

18 July 2012

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Dear Mr Cosgrave

**Re: Changes to wholesale service qualification and associated systems, to support Telstra's Structural Separation and Migration Plan commitments**

I refer to your letter of 27 June requesting Telstra to prepare a workplan for industry to gain visibility of Telstra's upcoming activity in relation to upgrades to LOLO and LOLOIG to implement the MSQ interface into Telstra Wholesale's service qualification (**SQ**) architecture.

Set out below is Telstra's proposed workplan as requested, including:

- A high level description of the issues, including the technical or system functionality that needs to be developed;
- A timeline for development and implementation of this functionality; and
- An engagement strategy for consultation with wholesale customers.

You are welcome to make this letter available on your website. In the meantime, we are proceeding with the management of this matter as outlined in the indicative timeline below.

**1. High level description of the issues**

The key issue is that an integrated SQ solution is needed to ensure compliance with the Definitive Agreements and the Migration Plan and to assist in making migration to the NBN more seamless for Telstra Wholesale customers.

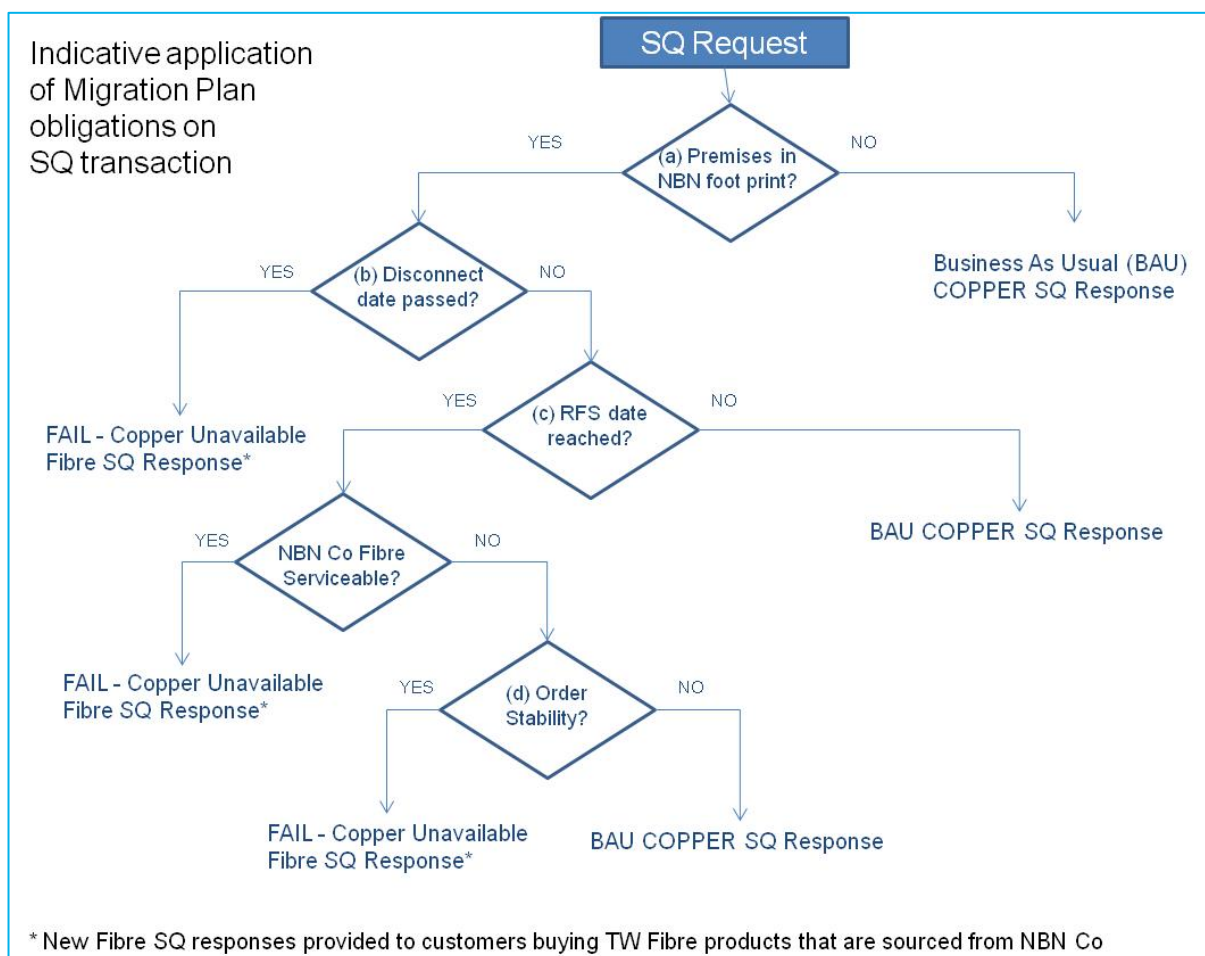
Implementation of the cease sale, disconnection and order stability obligations in the Migration Plan require simultaneous availability and matching of SQ information about the copper network and NBN infrastructure and serviceability at each end user premises. Telstra needs co-ordinated cross platform SQ information to be able to consistently process retail and wholesale service requests against the following copper based services 'decision tree' required by the Migration Plan:

- (a) is the relevant premises within the NBN fibre footprint? – this will require a three way match between address ID information from NBN Co, service locations in the Telstra network databases and the address entered by Telstra Retail or the wholesale

customer in the SQ request or order. This matching is made more complex because NBN Co will be incrementally defining its fibre footprint. NBN Co will make this information available through its B2B SQ system to Telstra and other Retail Service Providers (**RSPs**) who have signed a Wholesale Broadband Agreement with NBN Co;

- (b) if the answer to (a) is 'yes', the next question is whether the relevant premises located within a Rollout Region whose Disconnection Date is passed? – in which case the standalone or in-order copper SQ request will return a 'FAIL - Copper Unavailable' response ;
- (c) if the answer to (b) is 'no', the next question is whether the relevant premises is located within a Rollout Region whose Region Ready for Service Date has already occurred? - in which case Telstra will have to determine from NBN Co SQ information whether the premises is NBN Serviceable and if it is, return a 'FAIL - Copper Unavailable' response to the standalone or in-order copper SQ request;
- (d) if the answer to (c) is that premises is not (or not yet) NBN Co Serviceable, has the Order Stability Period commenced? - in which case the Disconnection Date is too close to fulfil the order on copper and the standalone or in-order copper SQ request will return a 'FAIL - Copper Unavailable' response;
- (e) if the answer to (c) is that the Region Ready for Service Date has not yet occurred, the question will fall to a copper SQ request – and Business As Usual (BAU) Copper SQ response (ie. PASS/FAIL/MAYBE) will be provided back to customers: – this will involve an inquiry in the existing Telstra SQ systems, such as NPAMS; and
- (f) if the answer to (a) is that the premises is not (or not yet) within the NBN footprint, the question will fall to a copper SQ request - and BAU Copper SQ response will be provided back to customers – again this will involve an inquiry in the existing Telstra SQ systems, such as NPAMS.

This 'decision tree' has to be applied on a largely automated basis to handle the volume of retail and wholesale service requests and orders. However, the exact implementation timing of the decision tree and more detailed rules (including rules for Special Services) is still subject to ongoing discussions between Telstra and NBN Co. The key to the success of the decision tree is for the NBN Co and Telstra SQ systems to be linked and to function using consistent addressing information. Wholesale customers who acquire both copper and NBN based services from Telstra also will need to get a consistent answer about NBN availability whether they make an SQ request for NBN services through their interface with the NBN Co SQ system or they make an SQ request through LOLO to Telstra. A diagrammatic representation of the decision tree is set out below.

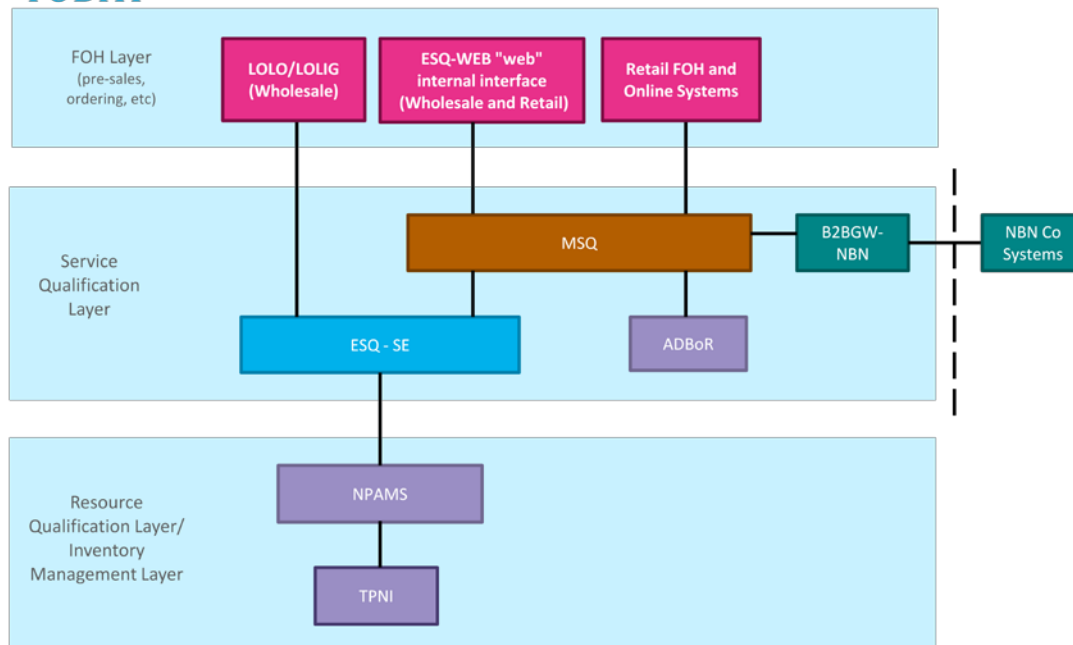


Telstra will build a B2B gateway with the new NBN Co SQ system. However, Telstra does not have a single, integrated SQ system to interface with the NBN Co systems. Legacy systems were built independently, each with their own SQ process, address management database and with limited (or sometimes no) address resolution. The addresses in our SQ systems, such as NPAMS, against which retail and wholesale SQ requests and orders are matched are generally accurate, but can suffer from variable quality and consistency as might be expected of any large database compiled over many years.

The following two diagrams illustrate a simplified view of the current IT architecture for SQ, and the architecture after the MSQ upgrade is complete.

Diagram 1: Pre MSQ Upgrade

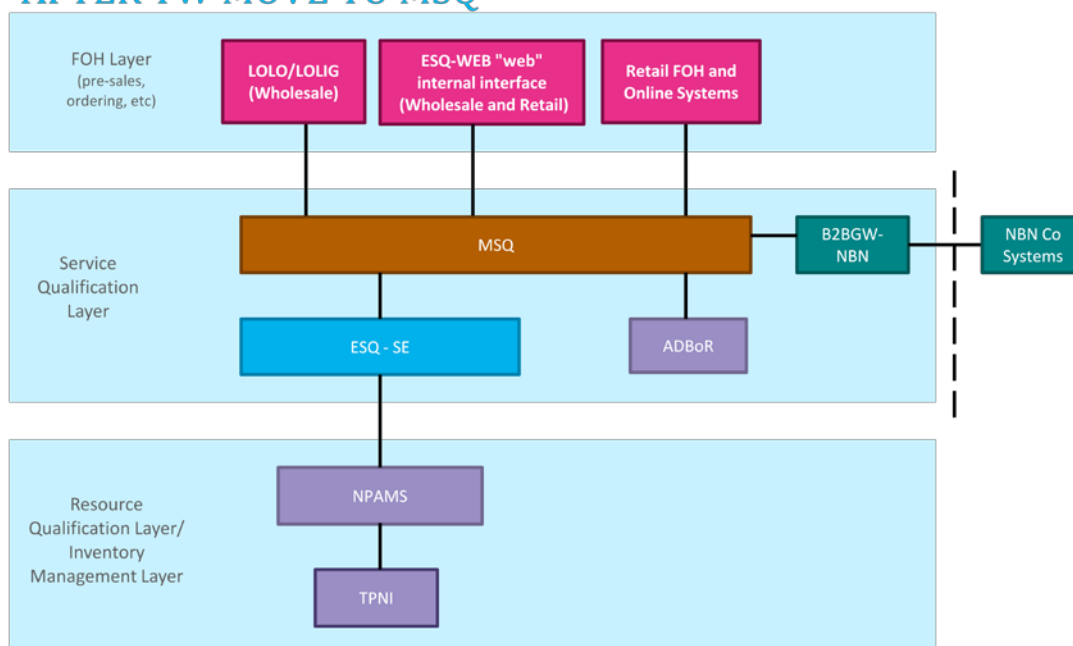
## SIMPLIFIED\* SQ ARCHITECTURE TODAY



\* Architecture simplified to show systems and interfaces relevant to compare Retail and Wholesale SQ

Diagram 2: Post MSQ upgrade

## SIMPLIFIED\* SQ ARCHITECTURE AFTER TW MOVE TO MSQ



\* Architecture simplified to show systems and interfaces relevant to compare Retail and Wholesale SQ

Concurrently with the implementation of MSQ for wholesale services, Telstra is also undertaking 'data cleansing' of addresses in its existing legacy SQ address databases, such as NPAMS, on a scale it has not undertaken before. The alignment of the Telstra address data in Telstra's legacy systems and ADBOR is a large exercise, consisting of both automated and manual matching tasks. Telstra anticipates this exercise will take some time to complete, noting that there will be residual ongoing data cleansing activities, as addresses continue to change.

By the time wholesale customers are migrated to MSQ, we should be a substantial way through the data cleansing of NPAMS. In the meantime, wholesale customers will still see the benefits of the data cleansing exercise. Wholesale customers will be able to use the existing LOLO SQ interface to search by text address against a growing population of accurately specified street addresses.

## 1.2 Nature of the likely changes required for wholesale customers

For LOLO (browser) customers, since it is a graphical user interface the IT changes are internal to the system and are not expected to impact wholesale customers. It is possible that our customers may need to adjust existing business processes and retrain impacted staff.

For LOLIG (B2B) customers, there will be changes to the LOLO interface itself and it is expected that wholesale customers will need to undertake some work to accommodate those changes, including potential changes to their IT code (in addition to internal process and training changes).

Customers of these interfaces will be provided with comprehensive guides, such as the Build Guide and the staging (testing) environment to assist their developers in working with our web service interface. These deliverables are:

- LOLIG Build Guide – This document details the technical specifications of the change
- LOLIG Staging Environment – To enable testing of the wholesale customers' design solution (to the change detailed in the LOLIG Build Guide)
- LOLIG Staging Guide – This document provides information to assist with their LOLIG Staging Environment testing.

Additional information and online training will be provided by Telstra Wholesale to both LOLO browser and LOLIG customers to manage the impact of the changes on their business.

## 1.3 Timeline for development and implementation of MSQ

The below information regarding the proposed migration time line includes the deliverables listed above and the expected wholesale customer communications:

Note: Wholesale customer IT processes are not generally known to Telstra Wholesale.

### July 2012

- Telstra's vendor Design Phase commences and includes vendor developing response to business requirements, design options, design option selection

## August 2012

- Wholesale customer notification process commences
  - Customers informed of the business changes that will occur and the expected deployment date
- Wholesale customer engagement process commences
  - Telstra's vendor (subject to satisfactory vendor progress through design process) delivers the LOLIG Build Guide, Staging Guide and Staging Environment which is provided to wholesale customers
  - Depending on the impact assessment, wholesale customers make changes to their B2B interfaces (with assistance from Telstra Wholesale).

## September 2012 to November 2012

- Wholesale customer notification process continues
  - Detailed business information on changes provided to wholesale customers. Online training modules are made available to assist with customer training and process changes
- Wholesale customer engagement process continues
  - Wholesale testing of solution in Wholesale Staging Environment continues

## December 2012 to January 2013

- Telstra's vendor continues build development
- Wholesale customers continue build development
- Telstra Wholesale continues customer engagement process
  - Wholesale testing of solution in Wholesale Staging Environment continues.

## February 2013

- Wholesale customer notification process continues

## Mid Feb – Target deployment date

## 2. Telstra's engagement strategy for consultation with wholesale customers regarding the migration to MSQ

Telstra's objective is to assist wholesale customers, where required, to ensure their migration to the MSQ interface, via LOLO or LOLIG, is successful.

The type of interactions with wholesale customers will include identifying where assistance is required, both on an ongoing basis and in response to wholesale customer requests for assistance.

The timing of the engagement strategy is included in the timeline above, as well as the ongoing customer communications and notifications and the provision of the relevant technical documents.

It should be noted that if aspects of the migration process change, then this may impact the implementation of MSQ. If this occurs, Telstra will advise wholesale customers and the Commission and update the timeline as required.

Please contact Bill Gallagher or Christine Williams if you have any further queries about any of the above.

Yours sincerely



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