservations Telecom had BCI do those supplementary tests and the rotary hunting tests. So my recollection is that those reservations were reservations which arose from viewing the original report rather than the technical data itself, you know, the detailed technical data.

MR WYNACK: Do you have the date on which you received that Telecom submission?

MR McMAHON: We would have, yes.

MR WYNACK: It's critical for me to know whether or not it was before or after 24 November.

MR McMAHON: Right, yes.

MR MATTHEWS: We should be able to give you that today before you leave.

MR WYNACK: Yes, okay then, Bruce, if that's convenient. I don't think I need ask you any other questions, except perhaps recently you wrote a very short note to Ann Garms - - -

MR McMAHON: To Ann Garms, yes.

MR WYNACK: Yes, 14 April.

MR McMAHON: Right.

MR WYNACK: And it said, "This letter is to confirm that the fast track settlement proposal drafted by AUSTEL and signed by Telecom on 18 November and by you on 23 November refers to an assessment process and an assessor and makes no reference to arbitration or to an arbitrator." What prompted that - - -

MR McMAHON: A request from Mrs Garms, "Would you give me such a letter?"

MR WYNACK: I see.

MR McMAHON: So she phoned me up, asked me would I give her such a letter and it was simply a confirmation of fact.

MR WYNACK: Had there been any other requests from the COT case people in recent times for similar confirmations about the nature of the fast track settlement proposal?

MR McMAHON: I don't think so. I don't have a recollection of it. I mean, certainly there's always been some concern, I mean, that so many - almost signings of various documents and you know they've been frightened by various aspects of them such that they - at the end they jumped and wouldn't sign this type of thing. And this has been an issue with them for a long time, whether they were going into an assessment process or an arbitration process, and the - when they were taken through - when they made their own views known and when they were taken through the way the proposal was shaping up, it was just that it was in terms of an assessor. The final documentation made reference to arbitration, but essentially gave them an assessor.

MR WYNACK: What involvement did AUSTEL have with Dr Hughes in developing the arbitration rules?

MR McMAHON: I don't know that it had any. Indeed, when Hughes' appointment was announced, there was some question as to whether he you know would want a briefing from AUSTEL as to the background of the case. To my knowledge he didn't seek that and it was very much the chairman's point of view that he wasn't going to offer or put himself forward unless there was some wish from Hughes to know of it, and I don't know - I don't know that they ever met. I've certainly never met him.

MR WYNACK: Well, thank you, John. Have you got any questions regarding any of those things?

MR HINDS: No, I don't think I have.

MR WYNACK: Would you like to add anything, John, to expand on anything you've said?

MR McMAHON: No.

MR WYNACK: Well, in that case perhaps we can terminate the interview. It's now 5 to 4. Thank you very much.

INTERVIEW CONCLUDED

Bell Canada International
1000 de la Gauchetiere Bureau 1100
MONTREAL QUEBEC H3B478

Fax: 0011 1 514 392 2424

6/7

Alan Smith rang asking for Bell Canada's current address. We had no record of it (and have never had need of it), but Jenny rang Ted Benjamin's sec, who gave her the above details.

Jenny then passed these on to Alan Smith.

[Signature]

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CORRECTION

The Harvey World Travel advertisement in the Sunday Herald Sun on Sunday 7 September had several mistakes advertised. The correct fares are below.

DOMESTIC FLIGHTS	ONE WAY FROM
ADELAIDE	\$99*
SYDNEY	\$112*
PERTH	\$255*
CAIRNS	\$259*
INTERNATIONAL FLIGHTS	ONE WAY FROM
AUCKLAND	\$239*
FIJI	RETURN FROM \$910*
NOUNMEA	\$1355*
PHUKET	\$1575*
HAWAII	\$1575*
DELHI	\$1575*
LOS ANGELES	\$2278*
ROME	\$2295*
ROUND THE WORLD	\$2360*
NEW YORK	\$4520*
SINGAPORE - BUSINESS CLASS	\$2210*
ROME - BUSINESS CLASS	\$6135*
LOS ANGELES - BUSINESS CLASS	\$5520*

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Youths lit Fire - cops

YOUTHS are suspected of deliberately lighting a fire after breaking into a house under construction.

Police say discarded drink cans were found in the Wantirna South house where two fires were lit near a stairwell.

The investigators confirmed accelerant was used to set the Riddie Rd house on fire, which was believed to have occurred between 7pm and 9pm, Monday.

Detective Leading Sergeant Martin Riley said witnesses were being sought who may have seen people or cars near the house.

"It's extremely fortunate it burnt itself out because it could have spread and destroyed the house without a shadow of a doubt," he said.

Fire also caused an estimated \$300,000 damage to a house in Bundoora.

The Carbeen Drive blaze, which began about 4.30am, collapsed the roof of the single-storey residence. The occupants fled and there were no injuries. It was not known what caused the fire.

Meanwhile, a Norlane man has gone to hospital after his car crashed through his garage near Geelong.

The 42-year-old man was pulled from the burning car and taken to Geelong Hospital with non-life threatening injuries.

Where is he?

DO YOU know where Damien James Thompson is?

It is alleged Mr Thompson, 34, was involved in firearm and drug offences in Narre Warren South in 2006. He failed to appear in court.



Damien Thompson

Brave need protection

PUBLIC servants should receive some "public interest" protection as well as protection for disclosing corruption and illegal behaviour under proposals before the Federal Government.

A new book *Whistleblowing in the Australian Public Sector*, says there is little protection for public servants who report crime and misconduct inside Australia's federal bureaucracy.

Launching the book in Canberra yesterday, Special Minister of State John Faulkner said the Government was committed to broadening and strengthening public interest disclosure measures.

Senator Faulkner said that there was a price for blind loyalty and that there were times when public interest over-ride loyalty to colleagues and organisations.

The minister drew on Hollywood

heroes such as Karen Silkwood and Jeffrey Wigand — played by actors Meryl Streep and Russell Crowe — as examples of people who bravely stood up for the greater good.

The book by a team of academics from Griffith University, led by AJ Brown, calls for new rules, which recognise the role of public whistleblowing.

It says only a tiny percentage of federal agencies and departments offered any protection for officials who blew the whistle on corruption.

"Accountability is a fundamental underpinning of democracy," Senator Faulkner said.

"And we cannot have accountability without appropriate transparency."

A parliamentary committee looking into whistleblowing will report back to the Parliament in February.

RACV drives shadow tolls

MELBOURNE'S outer suburbs could get better roads within five years by using private money.

The RACV yesterday released its \$3 billion plan to fast-track transport improvements using shadow tolls.

If implemented, roads would be upgraded by private companies in a deal with the State Government.

Instead of motorists paying tolls, the Government would pay them.

RACV public policy manager Brian Negus said existing transport infrastructure in the outer suburbs was not

copied with booming population. "It's impacting on the ability for those areas to actually cope with population growth, and it's also curbing economic development," Mr Negus said.

Among the 23 major projects backed by the RACV is the link between the Metropolitan Ring Rd, Greenvale, and Eastlink. The organisation also backed the key recommendations of Sir Rod Eddington tunnel from the Western Hwy.

Net link: www.racv.com.au

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