

Seaborn has the flexibility to address the needs of OTTs

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Larry Schwartz, chairman & chief executive officer of Seaborn Networks, says that the company is platform player and therefore perfectly positioned to meet the needs of OTTs



Starting with Seabras-1, Schwartz explains in detail exactly what is so special about the much talked about cable system and the route it's on.

"Seabras-1 is the first and only direct PoP to PoP route between anywhere US and anywhere in Brazil," says Schwartz. "It's also the only direct route between New York and São Paulo, so it's connecting the two commercial centres of North and South America. Therefore we think because its direct, statistically speaking it also makes it the most reliable route."

But above all Schwartz says there are three keys differentiators when it comes to Seabras-1 versus alternative systems. Firstly he says it "avoids the hurricane prone region of the Caribbean and South Florida because we do not rely on a landing in any of those areas. In fact, our route runs about 1500 km due East of that whole region, so during this past September and October (storms Harvey, Irma and Maria) we had no issues whatsoever. That became all the more important I think when parties saw that they could be on multiple alternate cables, but if those other cables are all running through Puerto Rico, St Croix or South Florida and all suffering issues as a consequence of that, then you are not getting the geographic diversity and redundancy that you were hoping for."

The second relates to product, as according to Schwartz Seaborn offer a "premium product".

It's an "ultra-low latency service we call SeaSpeed" explains Schwartz. "We have Tiers 1 & 2 and the solution runs directly to B3, the Brazilian stock exchange, and Carteret, New Jersey. It's a solution for traders who have the most demanding needs for lowest latency paths. And it's a unique solution that really can't be matched by any other carrier, because we do not sell that to carriers, or to resellers, and HFT's (high frequency traders) that buy it from us are not allowed to re-sell or swap it; we only sell it to the end-user customer."

And thirdly he says the management and ownership structure of the company also adds value. "If you look at the other cables between Brazil and the US, they are all owned and controlled generally speaking by big telecoms players," continued Schwartz.

"Seaborn Networks is the developer-owner-operator of all six underlying fibre pairs on Seabras-1. We managed the build of it, we run it through our own network operation centres and we have our people staffed on the landing station sides to support it. We are not a big incumbent player, we don't have competing pay-TV or terrestrial fibre plays. So when customers buy from us in the wholesale market, they're not buying from a competitor of theirs and because we're a small entrepreneurial organisation you get a quality of service that's not just about uptime on the system. Instead is about a quality of service that goes to speed of activation, accuracy of invoicing, being able to escalate right up to senior management because we're actual owners of the company, etc. So you get all of those benefits that I think are sometimes lost in a large telecoms environment."

During our conversation Schwartz also mentioned a recent partnership with IOX, the subsea cable developer and the new project the two are working on.

"IOX Cable Limited is a developer that is building out a new system from East London, South Africa, to Mauritius and then from Mauritius onto India. That system is progressing very well as we speak and we've announced a strategic alliance with them that leverages the Seabras-1 cable and a new planned build that we're doing called SABR (South Africa – Brazil). SABR goes from North East Brazil to Cape Town, SA, that together with Seabras-1 and IOX enables an entirely new route for global communications, from Southern India to East Coast US via Cape Town and Brazil. That's an important diverse path that doesn't exist today and we think it will prove to be a compelling offering. Our SABR project itself is also progressing well through the development stages, and we think we've sized the opportunity right for what the customer needs on the route. These are primarily between (1) South Africa and US, (2) India to US via South Africa and (3) East Africa and the Middle East, to the US via Cape Town, that doesn't require running through Egypt."

Among the aforementioned announcements Seaborn's Seabras-1 is also to be combined with Aqua Comm's AE Connect, a move Schwartz says is built on the "great relationship" Seaborn has with AquaComms.

"[It] is a new cable connecting London and Dublin to New York," describes Schwartz. "This relationship allows for the joint provisioning with Seabras-1, so that customers looking for a brand new 100G coherent solution that can take them from Europe to South America can deal with either one of us. They will have one set of contracts, one invoice, 'one throat to choke' kind of mind-set and not have to put that together themselves. That's similar to the kind of relationship that we have with IOX."

As for Seaborn's ARBR (Argentina – Brazil), Schwartz says that it is "backhauling into Buenos Aires, with a landing in the Las Toninas area of Argentina and also landing in our existing cable landing station in Praia Grande, Brazil. ARBR customers will then be transiting through that station onto Seabras-1 to the US. So the combination of Seabras-1 plus ARBR creates the first new route between the US and Argentina. We think it's a needed path and we're making very good progress on it."

Xtera has recently been named as the turn-key supplier of the ARBR submarine cable. ARBR will use Xtera's submarine repeaters with hybrid EDFA-Raman design, its Open Systems Gateway and , including the Power Feed Equipment, will be monitored and managed by Xtera's Network Management Systems.

OTT's entering the subsea cable market has certainly changed the landscape for operators and developers alike but Schwartz goes so far as to say that it has helped Seaborn as a platform player.

"They set the stage well for a player like Seaborn Networks to play an ever increasing role on other projects on other routes. We see ourselves as a platform player – a repeatable model. Seaborn is unique because we bring not only the expertise, the headcount and the track record around building trans-oceanic systems, but on top of that compared to any others out there we're the only player controlled by its own senior management team – from an ownership standpoint. We think that gives us a lot of flexibility to address the needs of OTTs - those that exist today and those that are coming up through the ranks. Business models and go-to-market strategies on new-build systems are at an interesting inflection point right now."

As for cables connecting directly into the data centre Schwartz says that it's less straight forward, and that it all depends on the options available to you.

"Where there is a pre-established, well-populated data centre that can serve the role of landing station plus POP, then it makes sense. Like any other next-generation of technology, SLTE (Submarine Line Terminal Equipment) can be brought further inland with more flexibility than in days past and that creates optionality. "

He explains that the technology of today enables us to "run over 10,000 kilometres without landing the cable in between, and can go from termination point to termination point. That can make for a more reliable system with fewer active elements."

He goes to say that another factor that could be driving this change "is to push costs down and make these more affordable projects." But he's quick to add that "It's not always an option; if you look at an area like Santos or Praia Grande, Brazil, you don't have that as a choice, but certainly in South Florida for example, to be able to do that in an Equinix facility is a good idea."

We ended the conversation on the future and what the plans for the company are. Schwartz says it is a 'new operator' and equally "very pleased with the way the market has accepted us and the way we've been winning sales, both big and small. We hope for more of the same going forward."

As the conversation drew to a close he piqued our interest by teasing further announcements over the coming months.

"You will be hearing significant announcements on some of our new-build efforts in early 2018, followed very shortly by SABR announcements as well."

Topics: Seaborn Networks, Seabras-1, IOX, Larry Schwartz, PoP, SABR, ARBR, Subsea, AquaComms

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