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Nextgen bets on 100gbps

Will target content providers to use its “tens of millions” investment

By Mahesh Sharma (Computerworld). 08 September, 2010 12:09.

Nextgen Networks has invested “tens of millions of dollars” to develop the capability to transfer data at speeds of 100 gigabits per second (Gbps) over its network, as it targets Google and other content providers to underpin its push to become a leading player in the nation’s high-speed broadband future.

The fibre network operator and Alcatel-Lucent yesterday demonstrated the delivery of broadband traffic at 100Gbps over the Nextgen fibre network, the first demo of its kind in the southern hemisphere.

The high-speed transfer is possible because of a different technique to manipulate light beams, which allows more bits of data to be transmitted on each wavelength of light.

Nextgen Networks managing director, Phil Sykes, could not give a specific figure for the cost to rollout 100gbps technology but said it was “definitely in the tens of millions”, which paid for the optical equipment, laying the fibre and also the various skills required.

The investment will address the market’s increasing demands for faster, more reliable and cheaper broadband, which he described as “Moore’s law in telco”.

“It’s a bit like a freeway network. What we’re seeing now is more on ramps to that freeway at bigger capacity, and the freeway itself needs to get much bigger.

While this phenomenon has benefited the customer, the falling profit margins on data transfer has pressured network operators to develop new business models, he said.

Nextgen has hedged its bets on 100gbps technology to service the growing needs of content providers such as Google, Yahoo! and other new media companies, who require high-speed, low-cost, reliable data transfer services.

“Google is a really good example. Its objective is to create the fastest possible experience whether search engine, email or YouTube coming down,” he said. “They’ll seek guarantees from service providers... to deliver an experience that’s commensurate with the search engines.

“We see ourselves playing a role in helping companies like Google and other content owners get their information out to the edge of the network close to the customer where it can then be distributed over last mile.

“We’re not just out there to do low speed networking 100mbps networking, we want to capture the lion’s share of the growth of the gigabit per second networking.”

Sykes gave a rough goal that in five years time, 20 per cent of Nextgen revenue could be generated by content management and distribution on behalf of others.

However, he stressed it would not be branded as Nextgen services and would not compete with its traditional business to provide wholesale services to ISPs.

“I think there’s a long-term proposition for ISPs they’ll have relationship with Google and others in terms of content, we see ourselves as the infrastructure provider behind both, helping them bring their customers and content together.

“If we try to grab their business and become an ISP, it’s a bridge too far for us. They’re experts in that, we’re great behind the scenes, the heavy lifting, the logistics and we’ll stick with that.”