



VoIPeering

VoIPeering VoIP Peering, Italian Style

Telecom Italia was one of the first major PTTs, if not the first, to adopt VoIP into their core switching infrastructure. They announced in October 2002 that their Rome-to-Milan voice route was fully VoIP whereas on the international backbone the first VoIP interconnection was established in 2001. This migration process was completed in July 2004 for the domestic core network and in November 2005 for the international backbone.

With such vision and foresight it is no doubt that they are still leading the pack in many areas including deployment. Their combined domestic core and international network is 100% VoIP – quite an accomplishment given that they have legacy interests to protect as well as a forward strategy for growth abroad.

I had the pleasure of sitting down with top Telecom Italia Sparkle executives Stefano Mazzitelli, CEO and Gianfranco Ciccarella, EVP Networks, for two separate interviews at the recent GTM in Washington, DC. The first interview was with Mr. Mazzitelli and it covered the current status of Telecom Italia Sparkle (TIS) from an overall network and company perspective. TIS brings to market a triple play of video, voice and data and each service is carried over their fully-managed MPLS network to the customer.



By:
Hunter Newby

With specific emphasis on VoIP, the organization is experiencing positive growth in terms of minutes, revenue and margins and their VoIP platform is quite stable. Mr. Mazzitelli stated, "Our international network is all NGN, soft-switch based and our transport layer has been all IP since 2003 and we were probably the first carrier in the world to implement that". Clearly they have a strong history and experience in this regard. As the conversation turned more towards the inner-workings of the VoIP platform and services, Mr. Mazzitelli deferred to his lead technologist, Mr. Ciccarella.

The second interview with Mr. Ciccarella was more focused on the technology and the future of IP applications for Telecom Italia Sparkle as well as the market in general. The key take-away points were:

- The primary motivation for their move to VoIP was lower cost. The second most important reason was flexibility of service creation and deployment.
- Private IP connections for VoIP traffic were preferred for quality and security reasons. Public Internet connections were nice for limited amount of traffic interconnection, but as there is a significant traffic growth they would provision dedicated connections.
- Among the various technical alternatives, the preferred method of dedicated VoIP connection is Ethernet. This is due to the lower cost basis, ease of use and scalability.
- VoIP Peering for both bi-lateral and multi-lateral applications, making use of ENUM Registry, will begin to

play a role in the TIS network and it will increase over time.

- Video traffic over the Telecom Italia Sparkle IP network is probably only 15% of the overall utilization today, but due to the development of video end-to-end applications, this percentage is increasing. Of course, this traffic is completely different from the Telecom Italia Alice Home TV service which spans at a domestic (Italy, Germany, France, etc.) network level. It's likely that the development of web-based video applications will need investments in the IP backbone to support it, demanding more private connections for the same reasons as voice, but also because of sheer capacity requirements between origination and destination with no hops.
- Pure transit operators with no true end users or original content could be at risk to be marginalized. In some cases these Operators could be pushed not to make investments in the backbone because transit prices are not increasing and there could be no Return on Investment for them to do so.

All this means that Telecom Italia and TIS are on the right evolutionary track and in many ways are ahead of their competition. They've applied common sense and reason and as a result have improved their procedures and bottom line in the process. Those that have ventured out in to the all-IP world are beginning to experience and see things that the others that have not, won't.

It is a distinct, strategic advantage to have realized that the lack of investments could generate, in a medium term, a network bottle-neck in the web video future. It is a future that is not far-off either. This knowledge empowers TIS to make decisions of all types (investment allocation, equipment, interconnection type and location) without having to guess, or rely on questionable "insight" from "experts". This forward-thinking mindset has helped Telecom Italia Sparkle be successful and will keep them ahead of the pack.

To view the full interviews go to:

Mazzitelli http://www.youtube.com/watch?v=l_bY7cL_MWc

Ciccarella <http://www.youtube.com/watch?v=C17WT0jbMgo>

...or YouTube-search the following:

"telx|vision Mazzitelli Telecom Italia Sparkle"

"telx|vision Ciccarella Telecom Italia Sparkle" IT

Hunter Newby is chief strategy officer for telx. For more information, please visit the company online at www.telx.com.

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