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Partnering with Telx Enables Connectivity & Commerce Amid Consolidation, Centralization

Allstream is a Canadian leader in IP communications and the only national communications provider that works exclusively with business customers of all sizes. With nearly 600,000 customer connections and supported by its more than 30,000 kilometer nationwide high-performance fiber-optic network, Allstream's broad portfolio of business solutions are built from an array of advanced communications technologies and services including a wide range of innovative, highly-scalable IP-based solutions to help organizations communicate more efficiently, reliably and cost effectively.

Carriers looking to provide seamless IP solutions to their business customers across North America, face many challenges. Today's Carriers need to provide streamlined processes for quick delivery, exceptional customer service while remaining cost effective. Allstream's Global Carrier Solutions team helps carriers around the world simplify operations to improve productivity, maximize performance and manage costs.

"Since our inception in 1908, we have built a solid reputation as a company that can deliver a full suite of services nationally for Canada-based carriers who have requirements on behalf of their enterprise customers to reach U.S. markets," said Dave Ballantine, Sr. VP. Global Carrier Solutions, Allstream.

He added, "We also fulfill requirements on behalf of carriers supporting U.S. based multinational companies who have requirements to reach business customers throughout Canada. In fact, seven of the top ten carriers in the world choose Allstream to fulfill a portion of all their requirements into Canada including data and IP services, wavelength, Ethernet and related value-added products and services."

The all-enterprise communications provider found the number of requests from Canadian businesses wanting to increase their number of touchpoints south into the U.S. and those that wanted to facilitate business northbound into

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Canada steadily growing. These requests presented both immediate opportunities as well as challenges. Surprisingly, not all of those challenges were infrastructure-based.

"In recent years we've found that businesses in Canada with U.S. based headquarters are repatriating their telecom decision-making back to the U.S," said Ballantine.

At one time Canadian businesses could make their own decisions around carrier choices. The same could be said of U.S. based companies. However, as more and more industries consolidated, decision-making steadily migrated back to U.S.companies. For Canadian based Carriers such as Allstream, this trend has refocused how it does business, especially with its closest North American neighbor.

"With this trend broadening across Canada and impacting our customers, we decided early on that we wanted to continue working with U.S. carriers to fulfill the needs of customers here in Canada requesting north-south connectivity (e.g., Canada to the U.S.) as well as those needing connectivity from the U.S. into Canada. To do that, however, it was important for us to have a better price point comparison," explained Ballantine.

One way to reconcile demand while managing issues around centralized decision-making was for Allstream to audit its existing footprint, vis-a-vis its existing network, to determine how to deliver its services more cost-effectively.

"We had an existing solution that provided service into the midwestern United States through Chicago, but we thought there had to be a better solution available that would enable us to deliver a better, more robust level of service to customers," said Ballantine. "We decided to expand our existing network design to provide us with more opportunities and better solutions for our client base."

Enter Telx.

"Throughout this process Telx proved to be a great resource. They helped us with a design, brought in a third party to help us with our requirements and we felt comfortable in dealing with them. Their flexibility in all areas, including pricing, was outstanding. They 'get' what we're trying to do and they were easy to do business with. In sum, Telx was an excellent fit for us."

**Dave Ballantine
VP, Global Carrier Solutions,
Allstream**

The Solution

Allstream's original Midwestern U.S. point-of-presence (POP) - one of five concentric rings its network passes through - is located in Printer's Square on South Federal Street in Chicago.

"Over time we discovered almost all U.S. carriers supporting western U.S. traffic could reach Printer's Square, but that ease and level of connectivity came at a cost. That cost informed the financial decisions we could make on behalf of carriers as well as customers," said Ballantine.

He added, "As a result we realized early on that our effort to fulfill the needs of carriers and customers alike solely out of Printer's Square was just not going to be sufficient or cost-effective. We needed to find a way to extend our MPLS network and Ethernet reach and deliver both instances at a competitive price point. We had to find an alternative site and that site turned out to be 350 Cermak."

Since 2006, Telx's Cermak facility provides access to more than 40 of the leading domestic and international carriers and physical connection points of the world's telecommunications networks and Internet backbones. Located in the South Loop of the Chicago Central Business District, 350 E. Cermak hosts the premier mission-critical data center and telecommunications facility in the Midwest. The facility offers access to the CME/LNET Exchanges, direct access to SFTI Network and other carriers via fiber to the other suites within the building.

The industrial-strength infrastructure includes four fiber vaults and three electric power feeds, which provide the building with more than 100 megawatts of power. 350 East Cermak is currently the second-largest power customer for Commonwealth Edison, trailing only Chicago's O'Hare Airport. Grid power is supported by more than 50 generators throughout the building, which are fueled by multiple 30,000 gallon tanks of diesel fuel.

To take full advantage of the Cermak site, Allstream established an interconnection between Printer's Square and Cermak that enabled the company to offer the same high grade, redundant, IP Wavelength service suite out of Cermak as it offered out of Printer's Square.

"In doing so we enabled our wholesale customers to offer our services at a reduced cost than if we were forced to do them individually each time," said Ballantine. "For example, if I had to buy a point-to-point circuit to deliver a service from Cermak to Printer's Square and then back up to Toronto, it was better for our customers to establish a permanent facility in Cermak and effectively bypass Printer's Square entirely in order to interconnect to our on-net network there."

And, guided by its perennial need to satisfy its customers' requirements, by establishing a point-of-presence in Cermak, Allstream realized additional value.

"The Cermak location enables us to provide more connectivity options into our network; allowing over 98% of Canadian businesses to be reached by US Carriers. By extending our network from Printer's Square to Cermak we accommodate both inbound as well as outbound customers, from fulfilling Canadian enterprise customers who have needs in the U.S. and on behalf of U.S. based and global carriers who have business interests extending into Canada," affirmed Ballantine.

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Summary

Like many Telx carriers, Ballantine believes the Cermak POP is less about having a vendor-customer relationship and more about establishing a mutually beneficial and fulfilling partnership.

"We're genuinely excited by the opportunities that present themselves by our Cermak point of presence. We not only have the infrastructure critical to new customer acquisition, but we also have the ability to fulfill the requirements of our existing customers at a better price point," explained Ballantine. "And while cost savings are good and customer growth on behalf of the business is important, the ability to demonstrate flexibility and a willingness to make changes that suit our customers' best interests, is equally if not more important. Telx provides us with the means to deliver services in ways that make sense for our customers, as well as for our business."

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