



## **CSA Service Appendix - Schedule 1**

Special Terms for Baseband (non FTTH) Service

## 1 Introduction

- 1.1 The General Terms and this Service Appendix set out the terms and conditions on which Chorus will provide Baseband (non FTTH) Service to the Service Provider and confirms the terms and conditions on which Chorus has provided Baseband (non FTTH) Service to the Service Provider.
- 1.2 The General Terms sets out the general rights and obligations of Chorus and the Service Provider for all of the services that Chorus may supply to the Service Provider.
- 1.3 This Service Appendix is made up of the following schedules:
  - 1.3.1 **Schedule 1 - Special Terms:** Sets out the terms and conditions specific to the services that Chorus has supplied and will continue to supply to the Service Provider under the General Terms and this Service Appendix.
  - 1.3.2 **Schedule 2 - Service Description:** Describes the services that Chorus has supplied and will continue to supply to the Service Provider under the General Terms and this Service Appendix.
  - 1.3.3 **Schedule 3 - Price List:** Lists the charges for the services that Chorus has supplied and will continue to supply to the Service Provider under the General Terms and this Service Appendix.
  - 1.3.4 **Schedule 4 - Operations Manual:** The Operations Manual that applies to the Baseband (non FTTH) Service is the Baseband (non FTTH) Service Operations Manual. It sets out the operational processes and procedures applying to the services that Chorus has supplied and will continue to supply to the Service Provider under the General Terms and this Service Appendix.
- 1.4 References to clauses or sections are references to clauses or sections in these Special Terms unless expressly provided otherwise.
- 1.5 The definitions set out in the General Terms and Operations Manual apply to the extent that they are not expressly modified by or inconsistent with the content of these Special Terms.
- 1.6 References to the Service Description, Price List and Operations Manual are references to those documents under the same Service Appendix as these Special Terms.

## 2 Relationship with UCLF Service

- 2.1 Baseband is a commercial alternative to the UCLF Service provided under the UCLF STD. Baseband IP Tail Extension and Baseband IP Extended are commercial options that may be used with Baseband.

## 3 Definitions

- 3.1 Except where expressly provided otherwise, in this Special Appendix:

Term	Definition
<b>Abortive End User Site Visit</b>	Means where for any reason outside Chorus' control it is unable to complete a visit at the scheduled time (eg an End User is unavailable).

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<b>Access Seeker Voice Connections</b>	Means those lines which met the criteria set out in Telecom Wholesaler's informer TW 2011-11-04 dated 04/11/2011 and which Chorus invoiced as Baseband copper but also provided the "Credit for AS Voice grandfathered connection" credit.
<b>Amended Fact Sheet</b>	Means the fact sheet for Basic VDSL with effect from 1 December 2014 as published on Chorus' website
<b>Baseband or Baseband Service or Baseband (non FTTH) Service</b>	Means Chorus' Baseband (non FTTH) commercial service to deliver a PSTN analogue service over a range of access technologies from the End User to a service provider's handover connection by way of Chorus product variants Baseband Copper, Baseband IP, Baseband PCM and Baseband Remote (as further described in the Service Description)
<b>Baseband Copper</b>	Means the variant of the Baseband (non FTTH) Service described in clauses 3.1.1, section 8 and the table on page 5 of the Service Description.
<b>Baseband IP</b>	Means the product variant of the Baseband (non FTTH) Service described in clauses 3.1.2, section 10 and the table on page 5 of the Service Description.
<b>Baseband IP Extended</b>	Means the product option for the Baseband (non FTTH) Service described in clause 10.6 of the Service Description and is provided on the same terms as Baseband IP variant except where expressly modified in this Service Appendix
<b>Baseband IP Tail Extension</b>	Means a tail extension service which transports a Baseband IP individual connection from the First Data Switch to another Data Switch where the Service Provider has a Shared Handover Connection.
<b>Baseband PCM</b>	Means the product variant of the Baseband (non FTTH) Service described in clauses 3.1.3, section 9 and the table on page 5 of the Service Description
<b>Baseband Remote</b>	Means the product variant of the Baseband (non FTTH) Service described in clauses 3.1.4, section 11 and the table on page 5 of the Service Description
<b>Basic UBA</b>	Means either the Basic UBA service as set out in section 3 of the UBA Service Description in the UBA STD or for Basic UBA 256/128 as set out in the service description for the Basic UBA Tail Extension (UBR Backhaul) Service provided under the CSA.
<b>BAU Forecasts</b>	has the meaning given to it in the Operations Manual.
<b>Basic VDSL</b>	means the VDSL service supplied by Chorus under the Amended Fact Sheet
<b>Boost VDSL</b>	means the VDSL2 access service described in the Service Description for the Boost Service

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<b>Broadband or Broadband Service</b>	means any or all of the following: Basic UBA, Enhanced UBA, Basic VDSL, Boost VDSL and Chorus VDSL and other future service Chorus notifies as being a Broadband service for the purposes of this Service Appendix.
<b>Business Hours</b>	Means 8:00am to 5:00pm on any Working Day.
<b>Chorus VDSL</b>	Means Chorus' Very-high-bit-rate digital subscriber line (VDSL) service. A digital subscriber line (DSL) technology providing data transmission faster than ADSL over a single flat untwisted or twisted pair of copper wires (up to 52Mbps downstream and 16Mbps upstream),
<b>CMAR</b>	Means Customer Multi Access Radio used to connect remote end users (up to 60) to the PSTN.
<b>Consecutive Business Hours</b>	Means a number of consecutive hours (including fractions of hours) within Business Hours (where the first Consecutive Business Hour in a Working Day is consecutive to the last Consecutive Business Hour in the preceding Working Day).
<b>Core Baseband Transaction Service</b>	Means a Baseband New Connection Order, Baseband Transfer Order, Other Service to Baseband Transfer Order, Baseband Move Address Order and a Baseband Relinquishment.
<b>Country Set</b>	Means a radio system used to deliver PSTN service to single remote locations
<b>Coverage Area</b>	Means the geographic area that contains numerous DSLAMs and is serviced by a given Handover Point for Baseband IP.
<b>Data Switch</b>	Means a Chorus Data Switch.
<b>Deemed Acceptance Time</b>	Means the time which is four Consecutive Business Hours after the Receipt Time of a valid Order. To avoid doubt, an Order may still be rejected notwithstanding deemed acceptance.
<b>Deliverable</b>	Means a Level A Deliverable or a Level B Deliverable.
<b>Distribution Cabinet</b>	Means a cabinet that is equipped with power and other support services, in respect of which, when equipment is installed in the cabinet and/or associated pedestal, DSL services are able to be provided to one or more End Users. This type of cabinet is sometimes called an Active Cabinet.
<b>DSLAM</b>	Means a Digital Subscriber Line Access Multiplexer (DSLAM).
<b>DSL</b>	Means Digital Subscriber Line.
<b>EMC</b>	Means Electromagnetic Compatibility, EMC is the term used to describe how well a device or system is able to function in an electromagnetic environment without introducing electromagnetic disturbances that interfere with the operation of other electrical products in the environment

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<b>End User's Premises</b>	Means the premises occupied by the End User where the Baseband (non FTTH) Service may be provided.
<b>Enhanced UBA</b>	Means either the Enhanced UBA 40, 90, 180 services as set out in section 4 of the UBA Service Description in the UBA STD or for Enhanced UBA 0 as set out in the service description for Basic UBA.
<b>ETP</b>	Means External Termination Point where the Chorus service demarcation point is located on the End User's premises.
<b>Exchange</b>	Means a Chorus owned or leased building, or leased or licensed area within a building with a floor area of at least 15 square metres and a main distribution frame terminating copper local loop of at least 200 pairs connected to End-User Premises, the primary function of which is to provide fixed wire line telecommunications services, and includes all of the Chorus owned, leased or licensed property on which the building is situated.
<b>Exchange Entry Point</b>	Means any point reasonably specified by Chorus for entry of Service Provider's Remote Tie Cables into an Exchange, including from the Exchange Manhole into the Exchange using the Exchange access ducts, and any other entry point agreed between Chorus and a Service Provider.
<b>Exchange Manhole</b>	Means the congregation point for all ducts and cables that enter the Exchange that is reasonably specified by Chorus, most commonly a manhole on the property on which the Exchange is located.
<b>First Data Switch</b>	Means the first data switch in the path from the DSLAM where Broadband or Baseband IP traffic can be handed over to the Service Provider.
<b>Future Service Level Deliverable</b>	Means any deliverable that is added to the Services Levels in these Special Terms in accordance with the change mechanism set out in section 11 of the General Terms or in accordance with clause 7.1 of these Special Terms.
<b>Future Service Levels</b>	is the means by which Chorus's performance of a Future Service Level Deliverable will be measured.
<b>General Terms or CSA General Terms</b>	Means the CSA General Terms agreed between Chorus and the Service Provider and which this Service Appendix is made pursuant to.
<b>Handover Connection</b>	Means a fibre link between a Handover Point in Chorus's network and the Service Provider's optical interface to their equipment.
<b>Handover Distribution Point</b>	Means the Service Provider block in the exchange or cabinet where the copper pair for Baseband is terminated.

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<b>Half Contract Year</b>	Means a six month period ending on 31 March and a six month period ending on 30 September.
<b>Interference Management Plan</b>	Means the plan set out in schedule 5 of the UCLF General Terms.
<b>ISAM</b>	Means Intelligent Service Access Manager. It is Alcatel DSL equipment which can be cabinet or exchange mounted
<b>Level A Deliverable</b>	Means those deliverables performed by Chorus pursuant to these Special Terms for which a failure by Chorus may cause the Service Provider diminished service quality in providing services to its End Users, as set out in Appendix 1.
<b>Level A Service Level</b>	is the means by which Chorus's performance of a Level A Deliverable is measured (except as may be otherwise provided) on a calendar monthly basis, as set out in Appendix 1. A Level A Service Level is subject to any exclusions specified in these Special Terms.
<b>Level A Service Level Default</b>	Means a failure by Chorus to meet the Level A Service Level corresponding to a particular Level A Deliverable.
<b>Level B Deliverable</b>	Means those deliverables performed by Chorus pursuant to these Special Terms for which a failure by Chorus is unlikely to cause the Service Provider diminished service quality in providing services to its End Users, as set out in Appendix 1.
<b>Level B Service Level</b>	is the means by which Chorus's performance of a Level B Deliverable is measured (except as may be otherwise provided) on a calendar monthly basis, as set out in Appendix 1. A Level B Service Level is subject to any exclusions specified in these Special Terms.
<b>Level B Service Level Default</b>	Means a failure by Chorus to meet the Level B Service Level corresponding to a particular Level B Deliverable.
<b>Local Loop Network</b>	has the same meaning as set out in the Telecommunications Act 2001.
<b>MDF</b>	Means Main Distribution Frame
<b>MPF</b>	Means a pair of twisted copper conductors between the relevant demarcation point at the End User's premises and the relevant demarcation point at a Chorus local telephone exchange that conveys signals when connected to an electronic communications network.
<b>NEC NEAX</b>	Means the type of exchange equipment deployed in the PSTN manufactured by NEC
<b>Pair Gain</b>	A system that provides more than one telephone service on a single cable pair.

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<b>Penalty Rate</b>	Means the percentage used in the calculation of Performance Penalties, as described under the "Calculation of Penalty Rate" section set out in Appendix 1.
<b>PSTN</b>	Means Public Switched Telephone Network
<b>PTC 190</b>	Means the Permit to Connect requirements advisory number 190 for. 0 - 4 kHz systems for connection to metallic copper pairs available at <a href="http://www.telepermit.co.nz/resources_index.html">http://www.telepermit.co.nz/resources_index.html</a> (which Chorus is adopting until it develops its own requirements).
<b>PTC 200</b>	Means the Permit to Connect requirements advisory number 190 for. 0 - 4 kHz systems for connection of Customer Equipment [CPE] to analogue lines available at <a href="http://www.telepermit.co.nz/resources_index.html">http://www.telepermit.co.nz/resources_index.html</a> (which Chorus is adopting until it develops its own requirements).
<b>Performance Penalty</b>	Means the amount that a Service Provider is entitled to claim in the event of a Level A Service Level Default, calculated in accordance with section 14 and Appendix 1.
<b>Remote Tie Cable Service</b>	Means a cable from the Handover Distribution Point block in the Exchange to another location outside the Exchange.
<b>Receipt Time</b>	Means the time that an Order is received in the Chorus designated inbox for receipt of such Orders.
<b>Service Levels</b>	Means in relation to the Baseband (non FTTH) Service, the Service Levels set out in Appendix 1.
<b>Service Level Default</b>	Means a Level A Service Level Default or a Level B Service Level Default.
<b>Shared Handover Connection</b>	A Handover Connection which can have HSNS, Enhanced UBA, VDSL and Baseband IP traffic.
<b>SLES</b>	Means Sub Loop Extension Service which is a product offered by Chorus to extend the Sub Loop UCLL from a cabinet to Service Provider equipment in the local Exchange.
<b>Specified Date</b>	Means, in respect of Future Service Levels, the date agreed under the change mechanism set out in section 11 of the General Terms or in accordance with clause 7.1 of these Special Terms.
<b>Standard Lead-Time</b>	Means the time period that it will take Chorus to provision a Core Baseband Transaction Service. Refer to Appendix 2 for a list of Standard Lead-Times.

<b>Sub-Loop UCLL Service</b>	Means Chorus' sub-loop unbundled copper local loop network service or (as the context requires) any part of that service and as described in the Sub-loop UCLL Service Description as set out in the Sub-loop Services Standard Terms Determination made under section 30M of the Telecommunications Act 2001 by the Commerce Commission on 18 June 2009.
<b>Tie Cable Service</b>	Means a cable from the Handover Distribution Point block to the Service Providers footprint within the Exchange
<b>Tolerance Level</b>	Means minimum acceptable levels of performance of a Service Level for a Deliverable, expressed as a percentage, in Appendix 1.
<b>UBA Service</b>	Means Chorus' unbundled bitstream access service (without the POTS) as described in Schedule 1 to the UBA General Terms of the UBA Standard Terms Determination (UBA STD).
<b>UCLF Service</b>	Means Chorus' unbundled copper low frequency network service as described in the UCLF Service Description in the UCLF Standard Terms Determination or (as the context requires) any part of that service.
<b>UCLF Standard Terms Determination or UCLF STD</b>	Means the standard terms determination made by the Commerce Commission under section 30M of the Telecommunications Act 2001 in relation to Chorus' unbundled copper low frequency network service, including the Commerce Commission's decision report, the Implementation Plan and the UCLF Terms.
<b>UCLF Terms</b>	Means, together, the UCLF General Terms and all the schedules to the UCLF General Terms.
<b>UCLL Service</b>	Means Chorus' unbundled copper local loop network service as described in the UCLL Service Description in the UCLL Standard Terms Determination or (as the context requires) any part of that service.
<b>Unbundled Copper Low Frequency Backhaul Service (UCLF Backhaul)</b>	Means the UCLFS Backhaul service as defined in the UCLFS STD.
<b>Unbundled Copper Low Frequency Co location Service</b>	Means the UCLFS Co-location service as defined in the UCLFS STD.
<b>Voice Service</b>	means all services provided by a Service Provider over Baseband that include such items as numbering, emergency services contact, call signalling, call transportation and value added services such as call diversion, caller number display, messaging etc.



## **4 Prerequisites and End User Terms**

- 4.1 The Service Provider must comply with
- 4.1.1 the prerequisites provided at sections 4 to 6 of the General Terms; and
  - 4.1.2 the operational prerequisites provided in the Operations Manual.
- 4.2 For the purposes of clause 15.2 of the General Terms (End User Terms), the EUT and Consenting Appendix are not applicable for the Baseband (non FTTH) Service.
- 4.3 The Service Provider must use all reasonable endeavours to ensure that there is included in:
- 4.3.1 Each contract it has with a customer who is an End User for the provision of services which rely, in whole or in part, on the Baseband Service; and
  - 4.3.2 Where the customer in clause 4.3.1 is another Service Provider, each contract that the other Service provider has with an End User for the provision of services which rely, in whole or in part, on the Baseband Service;
- a provision which excludes (to the maximum extent permitted by law) all liability of Chorus arising from or in connection with the services which rely, in whole or in part, on the Baseband Service, at least to the same extent as provided to the Service Provider.
- 4.4 The Service Provider must use all reasonable endeavours to include in each contract with End Users (whether they are the Service Provider's End Users or the End- User of another Service Provider who is a customer of the Service Provider) for a service which relies in whole or in part on the Baseband Service:
- 4.4.1 A provision which requires the End User to acknowledge that certain equipment and lines installed on their property and used for the provision of services to the End User are the property of the Service Provider, Chorus, or a third party, and are not fixtures, and may be removed without recourse to legal proceedings;
  - 4.4.2 A provision under which the End User waives any rights, title, or interest in the property of the Service provider, Chorus, or a third party installed on their property;
  - 4.4.3 Notice to the End User that Chorus may require access to the End User's premises in order to provide the services and that, if such access is denied, there may be interruptions to, or disconnection of, the services.
- 4.5 The Service Provider must indemnify Chorus from any claims for damages made by the End User, except where such claims arise from loss or damage to personal property caused by Chorus or an agent or contractor of Chorus.
- 4.6 To the extent the Service Provider is unable to obtain the provisions of 4.4 in its contract with an End User or the contract between an End User of another Service Provider who is a customer of the Service Provider, the Service Provider must, subject to the limitations of liability covered by clause 21.1 and 21.2 of the General Terms, indemnify Chorus for and against any loss of, damage to, or interference with, Chorus Equipment caused by that End User that is used in the provision of the Baseband Service.

## **5 Insurance Requirements**

- 5.1 Notwithstanding section 6 of the General Terms, the Service Provider is not required to maintain any insurance as a prerequisite for the supply of Baseband (non FTTH) Service.

## **6 Limitation of Liability**

- 6.1 For the purpose of clause 20.2.1 of the General Terms, (the Service Provider's total Liability under a Service Appendix), the amount specified in these Special Terms is \$2,000,000.
- 6.2 For the purpose of clause 21.2.1 of the General Terms, (Chorus' total Liability under a Service Appendix), the amount specified in these Special Terms is \$2,000,000.
- 6.3 Notwithstanding clause 21.5 of the General Terms the limitation under clause 21.2.1 of General Terms and the exclusion under clause 21.3 of the General Terms also do not apply to:
  - 6.3.1 any obligation arising under the CSA to pay money in the ordinary course of business; or
  - 6.3.2 any liability arising under clause 21.6 of the General Terms; or
  - 6.3.3 and Performance Penalty which may be payable by Chorus.
- 6.4 Chorus must pay on demand all of the Service Provider's reasonable expenses (including legal costs on a full indemnity basis) properly incurred by the Service Provider in exercising any Performance Penalty Chorus is liable to pay the Service Provider under clause 17 of these Special Terms.

## Special Terms

### 7 Effect of amendments to UCLF STD

- 7.1 The Service Provider and Chorus agree that if the Commerce Commission makes a determination that amends the UCLF STD then Chorus will, in the same way and to the same extent and effect, amend this Service Appendix, including the Special Terms, Service Description, Price List and Operations Manual where applicable to Baseband, and, at Chorus' discretion, in relation to Baseband IP Tail Extension or Baseband IP Extended, any further changes to these options reasonably required as a consequence of such changes to the UCLF STD.
- 7.2 The Service Provider and Chorus agree that if any amendment to the UCLF STD is determined by the Commerce Commission to take effect on and from a date prior to the date of its determination, then Chorus' amendment under this clause 7 will be deemed to have taken effect as between Chorus and the Service Provider under this Service Appendix on and from the same date, whether or not that date is prior to the date of this Service Appendix (with any such amendment termed a "**backdated change**" and the date upon which the backdated change is deemed to have taken effect termed the "**effective date**").
- 7.3 If a backdated change is to a Charge, then for each backdated change Chorus will calculate the difference ("**difference**") between:
  - 7.3.1 the amount actually invoiced by Chorus to the Service Provider for the Charges from the effective date; and
  - 7.3.2 the amount Chorus would have been entitled to invoice the Service Provider for the Charges from the effective date in accordance with the applicable backdated change.If the difference is:
  - 7.3.3 a negative number, then Chorus agrees that it will credit the Service Provider:
    - (a) the amount of the difference; and
    - (b) interest on the amount of the difference at an interest rate (if any) corresponding to the Commerce Commission's changes to the UCLF STD; or
  - 7.3.4 a positive number, then the Service Provider agrees that Chorus may invoice the Service Provider for, and the Service Provider will pay Chorus:
    - (a) the amount of the difference; and

- (b) interest on the amount of the difference at an interest rate (if any) corresponding to the Commerce Commission's changes to the UCLF STD.

7.4 This clause 7 applies to any Baseband Services, Baseband IP Tail Extension and/or Baseband IP Extended provided to the Service Provider before and after execution of this Service Appendix notwithstanding the time restraints in clauses 17.12 and 19.7, and clause 45 of the General Terms, and is in addition to any other rights Chorus has under clauses 10, 11, 12, 13, 17 and 19 of the General Terms.

## 8 General

- 8.1 Notwithstanding any other provision in the General Terms, Chorus, in relation to the Baseband Copper Service, is responsible for performing all work (including identification of all routes) and/or install all cables within the Exchange in Chorus ducts, within the Exchange Manhole, within the Exchange Entry Point and between the Exchange Manhole and the Exchange Entry Point (where those two points are different).
- 8.2 Where Chorus or a Service Provider wish to propose any change to the Interference Management Plan, the parties must follow the change mechanism for the Interference Management Plan as set out at section 46 of the UCLF General Terms.
- 8.3 Notwithstanding clause 39.11 of the General Terms, any Dispute must be finally settled by the arbitrator within 60 Working Days after the appointment of that arbitrator, unless the parties agree in writing to extend that period.

## 9 Payment

- 9.1 Notwithstanding clause 17.4.2 of the General Terms, a further exception to the prohibition on deduction, set off and withholding set out in that clause, is any set off in accordance with clause 19.2 and Appendix 1 of these Special Terms.
- 9.2 Notwithstanding clause 18.1 of the General Terms, where the Service Provider fails to pay any amount due under the CSA (other than an amount withheld in accordance with section 19 of the General Terms or set off in accordance with clause 19 and Appendix 1 of these Special Terms, Chorus may give notice to the Service Provider to pay that amount within 20 Working Days.

## 10 Cabinetisation

- 10.1 In this clause 10:
    - 10.1.1 **Cabinetisation** means the replacement of an MPF from an Exchange with an MPF from a distribution cabinet (or equivalent facility);
    - 10.1.2 **Exchanges of Interest List** has the meaning set out in clause 10.8.
  - 10.2 Chorus must:
    - 10.2.1 Give Notice to the Service Provider in accordance with clause 10.3, detailing:
      - (a) Chorus' plans for cabinetisation on a per Exchange basis;
      - (b) the number or percentage of MPFs in such Exchanges that will be affected;
      - (c) which Service Provider's MPFs in that Exchange will be affected and the affect on the Service Provider's receipt of the Baseband Service
      - (d) the suburbs within that Exchange area that will be affected by cabinetisation; and
      - (e) in each case, the planned dates for cessation of supply of the Baseband Service (or part of the Baseband Service) and for cabinetisation.
- ("Cabinetisation Notice");

- 10.2.2 at the same time as it gives Notice under 10.2.1, publish the Cabinetisation Notice on its publicly accessible website provided that to the extent that any information under clause 10.2.1.(c) is confidential to the Service Provider, Chorus shall not publish that information on its website;
- 10.3 The Cabinetisation Notice must be given at least 18 months prior to cabinetisation occurring, except where:
- 10.3.1 any of the following apply to a particular cabinetisation at a particular Exchange:
- (a) it is necessary in an emergency situation or where Chorus becomes aware of a material risk to the Baseband Service that requires action in order to ensure Network continuity;
  - (b) it is necessary to replace the relevant part of the Local Loop Network because it has come to the end of its life, has significantly deteriorated, or has been damaged beyond repair and in each case this was reasonably unprecedented or reasonably unanticipated over and above that which was reasonably anticipated or reasonably foreseeable at the time the applicable General Cabinetisation Notice was given; or
  - (c) it is a requirement of any law or government, statutory or regulatory authority, including without limitation the Commission, the Cabinetisation Notice must be given as far in advance of cabinetisation as is reasonably practicable in the circumstances;
- 10.3.2 any of the events described in clause 10.3.1(a) to (c) occur after a Cabinetisation Notice for a particular cabinetisation has already been given. In those circumstances, Chorus may vary its original Cabinetisation Notice , provided that:
- (a) the varied Cabinetisation Notice must be given as far in advance of the cabinetisation as is reasonably practicable in the circumstances; and
  - (b) Chorus must immediately give Notice to the Service Provider of the change in date and details of the reason for that change. References to the Cabinetisation Notice include Cabinetisation Notices as varied under this clause 10.3.2.
- 10.3.3 Chorus gives Notice of the proposed cabinetisation to all Service Providers, giving them 30 calendar days to respond, and obtains a written waiver from :
- (a) any Service Provider that is accessing the Baseband Service from the Exchange that it is proposed be cabinetised;
  - (b) any Service Provider that has placed an Order (as defined in the Baseband Operations Manual) for the Baseband Service from the Exchange that it is proposed be cabinetised;
  - (c) any Service Provider that has included the Exchange that it is proposed be cabinetised in its Forecast or Exchanges of Interest List; and
  - (d) any Service Provider that responds to the Notice and includes the Exchange that it is proposed be cabinetised in its Forecast or Exchanges of Interest List.
- For the avoidance of doubt, if a Service Provider does not respond to the Notice, and neither (a), (b) nor (c) above apply, then the Notice shall be deemed a Cabinetisation Notice given in accordance with clause 10.2.1 and Chorus may proceed with the proposed cabinetisation in accordance with the Notice, without giving any further notice.
- 10.4 Within 3 months of the planned date for cabinetisation as set out in the Cabinetisation Notice, Chorus may terminate supply of that part of the Baseband Service in relation to MPFs that are to be cabinetised and complete the cabinetisation in accordance with the Cabinetisation Notice.
- 10.5 Upon terminating supply of part of the Baseband Service in relation to MPFs that are to be cabinetised;

- 10.5.1 Chorus must refund to the Service Provider a pro rata proportion of any Charges which have been paid in advance by the Service Provider; and
- 10.5.2 if the Service Provider transfers its Customers to other services available from Chorus:
- (a) Chorus must pay the costs of such transfer if cabinetisation takes place less than 18 months from the date the Cabinetisation Notice or the Notice (as referred to in clause 10.3.3(c) was given, as applicable (regardless of the reason);
  - (b) the Service Provider must pay the costs of such transfer if cabinetisation takes place 18 months or more after the date the Cabinetisation Notice or the Notice (as referred to in clause 10.3) ), as applicable, was given.
- 10.6 On 7 May and 7 November each year Chorus must:
- 10.6.1 provide the Service Provider with a written rolling three year cabinetisation forecast ("**cabinetisation forecast**"); and
  - 10.6.2 publish the cabinetisation forecast on Chorus' website (publicly accessible website).
- 10.7 The cabinetisation forecast will:
- 10.7.1 be for the three year period commencing on the date the forecast is provided;
  - 10.7.2 broadly outline Chorus' indicative investment plans (as at the date of the forecast) for cabinetisation over the three years; and
  - 10.7.3 include an evaluation of the impact such investment plans may have on individual Exchanges, an estimate of the number or percentage of MPFs in each Exchange that may be affected and an indication of which MPFs in each Exchange may be affected.
- 10.8 The Service Provider may at any time provide to Chorus a list, or updated list, of Exchanges at which the Service Provider may be interested in receiving the Baseband Service at some future time ("**Exchanges of Interest List**"). The Exchanges of Interest List does not form a part of the Service Provider's Forecasts as defined in the Operations Manual. At least once in every 12 month period Chorus will request the Service Provider to provide its Exchange of Interest List or its update to that List, as applicable.

## 11 Copper Removal

- 11.1 In this clause 11 **Copper Removal** means the removal of copper in the Local Loop Network between the Distribution Cabinet and the Exchange (or equivalent facility).
- 11.2 Chorus must:
- 11.2.1 give Notice to the Service Provider in accordance with clause 11.3 detailing:
    - (a) Chorus' plans for Copper Removal on a per Distribution Cabinet basis;
    - (b) in each case, the planned dates for cessation of supply of Baseband Copper (or part of Baseband Copper).
- ("**Copper Removal Notice**");
- 11.2.2 at the same time as it gives Notice under clause 11.3, publish the Copper Removal Notice on its publicly accessible website provided that no information is published on its website to the extent that it is confidential to the Service Provider.
- 11.3 The Copper Removal Notice must be given at least 18 months prior to copper removal occurring, except where:
- 11.3.1 any of the following apply at a particular Exchange:

## Special Terms for the Baseband (non FTTH) Service

- (a) it is necessary in an emergency situation or where Chorus becomes aware of a material risk to Baseband Copper that requires action in order to ensure Network continuity;
  - (b) it is necessary to replace the relevant part of the Local Loop Network because it has come to the end of its life, has significantly deteriorated, or has been damaged beyond repair and in each case this was reasonably unprecedented or reasonably unanticipated over and above that which was reasonably anticipated or reasonably foreseeable; or
  - (c) it is a requirement of any law or government, statutory or regulatory authority, the Copper Removal Notice must be given as far in advance of copper removal as is reasonably
  - (d) practicable in the circumstances;
- 11.3.2 any of the events described above occur after a Copper Removal Notice for has already been given. In those circumstances, Chorus may vary its original Copper Removal Notice , provided that:
- (a) the varied Copper Removal Notice must be given as far in advance of the copper removal as is reasonably practicable in the circumstances; and
  - (b) Chorus must immediately give Notice to the Service Provider of the change in date and details of the reason for that change. References to the Copper Removal Notice include Copper Removal Notices as varied under this clause 11.3.2.
- 11.3.3 Chorus gives Notice of the proposed Copper Removal to all Service Providers, giving them 30 calendar days to respond, and obtains a written waiver from :
- (a) any Service Provider that is accessing Baseband Copper;
  - (b) any Service Provider that has placed an order (as defined in the Operations Manual) for Baseband Copper in the area where Copper Removal will occur;
  - (c) any Service Provider that has included the Exchange that it is proposed to be affected by Copper Removal in its Forecast or Exchanges of Interest List; and
  - (d) any Service Provider that responds to the Notice and includes the Exchange that it is proposed to be affected by Copper Removal in its Forecast or Exchanges of Interest List.

For the avoidance of doubt, if a Service Provider does not respond to the Notice, and neither (a), (b) nor (c) above apply, then the Notice shall be deemed a Copper Removal Notice given in accordance with clause 11.3 and Chorus may proceed with the proposed cabinetisation in accordance with the Notice, without giving any further notice.

- 11.3.4 The removal of copper will result in the Baseband Copper variant no longer being available from the specified Exchanges and/or Distribution Cabinets. Where this occurs:
- (a) the Baseband IP variant will be made available at the relevant Exchange and/or Distribution Cabinet; and
  - (b) if the Baseband IP Extended option is also available at the Exchange and/or Distribution Cabinet, then the Baseband IP Extended option will be removed and the Baseband IP variant will be provided at the applicable Baseband Charges without any additional Baseband IP Extended monthly charge from the date the copper is removed.

## Service Levels

## 12 Scope of Service Levels

- 12.1 These Special terms:
- 12.1.1 set out the quality and performance of the Service Level commitments of Chorus to the Service Provider for the delivery of the Baseband (non FTTH) Service; and
  - 12.1.2 provides for a penalty mechanism where Chorus fails to meet its Service Levels.
- 12.2 These Service Levels may be changed in accordance with clause 7.1 of these Special Terms or the change mechanism set out in section 11 of the General Terms.

## 13 Service Levels

- 13.1 Chorus will provide the deliverables set out in Appendix 1 to these Special Terms in accordance with the Service Levels. Service Levels are either classified as Level A Service Levels or Level B Service Levels.
- 13.2 In respect of Chorus' obligations to fix any Reported Fault, notwithstanding clause 28.4 of the General Terms, Chorus will use all reasonable endeavours to meet the timeframes set out in the Service Levels at Appendix 1 to this Special Terms, or if there are none, the fault restoration timeline indicated under clause 28.4.3 of the General Terms.
- 13.3 Appendix 1 to these Special Terms set out the Service Levels as at the date the Service Appendix takes effect.
- 13.4 The Service Levels will apply from the date the Service Provider takes the Baseband (non FTTH) Service.
- 13.5 Any Future Service Levels will apply from the Specified Date.
- 13.6 Any Future Service Levels, including their respective tolerance levels and date of implementation, will be set via the change mechanism process under section 11 of the General Terms or in accordance with clause 7.1 of these Special Terms. .
- 13.7 If the Service Provider updates or changes an Order under clause 8.2.12 of the Operations Manual the Service Levels applicable to that Order (as updated or changed) will be measured from the date that update or change was made by Chorus.

## 14 Exclusions to the Service Levels

- 14.1 The Service Levels will not apply where:
- 14.1.1 a Service Level Default is due to a Force Majeure Event;
  - 14.1.2 a Service Level Default is a direct result of a Service Provider failing to comply with an express obligation under the CSA;
  - 14.1.3 expressly stated in the Operations Manual;
  - 14.1.4 a Service Level Default is a direct result of:
    - (a) a fault that is the Service Provider's responsibility under the General Terms; or
    - (b) anything (including any fault) caused by the telecommunications network or equipment of any third party, not being an Agent or sub-contractor of Chorus, or the Service Provider's Network or the Service Provider's Equipment;

- 14.1.5 a fault is reported and no fault for which Chorus is responsible is detected when the service is tested from end to end;
  - 14.1.6 a Service Level Default is due to a failure by the Service Provider or its End-User to allow access to the premises or equipment when reasonably requested;
  - 14.1.7 remedying a Service Level Default would result in a material health and safety risk for a Chorus employee or agent, the avoidance of which could not have been realistically predicted by Chorus; or
  - 14.1.8 agreed between Chorus and the Service Provider.
- 14.2 Further exclusions or limitations to Chorus's liability in respect of specific Service Levels are set out in Appendix 1. The exclusions and limitations provided in Appendix 1 are in addition to the general exclusions set out in this clause 14 and in no way limit the exclusions set out in this clause 14 .
- 14.3 Where Chorus makes a decision that a Service Level Default has not occurred because one or more of the exclusions apply, the details of the exclusion are to be recorded and reported in Chorus's monthly performance report provided in accordance with clause 16.1.

## **15 Forecasting**

- 15.1 The Service Provider will provide BAU Forecasts to Chorus in accordance with the procedures and time frames set out in the Operations Manual.
- 15.2 The consequences of the Service Provider failing to provide a BAU Forecast or failing to provide an accurate BAU Forecast will be as set out in clauses 6.1.4, 6.1.28, 6.1.33 to 6.1.37 of the Operations Manual.]

### **Baseband IP Extended Expressions of Interest and Forecasting**

- 15.3 Baseband IP Extended will only be available to Service Providers in locations where capability has been deployed or is agreed between Chorus and Service Provider in accordance with the procedure set out in clause 15 of the Operations Manual.

## **16 Reporting on Service Levels**

- 16.1 Once an order has been placed, Chorus will provide the Service Provider with a performance report each month. The report will be delivered or made available to the Service Provider within 10 Working Days of the end of each calendar month in electronic format. The report will detail Chorus' performance and compliance with each of the Service Levels over the preceding month.

## **17 Service Level Defaults**

- 17.1 In the event of a Service Level Default, Chorus will provide a report to the Service Provider detailing:
  - 17.1.1 the cause of and procedure for correcting such Service Level Default;
  - 17.1.2 the steps taken by Chorus to remedy the Service Level Default and the effectiveness of those steps; and
  - 17.1.3 any previous Service Level Defaults in respect of that Deliverable occurring during the current and preceding Half Contract Year.
- 17.2 The report will be provided each month until the Service Level Default is remedied, at the same time as Chorus provides its report under clause 16.1.

## **18 Performance Penalties**



- 18.1 Subject to section 14 of these Special Terms, in the event of a Level A Service Level Default, the Service Provider will receive a Performance Penalty from Chorus. The Performance Penalty is as set out in Appendix 1.

## 19 Reconciliation of Performance Penalties

- 19.1 Within 10 Working Days after the end of each calendar month, Chorus will provide a summary report to the Service Provider that will detail the total amount of Performance Penalties imposed for Service Level Defaults in accordance with section 17 during the preceding calendar month, detailed by Service Level.
- 19.2 Where Performance Penalties are due to the Service Provider, Chorus will set off the total amount of the Performance Penalties from the Charges due in the next invoice issued by Chorus to the Service Provider in relation to the Baseband Service only. If the Performance Penalties exceed the Charges due, then Chorus must pay the amount equivalent to the Performance Penalty, or that part of the Performance Penalty not so set off, to the Service Provider within 20 Working Days.
- 19.3 Within 10 Working Days after each Half Contract Year, Chorus will provide a summary report to the Service Provider that will include the following:
- 19.3.1 with respect to each Deliverable for which there was a Service Level Default during the preceding Half Contract Year:
- (a) statistics on Chorus's average monthly performance of that Deliverable, detailed by calendar month, during that Half Contract Year; and
  - (b) the average of Chorus's average monthly performance of that Deliverable during that Half Contract Year;
- 19.3.2 the total amount of Performance Penalties imposed for Service Level Defaults in accordance with section 16, detailed by calendar month, during the preceding Half Contract Year;
- 19.4 Any Performance Penalty imposed under the provisions of these Special Terms is credited on the basis that there is:
- 19.4.1 no admission of liability by Chorus or the Service Provider; and
- 19.4.2 that any amount credited will be credited without prejudice to any right of either Chorus or the Service Provider to claim for additional loss resulting from the Service Level Default.

## Agreement

Chorus and the Service Provider agree that Chorus has supplied and will continue to supply and the Service Provider has accepted and paid for and will continue to accept and pay for the Baseband (non FTTH) Service on the terms and conditions set out in the General Terms and this Service Appendix.

Date of agreement: \_\_\_\_\_

**Signatures**

**For Chorus**

**(Chorus New Zealand Limited)**

Signature of authorised person:

Tim Harris

Signature of authorised person:

Position of authorised person:

Chief Commercial Officer

Date:

**For the Service Provider**

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Signature of authorised person:

Signature of authorised person:

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Position of authorised person:

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Date:

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### APPENDIX 1 - Service Levels

**Provision of Baseband Service**

Item No.	Level A/ Level B	Services to which Service Level relates	Service Attribute	Deliverable	Service Level	Tolerance Level	Exclusions
1.	Level B	Baseband New Connection Order Baseband Transfer Order Other Service to Baseband Transfer Order Baseband Move Address Order Baseband Relinquishment	Order acknowledgement	Chorus will acknowledge receipt of each Order	Provide acknowledgment of receipt of each Order to the Service Provider within 4 Consecutive Business Hours following the Receipt Time	99% (per relevant Core Baseband Transaction Service)	
2.	Level B	Baseband New Connection Order Baseband Transfer Order Other Service to Baseband Transfer Order Baseband Move Address Order Baseband Relinquishment	Notification of rejection	Chorus will reject invalid Orders by returning the appropriate code to the Service Provider	Provide notification of the rejection to the Service Provider within 4 Consecutive Business Hours following the Receipt Time	90% (per relevant Core Baseband Transaction Service)	

Item No.	Level A/ Level B	Services to which Service Level relates	Service Attribute	Deliverable	Service Level	Tolerance Level	Exclusions
3.	Level B	Baseband Transfer Order Other Service to Baseband Transfer Order Baseband Relinquishment Baseband Move Address Order Baseband New Connection Order	Notification of expected RFS Date	Chorus will notify the Service Provider of expected RFS Date of the Order <sup>1</sup>	Provide notification of the expected RFS Date to the Service Provider within 6 Consecutive Business Hours of the Deemed Acceptance Time	90% (per relevant Core Baseband Transaction Service)	
4.	Level A	Baseband New Connection Order Baseband Transfer Order Other Service to Baseband Transfer Order Baseband Move Address Order Baseband Relinquishment Order	Order is completed right first time	Chorus will complete the Order without fault	No faults in work carried out to provision the Order to occur within 5 Working Days	90% (per relevant Core Baseband Transaction Service)	The fault must be a fault: (a) for which Chorus is responsible; and (b) that has been reported to Chorus within 5 Working Days of completion by Chorus of completion of the Order; and (c) that is found and required to be fixed. (it is not a "No Fault Found")

<sup>1</sup> The notified expected RFS date must be within the Standard Lead-Time, except where otherwise agreed between Chorus and the Service Provider, however, where the expected RFS date agreed between Chorus and the Service Provider is outside the Standard Lead-Time, this does not qualify as a breach of this Service Level.

Item No.	Level A/ Level B	Services to which Service Level relates	Service Attribute	Deliverable	Service Level	Tolerance Level	Exclusions
5.	Level A	Baseband Move Address Order Baseband New Connection Order Baseband Transfer Order Other Service to Baseband Transfer	Meet expected RFS Date for the relevant Core Baseband Transaction Service <sup>2</sup>	Chorus will complete the Order by the notified expected RFS Date	Complete the Order by the notified expected RFS Date	90% (per relevant Core Baseband Transaction Service)	Where Chorus extends a previously notified RFS Date (other than as a result of a Service Provider's or an Service Provider's Customer's request to do so), this is considered a failure of this Service Level
6.	Level B	Baseband Relinquishment	Meet expected RFS Date <sup>3</sup>	Chorus will complete the Order by the notified expected RFS Date	Complete the Order by the notified expected RFS Date	90%	Where Chorus extends a previously notified RFS Date (other than as a result of a Service Provider's or a Service Provider's Customer's request to do so), this is considered a failure of this Service Level

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<sup>2</sup> The notified expected RFS date must be within the Standard Lead-Time, except where otherwise agreed between Chorus and the Service Provider

<sup>3</sup> The notified expected RFS date must be within the Standard Lead-Time, except where otherwise agreed between Chorus and the Service Provider

Item No.	Level A/ Level B	Services to which Service Level relates	Service Attribute	Deliverable	Service Level	Tolerance Level	Exclusions
7.	Level B	Baseband New Connection Order Baseband Transfer Order Other Service to Baseband Transfer Order M Baseband PF Move Address Order Baseband Relinquishment	Pre-qualification Acknowledgement	Chorus will acknowledge receipt of Pre-qualification Order	Complete the acknowledgement of receipt within 4 Consecutive Business Hours following the receipt of the Order	90%	
8.	Level B	Baseband New Connection Order Baseband Transfer Order Other Service to Baseband Transfer Order Baseband Move Address Order Baseband Relinquishment	Pre-qualification Order Completion	Chorus will complete the Prequalification Order and return the appropriate information	Complete the Pre-qualification Order and return the appropriate information to the Service Provider within: <ul style="list-style-type: none"> <li>• for authorised and unauthorised automatic pre-qualification, 4 Consecutive Business Hours following receipt of the Order</li> <li>• for a special manual pre-qualification investigation or a manual line test, 6 Working Days following receipt of the Order</li> </ul>	90%	

Item No.	Level A/ Level B	Services to which Service Level relates	Service Attribute	Deliverable	Service Level	Tolerance Level	Exclusions
9.	Level B	Baseband New Connection Order Baseband Transfer Order Other Service to Baseband Transfer Order Baseband Move Address Order Baseband Relinquishment	Change to RFS Date	Chorus will provide notification of RFS Date change	Provide notification of the change of RFS Date to the Service Provider within 6 Consecutive Business Hours of receipt of the request to change an existing Order (provided that the request is received at least 1 Working Day prior to the notified RFS Date	90% (per relevant Core Baseband Transaction Service)	
10.	Level B	Baseband New Connection Order Baseband Transfer Order Other Service to Baseband Transfer Order Baseband Move Address Order Baseband Relinquishment	Confirmation of completion	Chorus will provide the Service Provider with confirmation of completion of the Order	Provide confirmation of completion of the Order to the Service Provider within 4 Consecutive Business Hours after the Order has been completed	90% (per relevant Core Baseband Transaction Service)	
11.	Level B	Baseband Service	Notification of Planned Outages	Chorus will advise of Planned Outages	Advise at least 5 Working days before Planned Outage occurs	90%	Chorus will use its all reasonable endeavours to schedule Planned Outages between the hours of 11:00pm and 6:00am

Item No.	Level A/ Level B	Services to which Service Level relates	Service Attribute	Deliverable	Service Level	Tolerance Level	Exclusions
12	Level B	Baseband Service	Notification of Unplanned Outages	Chorus will advise of Unplanned Outages	Advise within 2 hours, on a 24x7 basis, of Chorus discovering or receiving notification of the Unplanned Outage	90%	
13.	Level B	Baseband Service	Fault report receipt acknowledgement	Chorus will acknowledge receipt of each fault report	Provide fault report receipt acknowledgement within half a Fault Restoration Hour of the fault being reported <sup>4</sup>	90%	This Service level does not apply where an invalid fault report has been submitted.
14.	Level B	Baseband Service	Notification of expected restoration time	Chorus will provide notification of the expected restoration time <sup>5</sup>	Provide notification of the expected restoration time within 8 Fault Restoration Hours of the fault being reported	90%	
15.	Level A	Baseband Service	Meet the notified expected restoration time	Chorus will restore the fault within the expected restoration time	Restore fault within notified expected restoration time	90%	

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<sup>4</sup> If a fault is logged outside Fault Restoration Hours, for the purposes of this Service Level, the report will be deemed to have been received from 7.00am the following day.

<sup>5</sup> The expected restoration time will be provided in accordance with Chorus' fault prioritisation systems.



**Chorus Forecasting for Baseband Service**

<b>Item No.</b>	<b>Level A/ Level B</b>	<b>Services to which Service Level relates</b>	<b>Service Attribute</b>	<b>Deliverable</b>	<b>Service Level</b>	<b>Tolerance Level</b>	<b>Exclusions</b>
16.	Level B	Baseband Service	Cabinetisation Forecast	Chorus will provide Service Provider with a written rolling 3-year Cabinetisation Forecast every 6 months	Within 10 Working Days of each 6 month anniversary of the Determination Date, Chorus will provide a written rolling 3-year forecast report	100%	

**Operational Support System SLAs for Baseband Service**

Item No.	Level A/ Level B	Services to which Service Level relates	Service Attribute	Deliverable	Service Level	Tolerance Level	Exclusions
17.	Level B	Baseband Service	Availability of OO&T	Chorus will make OO&T available to the Service Provider	OO&T is available to the Service Provider 24 hours a day, 7 days a week	99.8%	Availability to be measured 24x7 over a calendar month, excluding any periods of Permitted Maintenance.
18.	Level B	Baseband Service	Availability of OFM	Chorus will make OFM available to the Service Provider	OFM is available to the Service Provider 24 hours a day, 7 days a week	99.8%	Availability to be measured 24x7 over a calendar month, excluding any periods of Permitted Maintenance.

**Notes:**

**Where availability measured**

In respect of Items 17 and 18, availability is measured from the point at which the public internet meets the OO&T or the OFM (as the case may be).

**Permitted Maintenance**

The OO&T and OFM systems may be taken out of service for routine maintenance, testing, configuration changes, software upgrades or updating facilities. Chorus will, where practicable, carry out such work between 10:00pm and 7:00am. In such cases, Chorus shall advise Service Providers not less than 5 Working Days prior to the event.

Chorus may, at such other times as Chorus considers reasonably necessary, take the OO&T and OFM systems out of service, taking into account the need to minimise any disruption caused to the Service Provider s. Chorus will advise of such outages not less than 10 Working Days prior to the planned event.

**Unplanned Outages**

If the OO&T or OFM systems must be taken out of service to resolve a fault affecting the system, where reasonably practicable, Chorus shall give notice to the Service Provider of any such unscheduled outages and the Service Provider will be kept regularly updated regarding the resolution of the fault.

## Performance Penalties

Item No.	Level A/ Level B	Services to which Service Level relates	Service Attribute	Deliverable	Tolerance Level	Exclusions
4.	Level A	Baseband New Connection Order Baseband Transfer Order Other Service to Baseband Transfer Order Baseband Move Address Order Baseband Relinquishment Order	Order is completed right first time	Chorus will complete Order without fault	90%	The Performance Penalty is to be calculated on a per calendar month basis in respect of each Baseband Core Transaction Service Order where Chorus' performance falls below the specified Tolerance Level; and is to be calculated as follows:  Performance Penalty = 7% of the provisioning Charge for the relevant Core Baseband Transaction Service
5.	Level A	Baseband New Connection Order Baseband Transfer Order Other Service to Baseband Transfer Order Baseband Move Address Order	Meet expected RFS Date for the relevant Core Baseband Transaction Service	Chorus will complete the Order by the notified expected RFS Date	90% (per relevant Core Baseband Transaction Service)	The Performance Penalty is to be calculated on a per calendar month basis in respect of each Baseband Core Transaction Service Order where Chorus' performance falls below the specified Tolerance Level; and is to be calculated as follows:  Performance Penalty = A x B Where: A = the applicable Penalty Rate B = the provisioning Charge for the relevant Core UCLF Transaction Service

Item No.	Level A/ Level B	Services to which Service Level relates	Service Attribute	Deliverable	Tolerance Level	Exclusions
15.	Level A	Baseband Service	Meet notified expected restoration time	Chorus will restore the fault within the expected restoration time	90%	<p>The Performance Penalty is to be calculated on a per calendar month basis in respect of <i>each</i> fault not restored within the notified restoration time and falling below the specified Tolerance Level; and is required to be calculated in accordance with the following formula:</p> <p>Performance Penalty = A x B</p> <p>Where:</p> <p>A = the applicable Penalty Rate x the Baseband Service Monthly Charge<sup>6</sup>.</p> <p>B = the number of Baseband Services detrimentally affected by the fault.</p>

**Calculation of Penalty Rate**

Where any Core Baseband Transaction Service Order or fault report has not been completed or restored (as the case may be) within the period required by the relevant Service Level (taking into account the Tolerance Level), the Penalty Rate for the initial Service Level Default will be 7%. For:

- (a) every 9 Consecutive Business Hours (that is, the equivalent of a full Working Day) that the Service Level Default continues to not be resolved, if the Service Level Default relates to a Core Baseband Transaction Service Order (that is, item 5); or
- (b) every 12 Fault Restoration Hours that the Service Level Default continues to not be resolved, if the Service Level Default relates to fault restoration (that is, item 15),

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<sup>6</sup> See Service Component 2.1 of the Baseband Price List.

the Penalty Rate will increase by one percentage point.

If the Service Level Default relates to a Service Level that is not time based (that is, item 4 “Order is completed right first time”), the escalating Penalty Rate will not apply.

**Example**

The following is an example which illustrates how Performance Penalties for item 5 (“Meet expected RFS Date”) will be calculated.

Chorus is required to complete 10 Baseband New Connection Orders during the calendar month. For three of these Orders Chorus failed to complete the Order within the notified expected RFS Date, but due to the Tolerance Level (90%) will not be penalised financially for the first of these three defaults. Default number 1 exceeded the expected RFS Date by 45 Consecutive Business Hours (that is, the equivalent of five Working Days), so the applicable Penalty Rate is 12%. Default number 2 exceeded the expected RFS Date by 27 Consecutive Business Hours (that is, the equivalent of three Working Days), so the applicable Penalty Rate is 10%. Default number 3 exceeded the expected RFS Date by 9 Consecutive Business Hours (that is, the equivalent of one Working Day), so the applicable Penalty Rate is 8%. The Performance Penalties will be calculated as follows:

Default number 2:

A = the applicable Penalty Rate = 10%; B = the provisioning Charge for the relevant Core Baseband Transaction Service = \$225 (with site visit required)

Performance Penalty =  $A \times B = 10\% \times \$225 = \$22.50$

Default number 3:

A = the applicable Penalty Rate = 8%; B = the provisioning Charge for the relevant Core Baseband Transaction Service = \$225

Performance Penalty =  $A \times B = 8\% \times \$225 = \$18$

## Appendix 2 Standard Lead Times

Core Baseband Transaction Service	Standard Lead-Time (calculated from the Working Day immediately following the Deemed Acceptance Time)
Baseband Move Address Order	7 Working Days
Baseband New Connection Order	7 Working Days
Baseband Transfer Order	3 Working Days
Baseband Relinquishment	2 Working Days
Baseband Other Service to Baseband Transfer Order	3 Working Days