



Office of Customer Affairs
Commercial & Consumer

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Austel
5 Queens Road
MELBOURNE VIC 3000

Attention: Mr Cliff Mathieson

By facsimile: (03) 9820 3021

Dear Sir,

**CHARGING DISCREPANCIES REPORTED BY ALAN SMITH AND ISSUE
RELATED TO SHORT DURATION CALLS ON 008 NUMBERS**

I refer to your letters of 4 October 1994, 1 December 1994 and 3 October 1995.

As a preface to Telstra's answers, I note the following:

Mr Smith has two services: (055) 267 267
(055) 267 230, which is a fax service.
In addition Mr Smith has a 008 service, which is "tagged" to (055) 267
267 (In other words 008 calls are answered on 267 267, but are
separately billed).

Point (1) Caller to Mr Smith received RVA:

I note that Mr Smith's complaint to Austel stated that his caller to his 008 number experienced 3 RVA's on 27 May 1994, between 7:51pm and 7:59pm. However, Telstra's Service Plus records show that, at that time, Mr Smith reported that his caller, an investigator in Queensland, at Mr Smith's request, made two calls to his fax number (267 230) between 8.00pm and 8.15pm and received an RVA on both occasions. Mr Smith then claims that he picked up his fax handset and received busy tone. Then the caller rang the 008 number (tagged to 267 267) and Mr Smith advised that the caller received an RVA.

Mr Smith had earlier that day complained to Telstra that his fax service had been giving single bursts of ring at various times. We assume that this is why Mr Smith asked his investigator to ring his fax.

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At the time, Telstra had SMART 10 equipment monitoring all Mr Smith's lines and the records showed that:

- On 27 May 94, the last call to the fax number (267 230) was at 7:54:20pm. This call lasted 65 seconds.
- His 008 service (267 267) records 3 incoming calls: at 7.51pm lasting 119 secs; at 7.55pm lasting 43 secs and at 7.59pm, lasting 166 seconds (see Attachment 1). The next 008 call was at 9:59pm, which lasted 23 minutes 11 seconds.

Billing of Mr Smith's 008 calls commence when Mr Smith picks up his phone in answer to an incoming call. Billing ceases when the *caller* hangs up. This is no different from a normal call except that on a 008 service the called party rather than the calling party is billed. However if the caller from Queensland had received an RVA, then Mr Smith would not have picked up his phone (as he would have received no ring tone) and the length of the conversation would not have been recorded or billed. From the notes Mr Smith has made on his copy of the accounts (See Attachment 2), it appears that he has assumed that the call at 9:59pm and the calls recorded between 7:51pm and 7:59 pm were those RVA's. But, there would be no record of those RVA calls on his bill as no connection would have taken place.

Mr Ross Anderson, a Telstra CPE technician, visited Mr Smith's premises on 27 May 1994 to check the fax machine but found no fault. Attached is part of a Statutory Declaration made by Mr Anderson in December 1994 for the purposes of the arbitration (See Attachment 3). The paragraphs in question relate to Mr Anderson's visit to Mr Smith's premises on 27 May 1994 and suggest Mr Smith had a poor understanding of the operation of his new fax machine.

Telstra also notes that Mr Smith or a representative of Mr Smith called 1100 on 27 May to complain of RVA on his fax line. No fault was found.

The only record Telstra has of Mr Smith making a complaint about his 008 service, at that time, is a complaint to Service Plus (132999) where on 27 May 1994, he complained of short duration calls being charged to his 008 account. This complaint obviously could not have related to the account attached to your letter, which he would not have received at that stage. In an any event, investigations at the time found no fault with his 008 service.

Telstra Conclusion:

Telstra's records do not accord with Mr Smith's complaint to Austel. Testing was carried out in response to the complaints recorded in Service Plus and Leopard. Testing results suggest that there was no fault with any of his lines on 27 May 1994.

Point (2) Advising Mr Smith about the outcome of his complaint

Telstra's records do not show that Mr Smith was ever specifically given results of the RVA complaints. However, given that his complaints were recorded on Service Plus, it can be assumed that he would have been advised by a Service Plus operator of final clearance.

Point (3) Discrepancy Between the 008 Bill and the SMART 10 data

The Smart 10 and the billing system carry out different functions and are not meant to reflect one another.

Smart 10 is connected to Mr Smith's exchange and times the calls based on activities on his handset. Consequently, the time between Mr Smith picking up his phone and hanging up in the cited instance was 2 min and 46 seconds as measured by the Smart 10 equipment (see Attachment 1).

However, 008 calls are billed based on the time from the B party (Mr Smith) picking up the handset until the time the A party hangs up at the end of the communication. In this case after Mr Smith hung up, the caller took 29 seconds to hang up his end of the line. Mr Smith was consequently charged for a 3 min 15 second phone call (see Attachment 2).

Point (4) Lack of call origin data for one call

Call Data Information.

According to Telstra's internal Billing record (See Attachment 4), the call had a partial A party number (partial Calling Line Identification - "CLI") which was 070. A likely explanation for the lack of the full A party number (full CLI) of the call was that the originating exchange did not have CLI capability. In order to protect the privacy of the callers, the CABS software for 008 service is designed to remove the last 4 digits of the A Party Number before printing the final bill to the customers. This rule applies to partial CLI as well as full CLI calls. Since the 008 call only had a partial CLI with three digits, 070, the CABS software would have removed all of them. This explains why there was no call origin data for the 008 call at 9:53 am on 28/5/94 on Mr Smith's account (see Attachment 2). This call was for 1 second and was charged at 1 cent.

It is noted that for STD and IDD calls, short duration calls of 6 seconds or less are not charged to the caller. However this is not the case with 008 numbers.

The account that Mr Smith refers to is consistent with the scenarios outlined above. In addition, this call is at this stage too old to allow retrieval of "raw" data and therefore Telstra is unable to cross correlate to determine what occurred. What can be said is that results of testing performed at the time of investigation (refer next item) indicate no faulty access or systemic short duration problem.

Short Duration Call.

Smart 10 data shows that on this particular call, the phone gave 8 rings. This would take about 12 seconds (see Attachment 1). I can only surmise that as Mr Smith arrived at his phone to pick up the handset, the caller was in the process of hanging up. The result would be a billed call of very short duration, as was the case here.

Point (5) Short Duration calls on 008**(a) Mr Jason Boulter of the Melaleuca Motel**

Short duration calls suggest that both the caller and the called party picked up the phone for the purpose of conversation. There needs to be a connection between two lines for a bill to be generated (subject to the comments made under "Summation" below). If Mr Boulter had not received call attempts from customers, as he claims, then he would not have had reason to pick up his handset. In those instances he would not have been billed for any calls.

Until Telstra is given further information in relation to the Melaleuca Motel, no further comment relating specifically to his service can be made. It should be noted that the Melaleuca Motel is now under different management and is being billed for its services through a reseller and consequently we have no detailed call or service information.

(b) General Observations

Short duration calls on 008 numbers can occur for a variety of reasons:

- Caller changes mind and hangs up just after called party has picked up the phone;
- Caller, on hearing the name or voice of the called party realises that a wrong number has been called and hangs up without explanation;
- Caller hangs on for some time and hangs up just as called party reaches and picks up the handset;
- An unusual condition known as 'no voice on answer', where the called party, either because of a CPE malfunction or a fault condition cannot hear the voice of the caller upon giving a greeting, and as a consequence hangs up the phone, causing the caller to also hang up.
- In addition, further network reasons are included below in the summation.

Point (6) Mr Smith's Claim that he is being overcharged 11%

Telstra is unclear as to what is being requested by Austel. Mr Smith's 267 230 service is usually his fax line, although by his own admission, he uses it to make calls. His 008 service is not connected to his fax line. In his letter to Austel of 3 October 1994, Mr Smith complains of his 267 230 line, but then uses an "analysis sheet", being Smart10 and billing data for his 008 service, as an example of how he is being overcharged. Consequently, our explanation below focuses on Mr Smith's claim that he is being overcharged for calls to his 008 service.

As has been explained above, Smart 10 and the billing system have different functions. Mr Smith is not being overcharged for his calls.

Smart 10 is connected to Mr Smith's exchange lines and times the calls based on activities on his handset. Consequently the time between Mr Smith picking up his handset and hanging up is the time recorded.

However, the billing system for the 008 services records the length of the call as that time between the called party picking up the phone and the caller hanging up at the end of the conversation.

Obviously there can be a time delay between the caller hanging up and the called party hanging up. This is reflected by the fact that the Smart 10 data will record the length of the call differently from the billing system.

Point (7) Mr Smith Claimed that he was charged for 008 calls that were not connected

Telstra has demonstrated above that the calls complained of under question (1) did connect to Mr Smith's service and fairly long conversation times were recorded. Telstra also confirms that, if calls did not connect to his 008 service then no call would be billed.

If the calls in question actually connected to an RVA, Mr Smith would also not be charged and there would be no record on the account.

Summation

A final point to be made is that valid "short calls" make up a sizeable proportion of normal long distance traffic. Traffic studies show that some 12% of all calls are under 15 seconds. The question here is whether invalid short calls are being charged to customers, specifically to 008/1-800 customers.

While a network or equipment fault could cause a wrongly charged short call, operational tests and fault analyses to date have revealed no systemic cause: that is, identified wrongly charged short calls have been caused by isolated and non-related events. In such cases, the causes are quickly corrected and the accounts of any customers identified as having been wrongly charged are appropriately adjusted. It is therefore almost impossible that Mr Smith's 008 service has systematically been billed for unconnected calls.

Generally, the sources of short duration calls, include:

- Customer related causes and misconceptions - for example:
 - customer not understanding that a call answered by a telephone answering machine is charged;
 - customer premises call diversion (the caller is charged) to a busy or non-answering number;
- Network and equipment faults - for example, the call drops out soon after answer;
- Customer premises equipment features, faults, and misuse, for example:
 - false answer signal from a PABX;
 - fax/phone switch: call is answered by an auto facsimile switch which reinserts ring prior to full voice or fax response.
- Those examples given in 5(b) above.

However, Telstra is vigilant in examining possible faults and error conditions. Operational tests and research are continuing into the possible existence of fault conditions. In brief, it is proposed to undertake the following work:

- (a) Customer research to identify reasons for short duration call causes from a customer perspective - details of the proposed research have been previously advised to AUSTEL. However, the study has been delayed by technical constraints.
- (b) Technical research and testing with a focus on the customer access network.
- (c) Internal research involving overseas telcos.

Yours faithfully



Group General Manager
Customer Affairs