

Biarri Networks
NETWORK OPTIMISATION

Systems provider to
NBNCo



Optimized Fibre Optic Network Design

INFORMS Franz Edelman Award 2014

Via video: Peter Ferris, Alex Grime, Luke Birch

In person: Joe Forbes, Paul Kennedy, Michael Forbes

This document sets out NBN Co's proposals in respect of certain aspects of the National Broadband Network. The contents of this document represent NBN Co's current position on the subject matter of this document. The contents of this document should not be relied upon by our stakeholders (or any other persons) as representing NBN Co's final position on the subject matter of this document, except where stated otherwise. NBN Co's position on the subject matter of this document may also be impacted by legislative and regulatory developments in respect of the National Broadband Network. All prices shown in this document are exclusive of GST.

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Operations Research

projected to **save over \$2 Billion** on
Australia's largest infrastructure project

80% reduction in network design time
10% avoided costs in network construction



Biarri
Networks
NETWORK OPTIMISATION

NBN Intro

Understanding the Problem

Peter Ferris

Executive General Manager Planning and Design NBN Co.

A big country



| Australia | USA |
|---------------|---------------|
| 2.9M sq miles | 3.8M sq miles |
| 22M people | 314M people |

Three markets, one solution

Consumer

– Asymmetrical



High-speed internet

- bursty



IPTV

- streaming
- constant
(committed rates)



VOIP

- constant
(committed rates)

Business

- Symmetrical
- Business critical connection
- Service level guarantee



Backup of data



Software-as-a-Service



High-definition voice
and video conferencing



Online collaboration
with remote workers

Industry – e.g. health

- Symmetrical
- Business critical connection
- Service level guarantee
- Ubiquitous



Online consultations
eprescribability



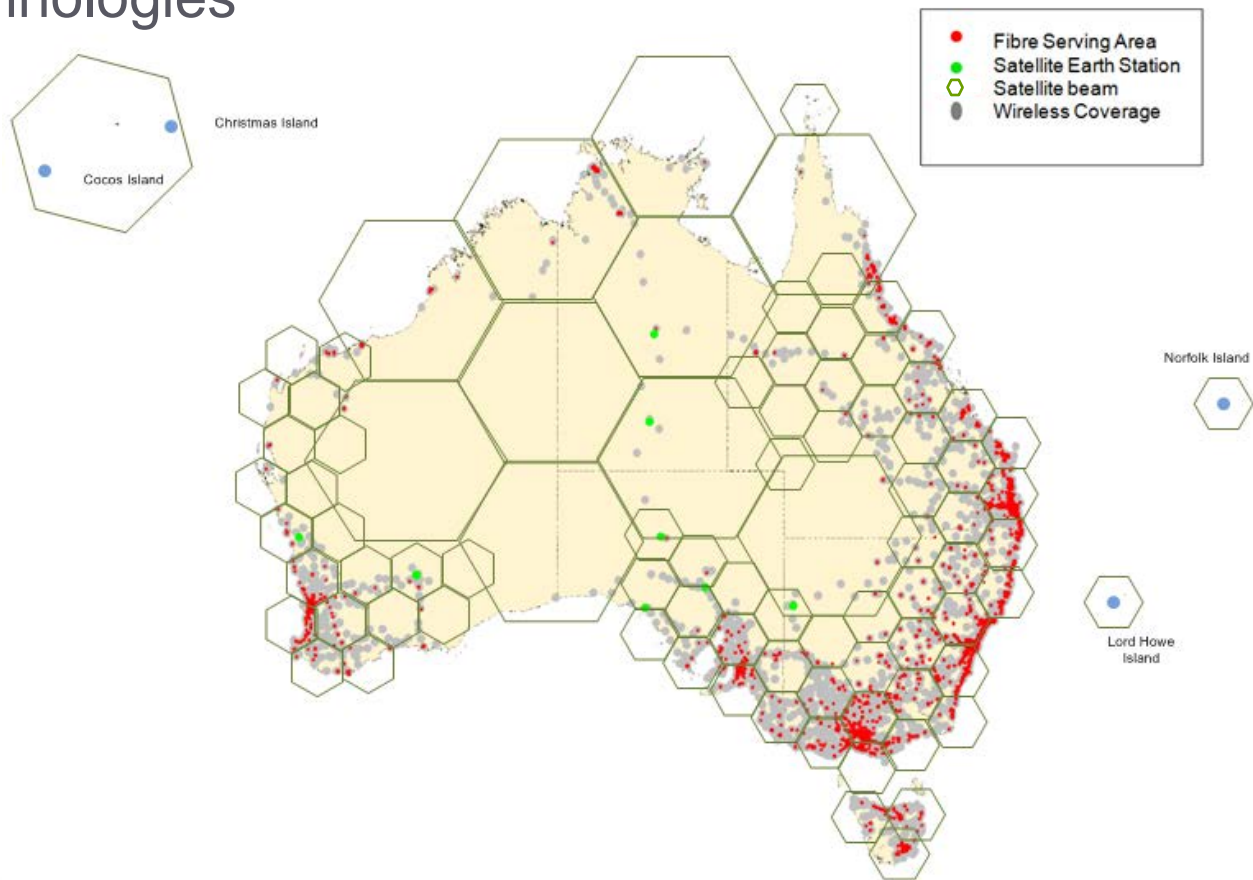
Remote diagnosis of electronic
medical images



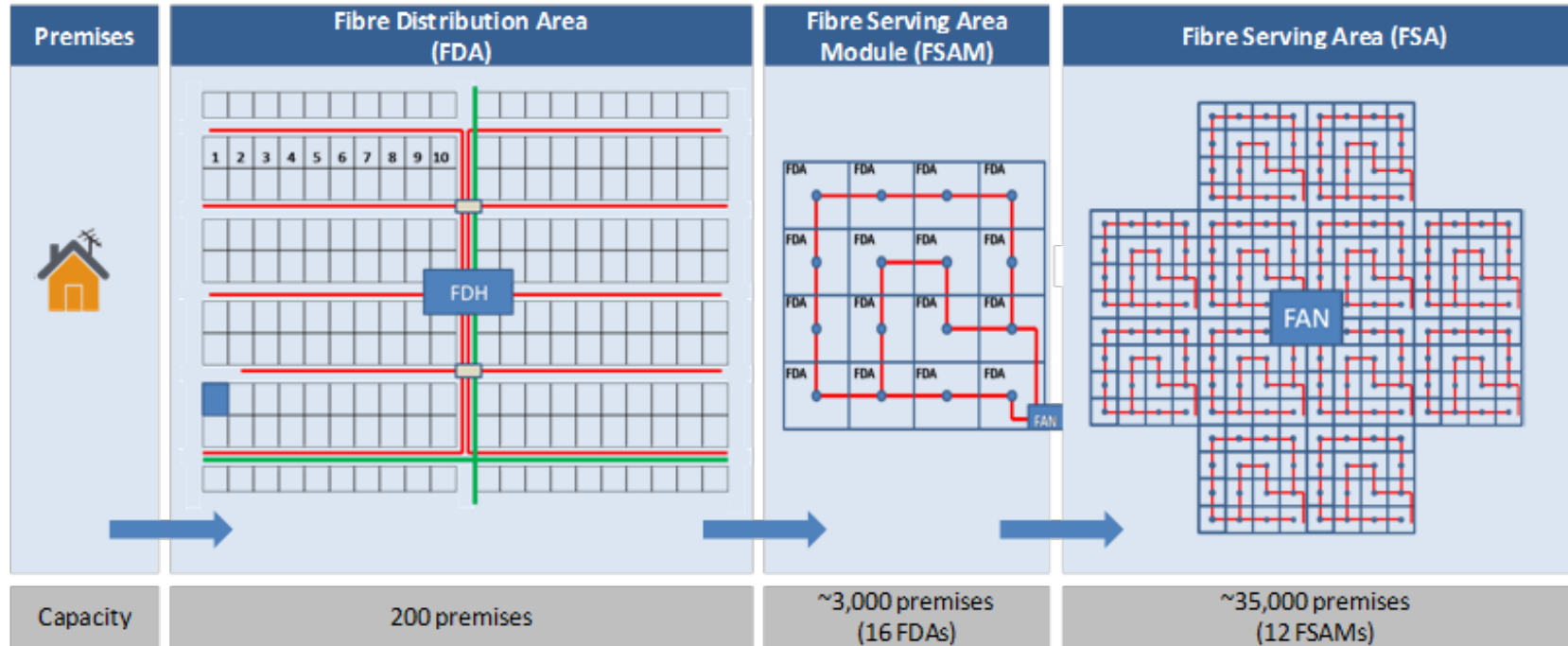
In-home monitoring of elderly-
chronic disease sufferers

Source: LTE/SAE Trial Initiative (Oct 2009)

Three technologies



Network architecture – replicating modules



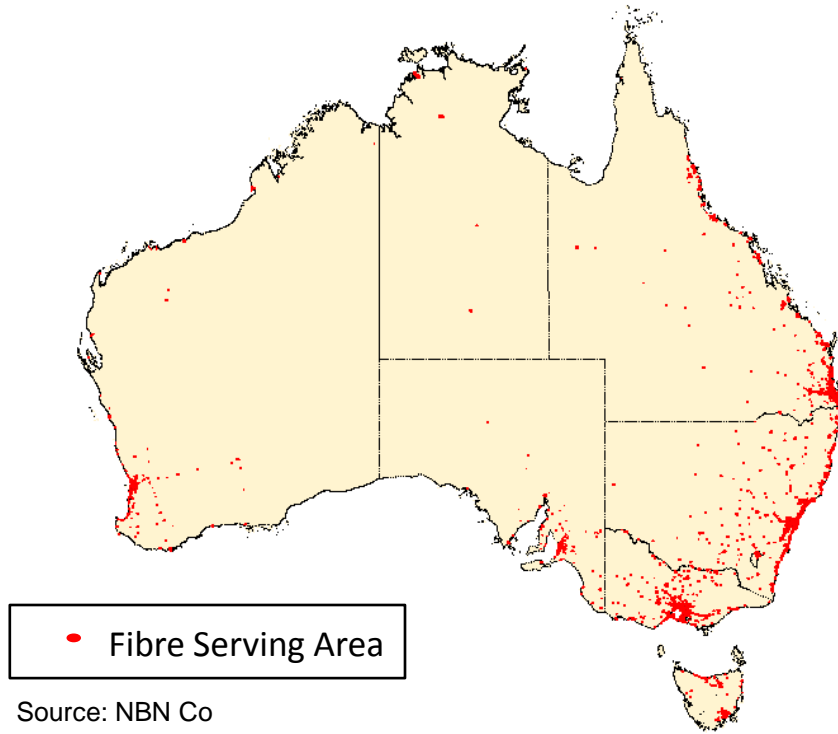
Telstra Infrastructure Supply Agreement

| Asset | Quantity | Commercials | Use |
|----------------------|--------------|---------------------|-----------------|
| Duct Asset | 130,000 km | Leased, take or pay | FSAM |
| Lead-in conduit | 2.7M | Purchased | FSAM |
| Dark Fiber Pairs | 55,121 km | Leased, take or pay | Transit |
| Equipment Rack space | 16,743 racks | Leased, take or pay | FSAM Transit |

Characterising the problem

Paul Kennedy
CEO, Biarri Networks

Quantity



Source: NBN Co

FSAMs

- 4,000 FSAMs (Fibre Serving Area Modules)
- 2,500 premises in each

Rate

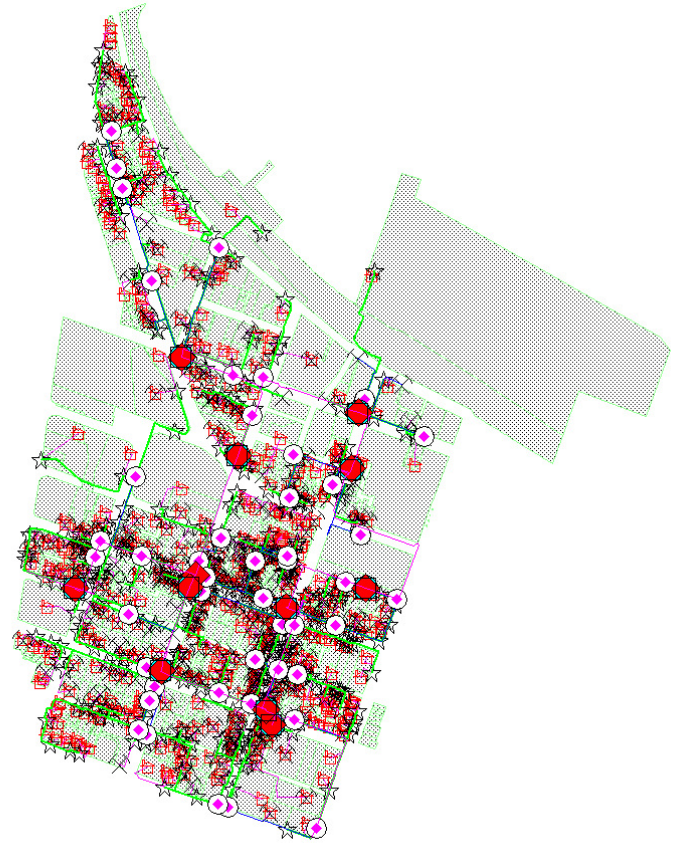
- Complete two FSAMs / day
... every day until 2020

Intricacy

7000 elements in a completed design

Strict requirements

- Exhaustive
- Geometrically correct
- Fully typed and named
- Fully associated



Complexity

Each design requires
thousands of decisions

Install aerial or underground?

Use existing duct or build new?

What size components?

Where to place joints?



Generalise the problem

- **Quantity**

Need to design more than 4000 FSAMs

- **Intricacy**

Each design has thousands of elements

- **Complexity**

Each FSAM has a huge number of alternative designs

We decomposed the problem to a series of MIPs...

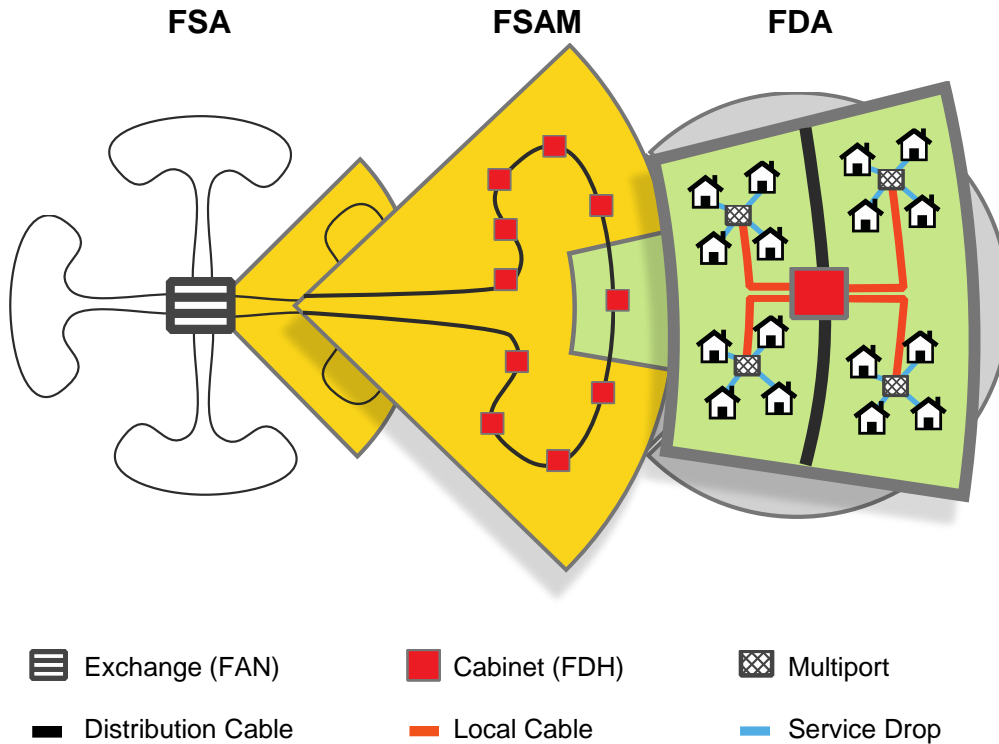
...and then built FOND (Fiber Optic Network Design) to manage the process.

Solving the problem

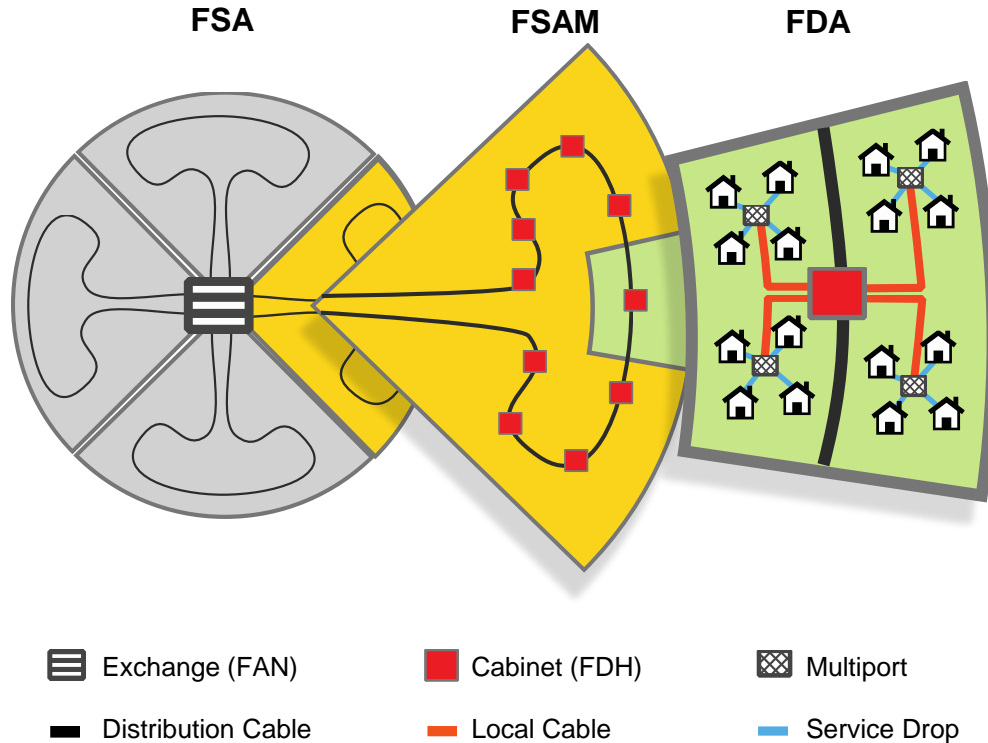
Michael Forbes

Optimisation Expert, Biarri Networks

FSAM Hierarchy

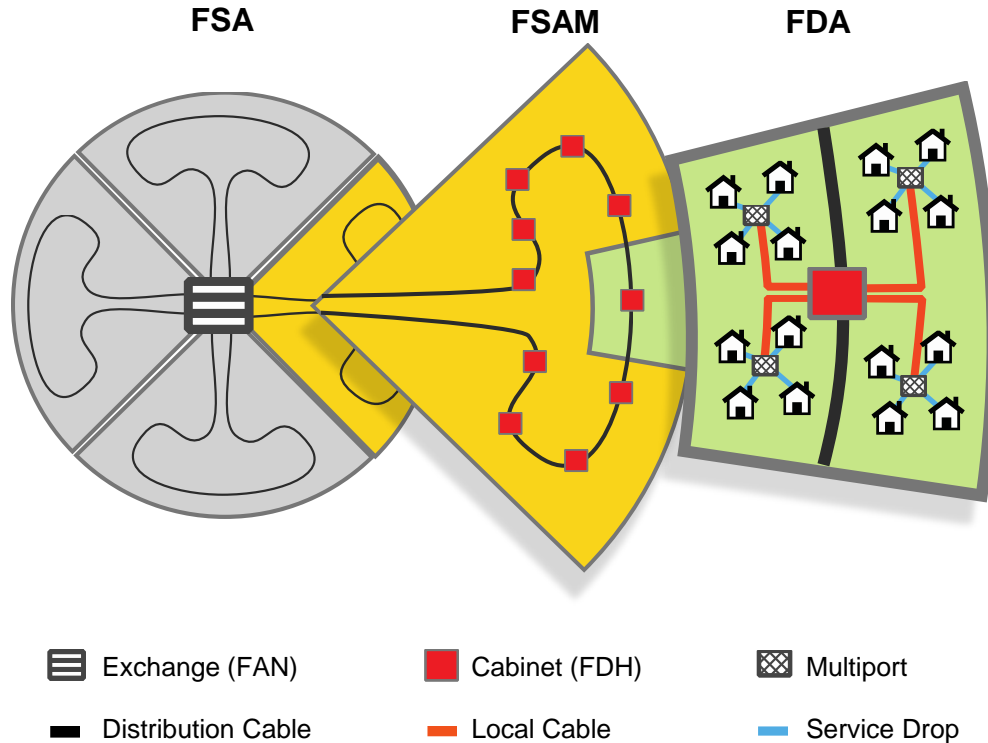


Multipoint Hub Selection



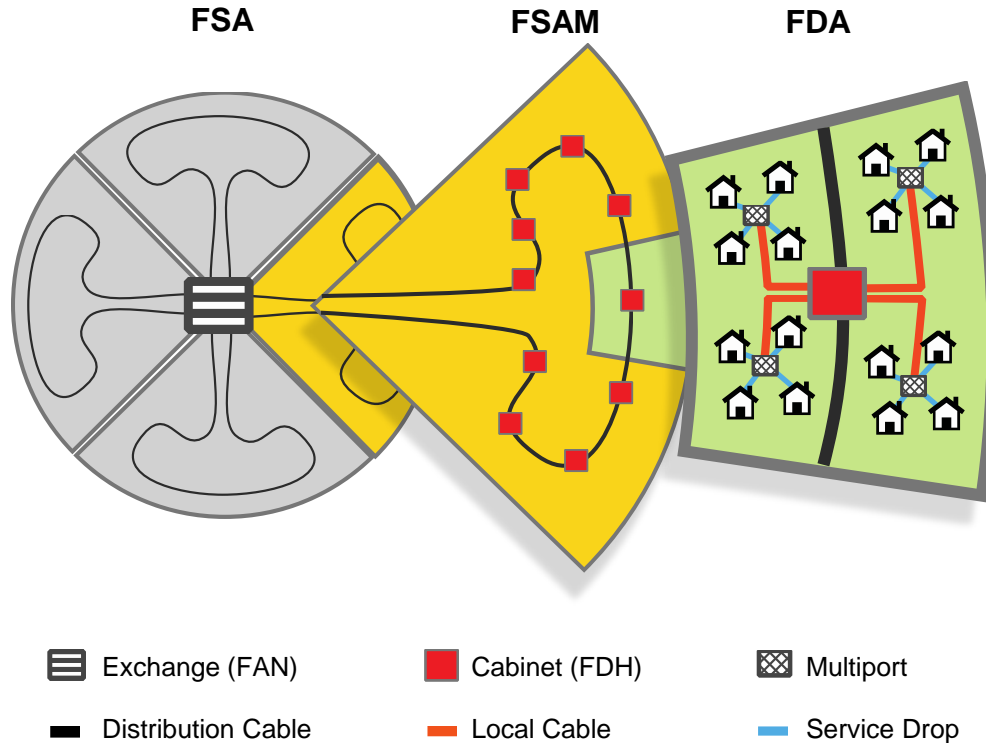
- Select from candidate multipoint locations and assign premises to multipoints
- Hub selection MIP with option to remediate infrastructure
- 3000 premises reduced hub to 650 multipoints

FDH Hub Selection



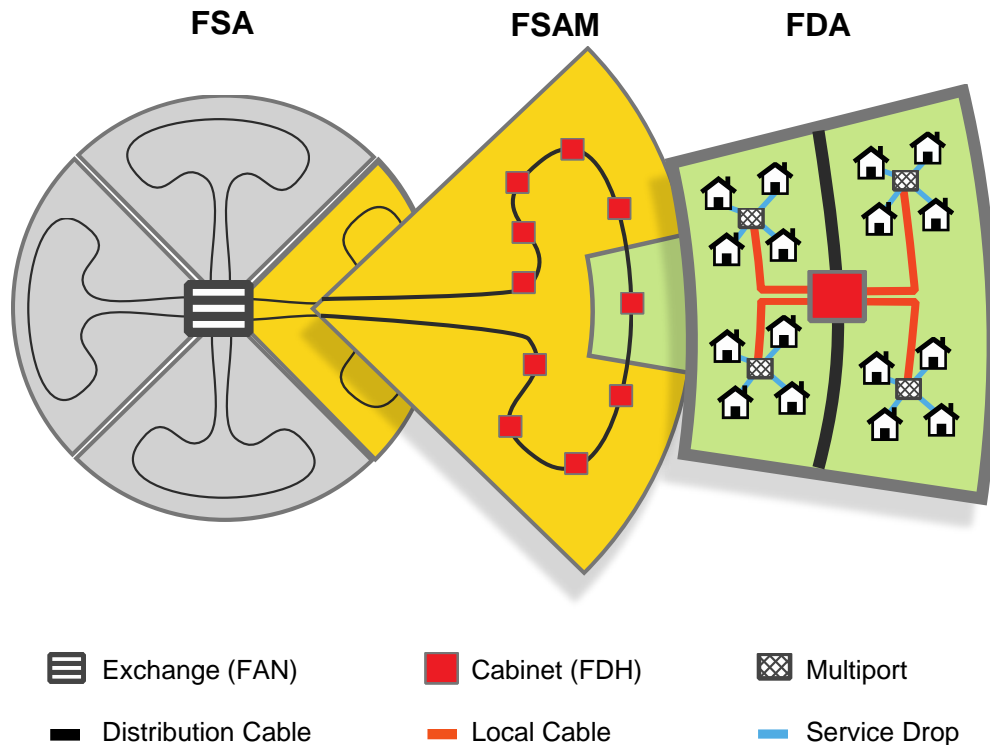
- Initial positioning of up to 16 candidate FDHs
- Hub selection MIP
- Physical location of FDHs dependent on negotiation

Distribution Ring



- Specially constrained TSP / VRP formulated as a MIP
- Ring can have one branch
- Paths between FDHs need to be arc disjoint, subject to side of road

FSAM Detailed Solve



- Builds the detailed network
- Large MIP model
- Can be run with many or few FDH locations
- Can be run with the distribution ring pre-specified
- Simplified architecture without loss of feasibility
- Partition network into set of capacitated trees to minimise construction cost

Integer programming techniques

Special branching variables related to the underlying undirected tree

- Is a node a potential branching point - hub or otherwise?
- Is an arc included in either direction?

MIP based heuristics:

- Run to integrality on the branching variables, which are then fixed
- Add extra candidate hub locations in a rolling fashion

Run time matters because need to iterate both in R&D and production

‘What-if’ with FOND

Luke Birch

Senior Fiber Planner, Planning and Design NBN Co.

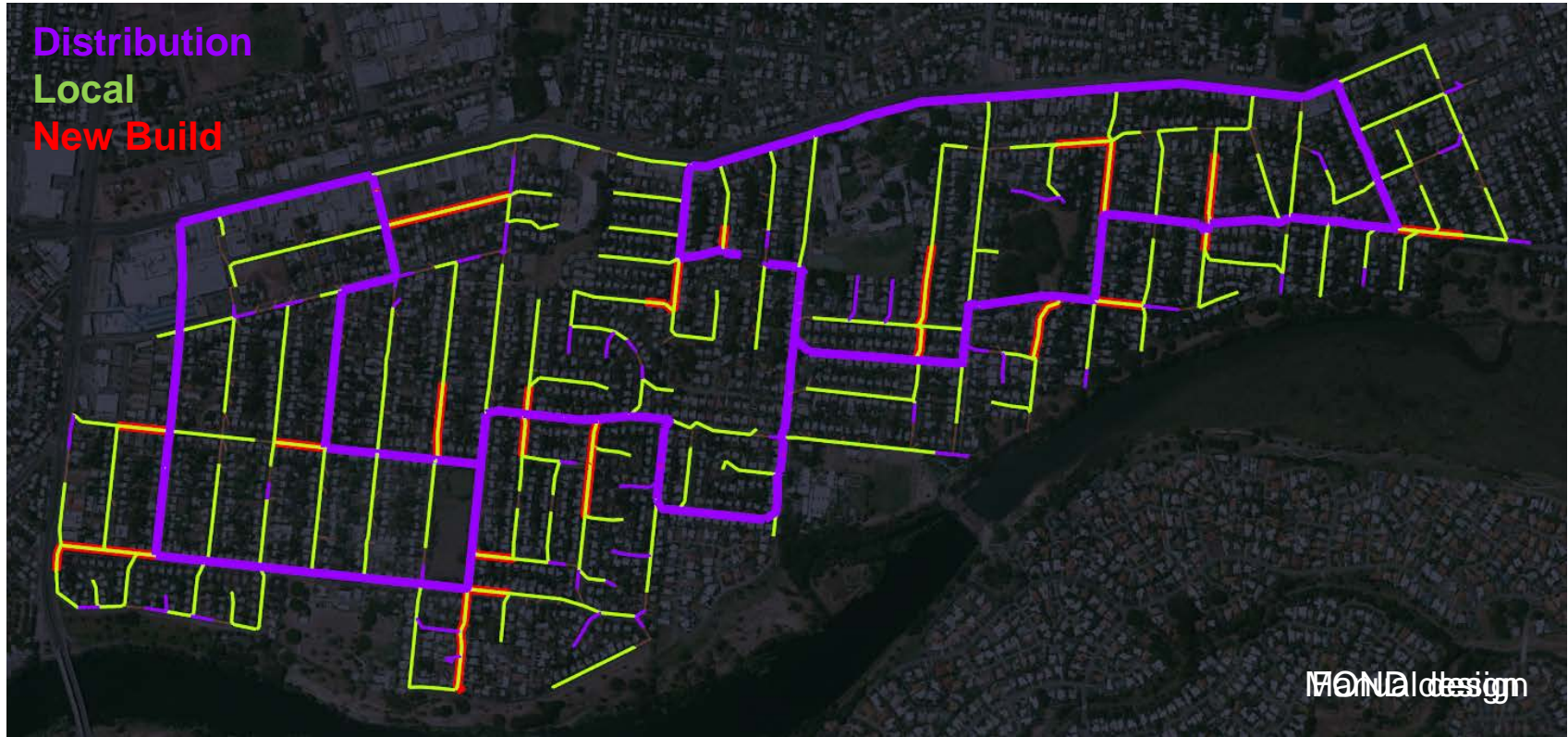
First release sites - 2010

- In 2010 NBN Co. commissioned a *bake-off* between Biarri and Industry designers
- Five FSAMs were selected, representing different geo-types (inner-urban, country town...)

| FSAM | Townsville | Brunswick | Minamurra | Armidale | Willunga |
|--------------|---|--|---|------------------|------------------|
| FOND Savings | 61% reduction in new duct for local cable 10% saving on construction | 1 fewer cabinet 12% reduction in new duct 11% saving on construction | Negligible cost difference Avoided disruption to main road | 3 fewer cabinets | 2 fewer cabinets |

Each hub is a high cost item.

First release site: Townsville



First release site: Townsville

| Component | Incumbent Solution | | Optimised Solution | | Reduction | | |
|--------------|--------------------|------------------|--------------------|------------------|-----------|---------|-------------|
| | m | \$ | m | \$ | m | \$ | % |
| Trenched FR | 9,070 | 997,775 | 8,835 | 971,861 | 235 | 25,850 | 2.59 |
| Trenched FDA | 3,285 | 361,438 | 1,255 | 138,150 | 2,030 | 223,300 | 61.7 |
| Aerial FDA | 28,190 | 704,770 | 28,583 | 714,576 | -393 | -9,825 | -1.39 |
| Total Cable | 54,750 | 273,750 | 51,814 | 259,070 | 2,936 | 14,680 | 5.36 |
| Total | | 2,337,734 | | 2,083,662 | | | 10.8 |

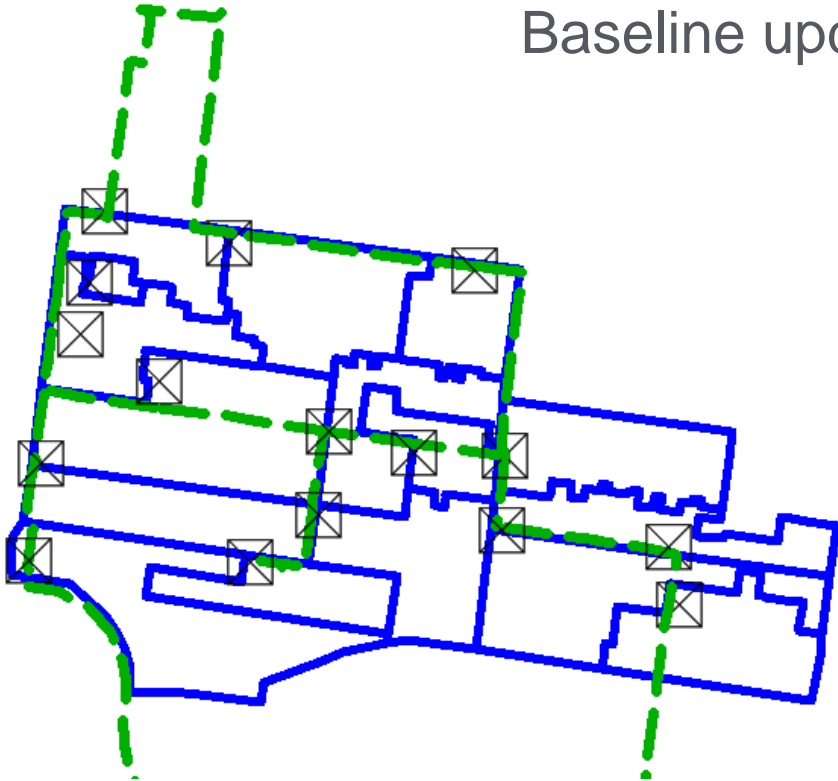
Baseline update - 2012

- In 2012 NBN Co. commissioned a second *bake-off* between Biarri and Industry designers

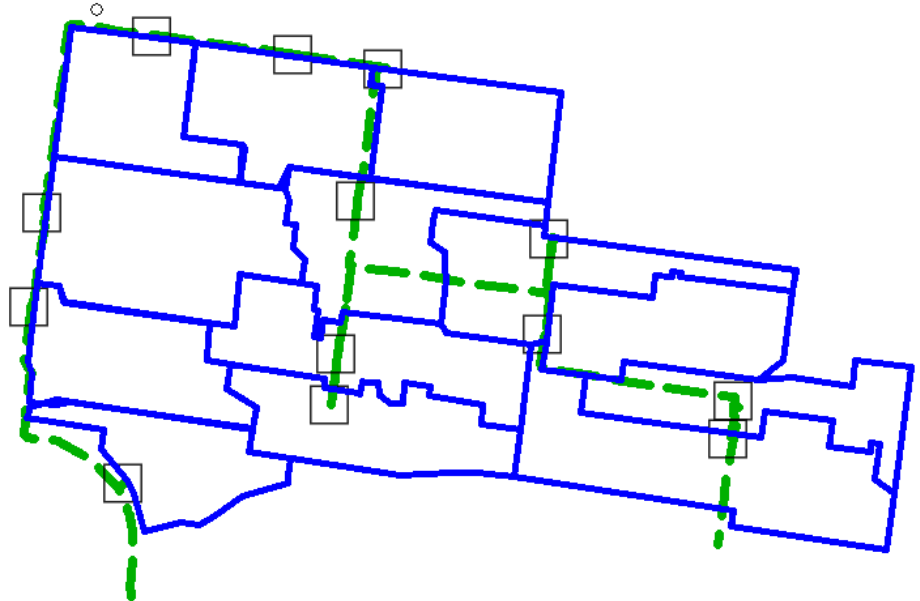
| FSAM | Area BLK3 | Area BLK4 | Area BRU2 | Area CRC9 |
|--------------|---|---|---|--|
| FOND Savings | 15% saving on construction Manual design used non-standard equipment | 13% saving on construction Manual design used non-standard equipment | Three fewer cabinets but negligible cost difference. Manual design did not respect architecture | 2% saving on construction. 4 segments of new build compared to 57 in manual design |

Non compliant manual design; errors detected during analysis because manual process has no compliance enforcement.

Baseline update: Area BRU2



Manual Design, 16 Cabinets



FOND Design, 13 Cabinets

Alex Grime

Integrated Planning Manager, Planning and Design NBN Co.

A change in role for fibre planners

With existing methods

- Tactician
- Manage the detail
- Incremental: Design one street at a time
- Data entry into CAD or GIS

With Biarri FOND

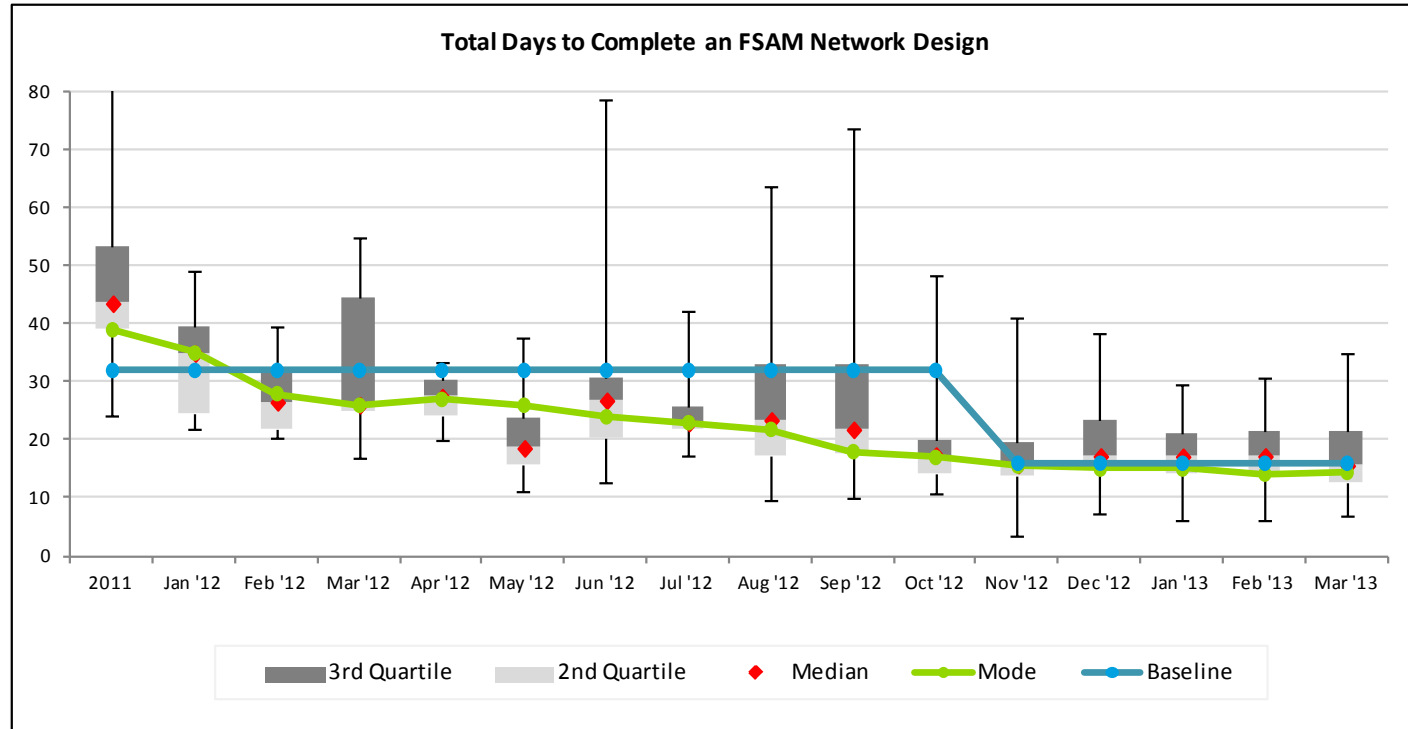
- Strategist
- Control big picture
- Simultaneous: Design whole suburb
- Design review in CAD or GIS

Peter Ferris

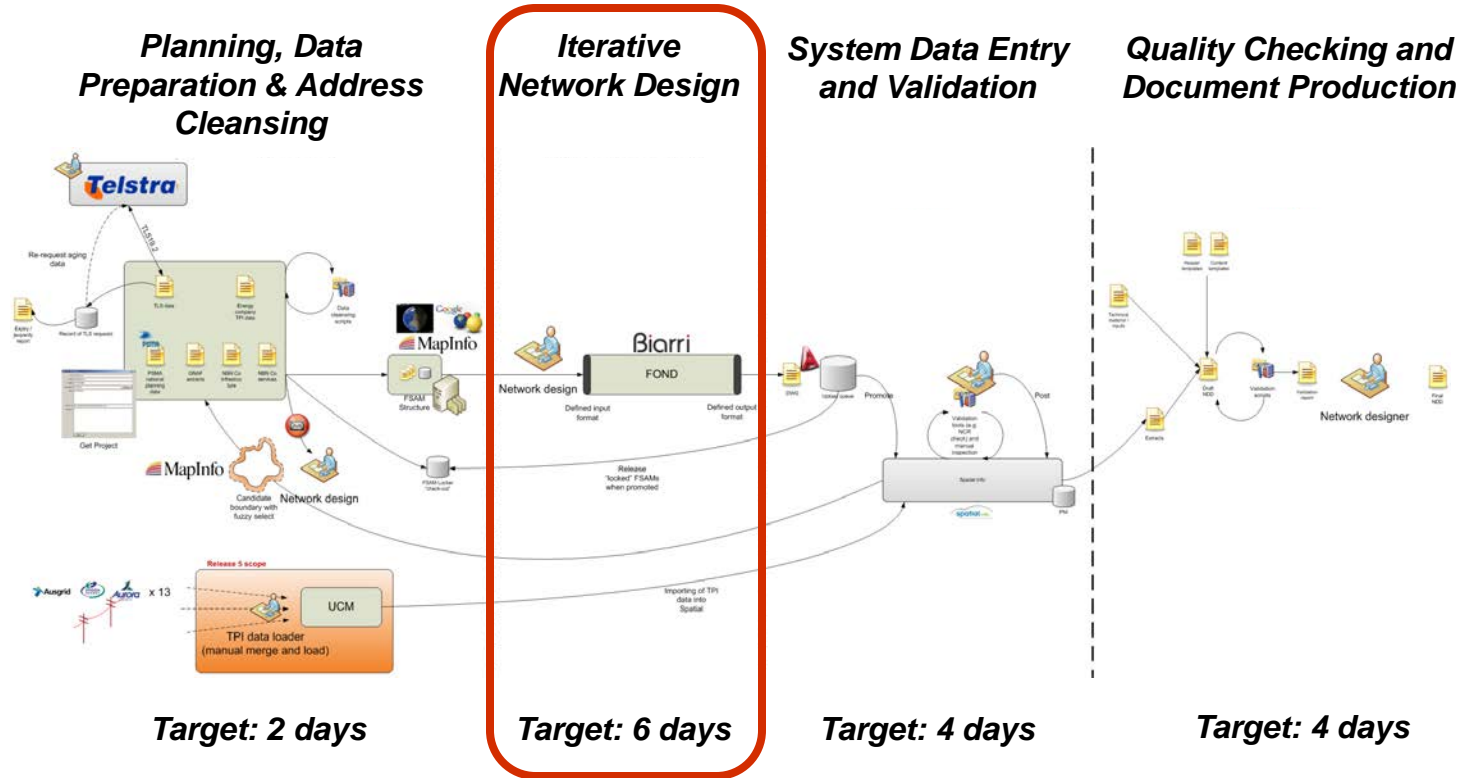
Executive General Manager Planning and Design NBN Co.

Planning and Design – Scale production challenges

FSAM production improvement, 45 Days to 16 Days



Network design cycle – 16 days average



Procedural benefits

- ✓ **Efficiency**
- ✓ **Certainty**
- ✓ **Flexibility**
- ✓ **Economical**
- ✓ **Training**

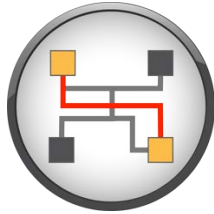
The savings (AUD)

| Category | Units per FSAM | Unit Saving | Saving per FSAM |
|-------------------------|----------------|-------------|-----------------|
| Design Time (days) | 129 | \$500 | \$64,500 |
| Construction (premises) | 2500 | \$200 | \$500,000 |
| Total Savings | | | |

Additional Operations Research at NBN Co



Service Footprint



Point to point



FOND Reloaded



Render

FOND proven around the world



New Zealand



United States



Canada



Indonesia

The Hon Malcolm Turnbull MP

Minister for Communications



Australian Government

Department of Communications

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NBNCo



Operations Research at the NBN



The Wonder from Down Under