



Welcome to the DE-CIX June Newsletter!

This June newsletter is dedicated to the announcement that DE-CIX Management GmbH will change pricing for ports at its Frankfurt DE-CIX, Munich ALP-IX and Hamburg WORK-IX exchanges as well as pricing for colocation in Frankfurt.

Save the date: Remember to mark August 25th on your calendar. This is the date of the upcoming DE-CIX Peering Workshop (sign up now: ania.spierling@de-cix.net) for new customers and prospects and the date for the *DE-CIX summer break event & party!* Watch out for more details and the registration link that will be sent via email to this list, too.

→ Pricing scheme at DE-CIX will be changed:

- *Massive price reductions for all first ports*
- *New 200Mbps product for EUR 200* per month*
- *No more discounts for additional ports*

The current DE-CIX pricing was introduced in 2004. By offering significant discounts for additional ports the pricing was designed to motivate providers to establish redundancy back in the days when peering platforms were not as stable and resilient as today's state of the art DE-CIX switching fabric.

Since then many customers have grown their traffic significantly leading to a situation where the current pricing scheme is targeting high volume customers since additional ports are usually not build for adding redundancy only but for building channels to support high traffic volumes. This becomes even clearer when DE-CIX pricing is compared with the price structure of other IXs in Europe.

Looking at the current pricing it appears to be perfectly fine having those discounts in place. Buy more – pay less for every unit bought – this is what we are all used to.



Joining
DE-CIX
is now **cost**
more **efficient**
than ever.
200 Mbps = 200 EUR

www.de-cix.net

“It is important to see what happened over the last three years. DE-CIX did a major redesign and upgraded its entire switching infrastructure and network. Taking DE-CIX from 85Gbps of traffic and three switches three years ago to a point where we have 500-700Gbps of traffic, 10 edge and two core switches required substantial investment” says DE-CIX’s Head of Business Development & Marketing, Frank Orlowski.

“The key is to understand that every DE-CIX participant needs to pay his fair share of the infrastructure costs. At the same time other IX players have reduced their port prices significantly. In order to maintain a steady growth and to continuously add value to the exchange we will have to change the pricing structure. Otherwise it would have been very difficult to find any new participants for DE-CIX,” adds Orlowski.

Considering these and other developments in the market, DE-CIX developed a new pricing that was also approved by its advisory board.

Details:

<i>Product</i>	<i>Access speed Gbps</i>	<i>MRC eco-members</i>	<i>MRC non-eco</i>
1GE Fractional*	0,2	200	350
1GE line rate	1,0	500	750
10GE Fractional	2,5	1200	1450
10GE line rate	10,0	2300	2650

Setup fees for 10GE ports (EUR 2500) will be waived effective immediately).

Key findings:

- With the new 200Mbps product “1GE fractional” for EUR 200* per month, joining DE-CIX is now more cost effective than ever (compare this to the current 100Mbps product for EUR 600* per month). This new product is available now. FastEthernet (100Mbps) customers may upgrade at any time (new cabling may be required).
- Gigabit-Ethernet line rate port pricing will be reduced by 50% to EUR 500* per month. A setup with 2GE ports will then cost EUR 1000* (compared to currently EUR 1334*)
- 10GE port pricing will go down by EUR 1000 to EUR 2300* per month.
- End of sales for copper based FastEthernet (100Mbps) service.
- No discounts for additional / multiple ports

Best price guarantee:

- For customers who will save money with the new pricing the pricing will be effective October 1st, 2009.
- For all other customers the new pricing will be effective January 1st, 2010.

“Defining a new pricing that addresses the price erosion for both IP transit and Internet Exchange ports in Europe was challenging. The majority of our customers will save money while those who took extensive advantage of the current model will pay more. I ask customers that will see an overall increase of port prices for their understanding. Again I would like to point out that the current pricing never was designed for paying for today’s infrastructure. While hardware cost for 10GE switch ports went down – please remember that we need up to 4 switch ports** for every customer that uses a line rate 10GE port in order to deliver the resilience and robustness DE-CIX provides today. Clearly we are not making any extra money with the new pricing structure” says DE-CIX’ CEO Harald Summa.

* for members of the eco association

**1 access port on edge switch, 1 backbone port on edge switch, 1 backbone port on production core switch, one backbone port on hot-standby core switch

→ **Regional ALP-IX (Munich) and WORK-IX (Hamburg) pricing to be reduced significantly**

DE-CIX operates regional Internet Exchanges in both Frankfurt and Munich. The goal is to offer providers in Bavaria and Northern Germany as well as providers that have German wide networks to efficiently exchange traffic within those regions.

→ WORK-IX in Hamburg was founded by the ISP n@work back in 2002 and DE-CIX took over the regional IX in 2007. The old switching hardware was replaced with a Cisco 6509 Sup 720 (one of the former DE-CIX switches) to provide carrier class service to the WORK-IX participants. 31 providers are currently using WORK-IX with Google being the latest addition. The exchange currently is available at the n@work and Global Connect

data centers at “Wendenstrasse 379“ (if you are interested in joining the Exchange but you don’t have a POP at any of the following facilities, please do not hesitate to contact us at sales@work-ix.net, too).

→ ALP-IX in Munich was founded by DE-CIX in 2008 and offers peering services in Munich. Its name, ALP-IX, is derived from the words Alps (“ALP”) and Internet Exchange (“IX”). ALP-IX was the first IX in Munich that supported 10GE connections and serves 9 providers (incl. order backlog). The ALP-IX service is available at the Equinix Munich facility at Seidlstrasse (Hopfenpost). If you are interested in joining ALP-IX at another facility, please contact us at sales@alp-ix.net.

The new pricing (effective October 1st, 2009) is designed to make business cases to join the regional exchanges work easier:

<i>Product</i>	<i>Access speed Gbps</i>	<i>MRC eco-members</i>	<i>MRC non-eco</i>
FastE* or 1GE Fractional 100Mbps	0,1	75	200
1GE Fractional 200Mbps	0,2	150	300
1GE line rate	1,0	300	450
10GE line rate	10,0	1100	1300

*FastEthernet services are only available at WORK-IX.

All setup fees are waived effective immediately (while costs for Inhouse cabling may still apply).

New customers joining the ALP-IX and WORK-IX exchanges will continue to receive the first 6 month of service free!

“Obviously growing any Exchange is not only about slashing prices but to establish a close relationship with providers in the region. Watch out for your invitations to the next Hamburg and Munich round tables after the summer holidays,” says Andreas Sturm who joined DE-CIX as an ISP & Carrier Relations Manager just recently.

→ New colocation pricing at DE-CIX

As part of its one stop shopping offer, DE-CIX is offering colocation services at the Telecity and Interxion facility. That means customers can get colocation for their Frankfurt POP as well as the DE-CIX port and Inhouse cabling / cross-connects at those facilities from DE-CIX.

Currently DE-CIX operates 3 colocation suites for its own equipment and customer equipment. Around 70 out of DE-CIX' 300 customers use the bundled service that includes premium shared rack space or dedicated racks, out-of-band access and remote hands / eyes service.

Due to increase in both power and rental costs for the colocation suites, DE-CIX is losing money with its current pricing. In order to recover colocation costs from the customers using this service and to stop the cross funding from DE-CIX port sales, the pricing will be changed as follows:

→ 40 EUR per rack unit in step of 5 rack units

This price will be effective January 1st, 2010. One out-of-band connection, 1hr of remote hands/eyes and sufficient power (UPS protected A+B feed) for the switching/routing equipment deployed is included in this offer.

Summary

The new 2004 pricing was one of the elements of an internal strategy and operations paper that was created by DE-CIX management staff and reviewed by the DE-CIX advisory board.

It addresses market developments, chances, and risks involved in our business as well as future business and growth opportunities.

“To introduce a new pricing structure is essential to pave the way to DE-CIX' future and was one of the outcomes of our strategy and operations paper. We are committed to maintain our leading role in Europe,” summarizes DE-CIX' CEO Harald Summa.

Learn more about the DE-CIX vision & mission

If you haven't visited our website lately please feel free to do so if you want to learn more about our vision @ mission statements:

<https://www.de-cix.net/content/about/Mission.html>

→ UPCOMING EVENTS:

If you would like to attend any of these events, please register:

SANOG14, July 15-23, Chennai,
www.sanog.org

IETF 75, July 26-31, Stockholm,
www.ietf.org

APNIC 28, August 24-28, Beijing,
www.apnic.net

→ **DE-CIX Peering Workshop,**
August 25, Frankfurt

→ **DE-CIX Summer Break Party,**
August 25, Frankfurt

PLNOG3, September 10-11, Krakow,
www.plnog.pl

EPF4, September 14-15, Copenhagen,
www.peering-forum.eu

RIPE Regional Mtg,
September 17-18, Moscow,
www.ripe.net

Capacity Russia,
October 5-6, Moscow,
www.telcap.co.uk

MENOG5, October 25-29, Beirut,
www.menog.net

cnX3, October 26-27, Frankfurt,
www.cnx-frankfurt.com

RIPE59, October 5-9, Lisbon,
www.ripe.net

GPF 4.5,
October 20, Dearborn, MI, USA,
www.peeringforum.com

NANOG47,
October 18-20, Dearborn, MI, USA,
www.nanog.org

Check the listed websites for more information.
Listings in red are hosted or sponsored by DE-CIX.

→ NEW DE-CIX PARTICIPANTS

DE-CIX welcomes its most recent customers:

- Invitel, Hungary
- GCN, Bulgaria
- ISC Internet Systems Consortium, USA
- VRNetze, Germany

Soon to be connected:

- Vectra, Poland
- Media Network Services, Norway
- WideVoip, Luxembourg

Upgraded customers:

(since May 1st, 2009)

- Kabel Baden-Wuerttemberg (AS29562)
- ARCOR (AS3209)
- GTS (AS5588)
- GlobalNET (AS31500)
- Versatel (AS8881)
- SERICO (AS8218)
- Virgin Media (AS5089)
- Multimedia Polska (AS21021)
- BTC (AS8866)

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