News & Views

IN BRIEF

Chunghwa Telecom, Taiwan's largest telecommunications operator, has selected Nortel to migrate its international circuit-switched infrastructure to a Nortel VoIP next-generation network capable of providing customers with advanced voice, data and SIP-based multimedia services. The network will be deployed in Taipei, Kaoshiung and three overseas locations by the third quarter of 2006.

BT's next-generation television service, BT Vision, has inked another content deal this time targetting long-form music video content providers. I-concerts and Eagle Rock will provide music content for BT's IPTV service. Further content deals are expected to be announced before the service is launched in autumn 2006.

Enterprise OSS software provider **Cramer** has signed a multi-year contract with Bellsouth. Cramer solutions will be deployed across Bellsouth's entire active region and will be a component of the company's broadband transformation. The first domain targeted for migration to Cramer is Bellsouth's IP Domain, which today provides IP VPN and direct Internet access services to enterprise customers. ■

Ethernet providers partner to expand

Ethernet providers are ganging up to tap markets outside their home markets.

Exponential-e, a provider of Ethernet services in the UK, has signed an alliance agreement with Teragate, a provider of Ethernet WAN services to corporate customers in Germany, to reach each company's home markets. Customers of both companies will have access to end-to-end connectivity between the two countries.

Harvey Jones, marketing director at Exponential-e, said: "The Teragate agreement is strategically important to Exponential-e. As an organisation we have a vision of creating a global alliance of like-minded companies with whom we can create agreements. There are enormous synergies between Teragate and Exponential-e at the technical, commercial and service levels and this agreement takes the companies further along the road of bringing a global Ethernet approach to corporate customers."

Harvey Jones, marketing director, EXPONENTIAL-E

Both companies operate pure Ethernet networks and target major enterprise customers that have high volumes of traffic. Gerhard Salzer, Teragate CFO, said: "Since we are targetting upper mid-size and large corporate customers with Ethernet WAN services it is essential for Teragate to provide connectivity for the international locations of these customers as well. For the finance and insurance industry-related customers London is a very important city. With Exponential-e as a partner Teragate is now able to offer exceeding services in this destination and the UK nationwide as well."

Exponential-e signed a similar agreement with Yipes in the US last year. Jones said: "Exponential-e is intending to create an alliance that eventually embraces most parts of the world." ■

BYPASSING THE PSTN

Analyst's Eye

David Ballarini looks forward to the opportunities for small carriers and cablecos as the growth in VoIP traffic leads to more VoIP peering exchanges

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Something interesting is emerging on both sides of the Atlantic as a consortia of MSOs and small carriers strive completely to bypass the PSTNs on their growing base of VoIP traffic. Major groups of MSOs are seeking to establish VoIP peering exchanges – or federations – to allow these networks to interoperate and efficiently pass-off multimedia traffic from one IP network to another while getting through the myriad of interoperability issues, signalling protocols, electronic number napping (ENUM), policies and security.

There have been two recent high-profile initiatives for VoIP peering. One initiative is from Cablelabs, a US-based standards body for cable MSOs, which issued an RFI for a US peering network. The other is a tender for a group of five MSOs in Holland to provide peering between over seven million subscribers. While the US RFI hasn't been concluded, the Dutch RFP was won by UK-based XConnect and Israel-based Kayote Networks. XConnect claims it is the world's first neutral VoIP peering provider and Kayote, XConnect's strategic technology partner, specialises in VoIP interconnectivity services and solutions with its proprietary VoIP Traffic Management (VTM) platform.

These two projects are indicators of where the world of VoIP is moving. MSOs will, over time, be able completely to bypass the PSTN for the majority of their traffic, and better control the quality and delivery of their services. This seems to resonate with service providers – in the brief period that XConnect has turned on its offering, it is delivering peering services to over 75 players around the globe and handling over 50 million minutes per month. If the Cablelabs RFI materialises into a working peering exchange, the implications are much greater, as 75 million cable-TV households can be more easily connected with free on-net calling.

The implications are positive for MSOs and small independent VoIP carriers as they will benefit through better value propositions to consumers and lower cost voice offerings. The implications are also positive for peering exchanges and technology providers such as XConnect and Kayote, for consumers who will likely enjoy higher quality, low-cost services, and for companies providing managed services over the internet. As traffic from these networks grows, I think we shall see major networking service providers and outsourcing companies gain footholds into this new market through organic initiatives and M&A of the VoIP peering exchanges and technology providers. ■