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### Nextgen Networks buys Silk Telecom



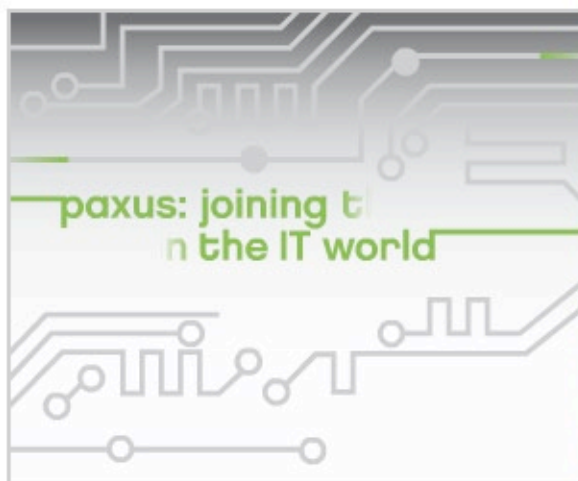
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by [Stuart Corner](#)

Monday, 02 June 2008

**Nextgen Networks has extended its Australia-wide long-haul fibre network in metro areas by acquiring Silk Telecom which operates extensive metro and regional fibre access networks in Western Australia, South Australia and Victoria.**



Nextgen says it will immediately start leveraging Silk's fibre footprint to enhance and extend the reach of its network, which is Australia's third largest national fibre network.

Nextgen's newly appointed managing director, Phil Sykes, said: "There is a strong strategic fit between the operations of Nextgen and Silk. Both organisations have been experiencing high growth in the delivery of high speed data networking services for medium-to-large corporate, government and carrier customers. Silk...[is a] natural complement to Nextgen's established inter-capital telecommunications business...By leveraging the combined value of these complementary assets, we have created a bigger, stronger telecommunications group that will be better able to support the data services needs of existing and new customers."

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Silk Telecom was created in 2005 by combining the telecommunications businesses of three power utilities: ETSA (SA) Powercor (Vic) and Citipower (Melbourne), all

wholly-owned subsidiaries of Hong Kong based Cheung Kong Group. All three remain major customers of Silk. In December 2006 Silk acquired Western Power's telecommunications arm, Bright Telecommunications giving it a fibre network in Perth, and a telecommunications services business supplying wholesale, corporate, business and residential customers.

Silk also has the distinction of being one of only a handful of carriers in the world to embrace Provider Backbone Transport - an ethernet technology developed by Nortel as a metro access alternative to MPLS. After BT awarded Nortel and Siemens (now Nokia Siemens Networks) a PBT contract for its 21CN network the prospects for PBT were looking good, but BT has recently reduced its commitment to PBT and is looking for an MPLS solution. Also, PBT has never been supported by Cisco or Juniper Networks.

However, according to Nortel, Provider Backbone Transport saves Silk the cost of more expensive and complex transport protocols and gives customers better value and faster services over the same pipe. At the time of the deal, Silk CEO, Simon Perkins, said: "Nortel's PBB/PBT enabled metro ethernet solution works seamlessly with our Nortel Common Photonic Layer backbone providing a fully integrated solution at a reduced level of cost and complexity when compared to other technologies. As a result, we are able to differentiate ourselves in the marketplace by providing more cost-effective services to our customers."