NTT Communications gears up for the rise of 100G

The market for 100G is set to start ramping up towards the end of this year, says NTT Communications. Michael Wheeler talks to Capacity about the trends he foresees and how his company is placed to cater for this growth.

NTT Communications expects to see a surge in 100G deployments in the second half of this year as the telecoms industry seeks to meet growing demand for bandwidth-hungry content and applications. This is expected to pave the way for gathering momentum in the transition from 10G to 100G Ethernet ports over the next five years.

“We have a number of large global customers who are really wanting to add 100G in the very short term, particularly in the US and Europe,” says Michael Wheeler, executive vice president of the Global IP Network business at NTT Communications (NTT Com). As a result, he estimates that the company will move from a handful of deployments now to “many dozens” within the next six months.

And NTT Com is ideally placed to aid partners looking to make this transition: deployment of 100G technology in its backbone network began a couple of years ago, and customers started to connect up at the back end of 2014. The carrier also recently broke fresh ground by deploying the technology on its 21,000 km PC-1 submarine cable network that links the US with Japan.

At ITW, NTT Com has also announced the identity of its first 100G customer in Europe – German web-hosting provider and data centre operator Hetzner Online. The two started their cooperation at the end of last year and the move will enable NTT Com to start demonstrating the capabilities of its global IP network in Europe, following its opening of a new PoP in Luxembourg at the start of 2014 built exclusively on 100G network links.

Wheeler believes that a real catalyst for growth in the 100G market will be NTT Com’s imminent deployment of a next-generation card for the technology in its Cisco routers, with the first ones with this capability set to ship some time in June. Many customers are awaiting this souped-up version, which will really drive connections when it becomes available, says Wheeler.

He says the growing demand is simply a question of timing and business sense. “We have so many customers now that have large volumes of 10G ports in a single market. At some point, it becomes easier to manage a single interface versus, say, 10 interfaces into a network. I believe we’re going to see a huge difference in the profile of our port deployments with customers in the next 6 to 12 months,” he says.

And Wheeler expects that the growth of 100G over the next five years will be similar to that of 10G seven or eight years ago, when the take-up of these ports started to explode. “Today, on a global level, almost 99 per cent of the customer traffic that we pass goes over 10GE ports. I believe that will be what it looks like in five years, or close to that range, over 100GE ports,” he says.

According to Wheeler, the drivers of this growth include video content and new high-bandwidth applications ready to become the next big thing in the world of social media content. “If anything, given the additional capacity and applications, I believe 100G will grow at just as fast a rate, if not greater, than 10G,” says Wheeler.

GOING LIVE

Not only is NTT Com boosting the capabilities of its backbone network, but the company has continued to broaden the coverage of its infrastructure. Last November it went live with a PoP in Boston, its first new US market in several years. This helped to fill in its coverage on the country’s east coast in what Wheeler says was the last really big city along that seaboard where it didn’t have a presence. One of its first 100G customers was also connected there.

“This point of presence drives incremental revenue and incremental customer opportunities, and helps from a network point of view,” says Wheeler, explaining that it was put in place because of demand from several customers, which is what often drives NTT Com’s decisions to go into new markets. “That tipped the financial scale to making it a positive business case,” he says, adding that it has already hit its revenue and profitability benchmarks ahead of schedule in Boston.

There is also a small handful of other markets on its radar in the US that the carrier may consider going into if enough traction builds up.

NTT Com has meanwhile launched PoPs in new markets in Asia in the last 18 months, namely Indonesia and Thailand. Although there have been some delays in take-off in Thailand because of various local challenges, Wheeler says that Indonesia has been “wildly successful, beyond our original expectations by quite a bit.” The latter has seen high usage of mobile devices for data and web browsing, and good traction with ISP customers, showing the huge potential of entry into fresh Asian markets with large populations.

Wheeler expects this dual approach of bolstering and growing its presence to keep NTT Com right on track to meet future demands: “All these kinds of things end up becoming drivers of what we provide – backbone internet service on a global level,” he says. “In five years’ time, I don’t think we’ll be a fundamentally different company, but we will be a lot bigger, with a lot more traffic, and hopefully a lot more points of presence and customers.”

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