

## **Carrier Ethernet is becoming a huge market, says Kevin Vachon**

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Kevin Vachon, Chief Operating Officer, Metro Ethernet Forum says that if you look at it around the world, Carrier Ethernet is becoming a huge market. Vertical Systems recently indicated that they expect it to be about \$39 billion US market by 2013.

While speaking at NETEVENTS 2009 ASIA-PACIFIC PRESS SUMMIT, he stated that service providers around the world that are committed to Ethernet. Some have very mature, high growth offerings. Some in certain parts of the world are a little less mature, earlier stage.

“But what we see as the major challenge is that the enterprise customers require coverage around the world, service providers require partnerships to deliver that coverage. And that is seen as the driving reality behind the need for interconnect. We have all of these islands, and the connection and the bridging of those islands today is not as elegant as it needs to be for this to become ubiquitous global fabric.” he added.

And as we always say when we talk about this business, that it has to be as easy for an enterprise customer to go to a service provider and say, ‘I want an Ethernet service, a multi point service to these five locations’, it’s got to be easy to order that, provision it, bill it as it is for some legacy TEM service today. And we’re not quite there yet. So that’s really what’s driving this whole thing. And we do though have a scenario where many of the leading service providers, the earlier adopters of Ethernet, have put interconnect mechanisms in place, but more of a proprietary nature which, of course, is problematic for the industry and hence the need for standards. So that’s the setting of the stage for this.

And let’s just take a look at this next piece here. What are some of the elements of interconnect that we talk about, because it’s not just a technical thing. There’s two or three ways of describing this, but I’ve picked one way here. Firstly, on the technical side, in order to connect multiple networks, and in some cases, which this diagram doesn’t show, but in some cases we could have one or two intermediary providers. So Tata might be a good example of, I could be AT&T in the United States connecting into Australia using a Tata service in the middle and then the Intercontinental service. So there has to be mechanisms to connect these networks together, to tunnel traffic through intermediary operators. And that’s the technical work that goes on just at the connection point.

The other issue is, okay so now maybe AT&T owns the customer and they want to deliver an SLA to that customer on an end to end basis, but how do they get visibility for OA&M and management functions on an end to end basis? So the OA&M industry work is highly connected to that.

And then other examples would be well, alright, so I bought a gold service for this type of traffic and a bronze service for this type of traffic, and how is that going to work when all of these service providers have these

different quality-of-service definitions. So there's harmonisation work required to map how those QoSs are defined amongst providers.

So these are the technical things that need to happen. But even if you have those specifications and standards figured out, you've still got issues about having to build out the OSS and the BSS systems to support them and to support billing and provisioning and so on and so forth. So that's technical stuff.

On the business side we've got business agreements that have to be put in place. We need standardisation in terms of how Provider 1 goes to Provider 2 and says, 'Tell me what your service looks like. Tell me how I order it and provision it and verify that it's working and testing, and how do we do partner selection' and so on and so forth. And not all of that stuff is figured out for the Ethernet yet.

In the industry we're seeing a lot of interest now in specialised interconnect providers potentially entering the market. You're seeing the carrier hotels that have access to all of these service providers get interested in moving up the food chain as well in terms of playing a role here, not unlike what has happened with other technologies such as VoIP [pure] and IP/MPLS interconnect and so on.

Bruce mentioned this demonstration, which was really the first in the world, and Tata participated, Colt participated as well. A couple of others I'll mention. Alcatel Lucent had equipment. Spirent had equipment there. So most of the folks here were represented.

What's interesting was, in the past the MEF's been involved with a whole bunch of these Ethernet events around the world. And there have been some very impressive interoperability showcases by a European group called EANTC. But they've been more focused at the technology and product level, so interoperability against different types of devices and technologies.

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