The key challenge for the industry (and it’s not just aging cables!)

Andy Bax, COO, Seaborn Networks talks about the challenges and opportunities for network operators in the subsea sector

Seaborn Networks is going from strength to strength at the moment. Can you tell us more about the projects you've been working over the past 12 months?

2018 has indeed been an incredible year for Seaborn. We have made great progress on our new build system between Brazil and Argentina (ARBR) and are currently planning to commence construction activities in the early part of 2019 with an RFS date scheduled for the second half of 2020.

The ongoing success of Seabras-1 has led to various extension projects linked to the branching units we installed on Seabras-1 as part of the initial build. This means we can provide additional on-ramps to the only direct cable between Sao Paulo and New York without the need for service disruptions to existing customers. Of the 7 branching units already installed on Seabras-1 we are currently in the late stages of development for two strategic branch extensions that would create regional and international benefits to those locations. We expect to commence construction on these builds in the first half of 2019, so look out for more news on these exciting developments and other extensions to Seabras-1 that are in the works too.

The successful introduction of our Seaspeed product line onto Seabras-1 for the financial sector and our IP product showed us that our approach to the industry as a service driven organization as opposed to a traditional carrier continues to be successful. We have introduced key service differentiators onto our Seabras-1 cable system that not only enable customers to utilize services they actually need but also receive a quality of service not seen before in the subsea industry generally. Delivery within 24 hours of a signed order; usage based capacity services and automated SLA credits are just a few examples of where we continuously strive to differentiate the service customers get from Seaborn, and we have seen a tremendous response from our customers as they increase their services with us.

We don't rest on our laurels though, and so over the next few months we will be introducing other products and quality initiatives to further drive services into the market place that help our customers grow their businesses on a technically advanced network supported by a quality driven organization.

In short, 2018 has been a great year for Seaborn but we expect 2019 to be even better!

Which locations are becoming key connectivity hubs? What are the up and coming locations?

There are new locations globally popping up in places like the Nordics and Africa as key connectivity locations, and there are others like Marseille making somewhat of a comeback from years gone by. When we look at the landscape in the Americas though we see key locations like Sao Paulo remaining strong from both a domestic and international perspective while more traditional locations such as St. Croix where so many subsea cable systems used to interconnect becoming marginalized. What we've also seen in this region is the general continuance of traditional hub locations that, while they create synergies for subsea cable systems landing there in terms of connectivity and ongoing transit to other locations / regions, they do very little for the domestic market itself because they don't necessarily map to the development locations within that country. The Northern region of Brazil is a good example of this very scenario.

At a specific level, the Caribbean has been underserved in terms of new connectivity options for many years now. Recent M&A activity in the region has further reduced the options available to most islands and operators to a provider that also happens to be their strongest rival. The serious degree to which recent years storms have impacted traditional hub locations has also played its part in driving a need for a renewed look at how the Caribbean is connected for the future, both within the region and outside of it. We are seeing a lot of activity around this topic and in some cases are driving those discussions, but needless to say that a network able to deliver direct connectivity from New York to multiple locations in the region is something we are seeing a lot of traction in, and which makes sense for a whole load of reasons. Key hubs in the region today also happen to be those that have been severely impacted by terrible storms in the past few years, and the vast majority of available international connections within the region only provide links to Southern Florida in the US which is of course creates further weather risk.

We take a view across all these aspects of connectivity when considering landing locations and I think you'll see the results of those considerations in our buildouts during next year.

What is the biggest barrier to progress in the industry today? What can be done to remove it?

I think this is a great question and one that generally leads to two answers when asked around our industry – both of which I think are wrong. If you ask 99% of the people in our industry today what's the biggest challenge we have they will tell you either a) aging systems and how to get the most out of them, or b) the ever growing influence of OTT's in our industry and how can carriers and OTT's co-habit successfully.

To my mind these are self-serving as far as answers go since the vast majority of our industry are either part of or own aging systems, and also bring with them a more traditional carrier mentality that continues to struggle with the move away from old consortium models to more creative private and partnership approaches.

These are not the main challenge that faces our industry today. I strongly believe that the main challenge to progress in the subsea cable industry today is our aging workforce. There are not sufficient young people getting engaged and excited about being in the submarine cable industry, and have not been for many years. I am 51 (hard to believe I know) and still considered one of the younger members of our industry as I entered it in the mid 90's at the very beginning of the private cable period. The late 90's and early 2000's was the last time a serious number of younger people entered our industry. The C&W's and AT&T's of years gone by who, along with the suppliers of the time like ASN, Pirelli, NEC and Tyco all ran excellent apprenticeship programs are long gone as leaders in our industry. Go to a subsea cable industry conference and, much as I love them all, we are not a sprightly bunch anymore! As funny as that might sound, it should be a great concern to us as an industry. We constantly regenerate cable routes around the world to ensure that routes don't 'age out' and have the capacity to deliver into the future. Surely, as the custodians of this infrastructure, we should be doing the same with our people.

To that end Seaborn has formulated a grass roots initiative to reach out and encourage students at local New England and NJ colleges to consider the subsea industry as a possible future career choice. At Seaborn we truly believe that by reaching out to that very core base of young men and women at the most decisive moment of their lives, one by one if necessary, we can introduce them to this whole new variant for STEM based careers, namely the subsea industry. There will be more to talk about on that in the New Year as we build up the program and iron out the parameters.

What predictions do you have for the industry over the next 12-18 months?

Hopefully we will see an industry wide focus on attracting a younger, more diverse workforce into subsea and we hope that Seaborn's program, once up and running, can act as a model for other corporations to try. If that was all I saw changing over the next year or two I'd be delighted.

I do think we will see more interesting developments around new build partnerships and operating models that enable the OTT's to get systems built at the speed they need while at the same time creating opportunities for operators to be involved in those builds and the ongoing operation of the networks. SDN is a buzz word in our industry right now, even though not much has actually been deployed by actual subsea cable operators at the subsea level. This is something we are keenly focused on right now and I definitely see some exciting opportunities in this arena for us over the next year or so.

Why are events like Submarine Networks EMEA important for Seaborn Networks?

Within any global industry the challenge is always how do you get in front of all the different folks you need to talk to in as efficient manner as possible. With the advent of video conferences I think most of us thought this would become easier, and indeed that has helped. But when you want to walk through something creative with a customer, partner or supplier there is no better way to bounce ideas around than face to face. Regional events like Submarine Networks EMEA are vitally important to us at Seaborn as it enables us to meet and spend quality time with people important to the goals we set ourselves. As a regionally focused event it still attracts a global presence in terms of our industry and when combined with the other similar events throughout the year enables us to meet with different folks at different events while also having ongoing updates and discussions around plans and activities through regular face to face meetings.