

Andrew's Blog - Laying Cable – and the Low-Latency Gauntlet

19 Oct 2010 [No Comments](#)

Hibernia Atlantic has laid down the gauntlet with its announcement of plans to build the lowest-latency trans-Atlantic cable connection. We first heard about so-called Project Express at our A-Team Insight Exchange Event in London last month, where the rumour spread as fast as a laser shot down an optimised fibre connection.



As readers know, Hibernia already operates transatlantic fibre-optic cable that offers round-trip latency of 72 milliseconds. The new cable it plans to lay – which will be ready by mid-2012 and will be offered exclusively to the trading community – will reduce that latency to 60 milliseconds.

That will be achieved, in part, by shaving around 500 kilometres off the traditional route between the hosting facility at 111 Eighth Avenue in Manhattan, which houses several players' proximity sites, and in Slough, west of London, home to Equinix's LD4/LD5 facility, which hosts Chi-X Europe's primary matching engines, among others.

Laying new, more directly routed cable, Hibernia reckons, will allow it to leapfrog the current low-latency leaders. At the moment, Global Crossing offers the fastest link. Its Atlantic Crossing 1 (AC1) cable runs between 165 Halsey Street, Newark, and Slough, with a sub-68 millisecond roundtrip latency. The Apollo North link, operated by Cable & Wireless Worldwide in a joint venture with Alcatel, and with landing points at Bude in Cornwall and Shirley, Long Island, runs a close second.

Hibernia's own two existing links currently offer about 74 milliseconds roundtrip delay. At its western end, Project Express will have its landing point in Halifax, Canada, and will use existing low latency cable to connect to Lynn, a Boston suburb. Hibernia will then build or buy backhaul to reach 111 Eighth Avenue. At its eastern end, Express will land in Somerset, in England's West Country, with Hibernia building or buying low-latency connectivity to Slough.

Hibernia has yet to make a decision on suppliers; it's looking at major submarine cable manufacturers like Alcatel, Tyco, Huawei, Fujitsu and NEC. And its selling access, with a large number of clients close to contract stage for the new network. Project Express will require multiple hundreds of millions of dollars of investment; Hibernia expects to recoup that investment in three to four years.

Key to succeeding in this aim, according to Fergus Innes, vice president of sales for Europe at Hibernia Atlantic, will be the company's ability to rapidly on-board new clients (five days to add customers to its Global Financial Network, he says), and to offer bespoke solutions based on the new Express route.

Some have suggested that low-latency connectivity as a core business requirement will be short-lived. Hibernia is making a big bet that it won't be.