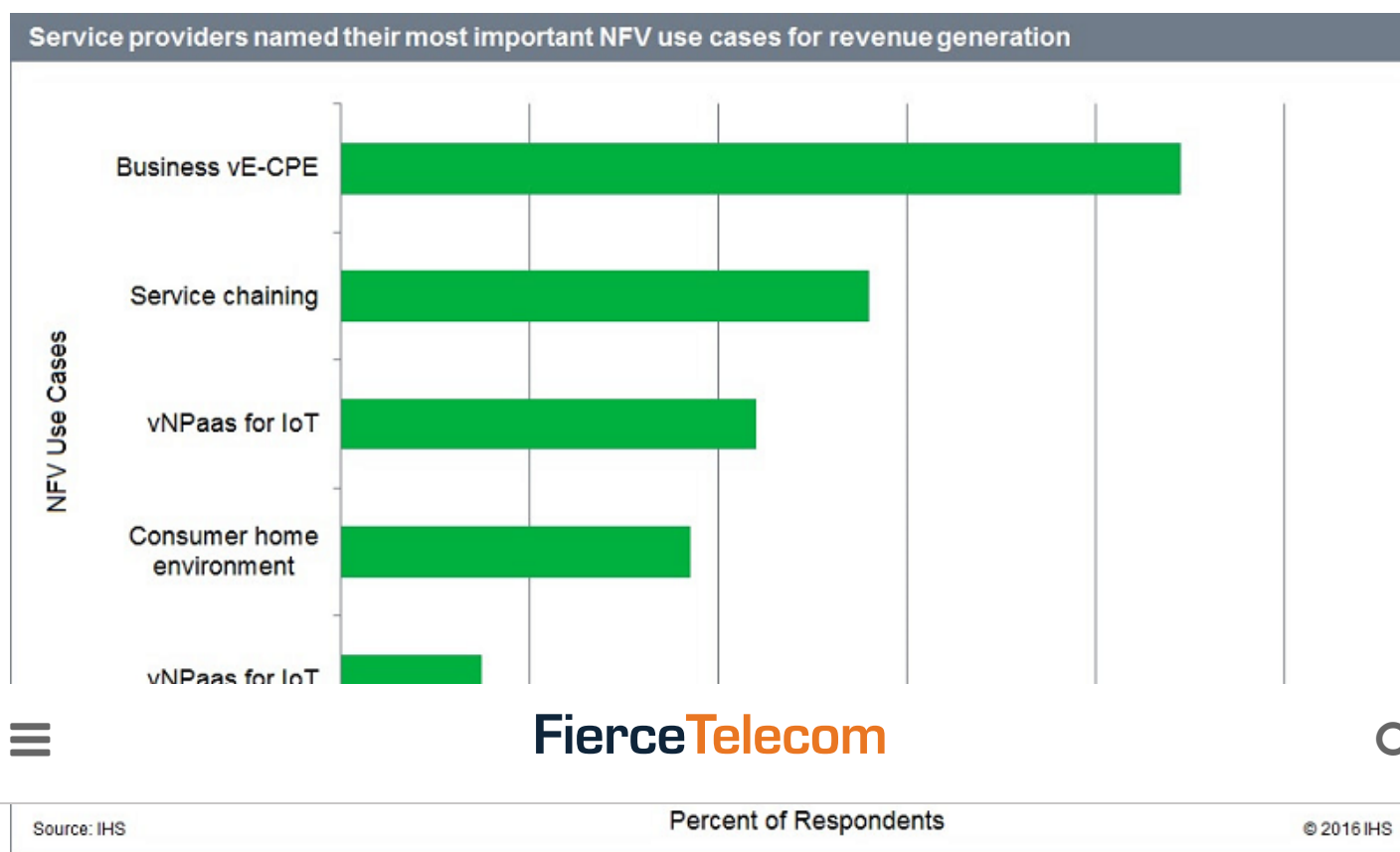


Telecom

Verizon, AT&T, CenturyLink take aggressive tack on NFV deployment, research firm says

by Sean Buckley | Aug 23, 2016 11:11am



Courtesy of IHS Markit.

Service providers like Verizon, AT&T and CenturyLink need to make money on NFV (network functions virtualization) as soon as it's deployed -- so naturally, they're looking to business services as a key part of their strategy.

Service providers will initially leverage network functions virtualization (NFV) to deliver virtualized enterprise customer premises equipment (vE-CPE), or vBranch or enterprise vCPE services, to business customers.

Michael Howard, senior research director, carrier networks at IHS Markit, said in a research note that business vE-CPE can enable service providers to generate new revenue streams because it allows them to “replace physical CPEs with software so they can quickly innovate and launch new services.”

The movement to offer vE-CPE reflects the service provider community’s ongoing movement to NFV.

A recent IHS Markit survey revealed that 100 percent of service providers said they will deploy NFV “at some point,” with 81 percent expecting to put it in their network in 2017. Additionally, 59 percent of service provider respondents said they have deployed or will deploy NFV this year.

In 2016, service providers are moving from their NFV proof-of-concept (PoC) tests and lab trials and evaluations to working with vendors that are developing and productizing the software.

Howard noted that service providers’ attitude toward NFV is “changing quickly.”

The journey to adopt NFV and SDN has been fraught with key challenges, including dealing with OSS/BSS. However, Howard said that the fact that service providers see “integrating NFV into existing networks and non-carrier-grade products” as their key challenges “show that carriers are very serious about deploying NFV.”

A number of Tier 1 telcos like AT&T, Verizon and CenturyLink are clearly moving down the NFV and SDN path.

Out of the three here, AT&T has touted an aggressive software push for its network. The service provider has set a goal to virtualize 75 percent of its network by 2020. For 2016 the telco set a goal to migrate 30 percent of AT&T's applications into a private cloud. During the past year, the telco built out 74 AT&T Integrated Cloud (AIC) facilities where it runs the virtual network functions.

Verizon is also being aggressive on the NFV front by **completing an OpenStack cloud deployment** across five of its data centers in the United States. The NFV project created a production design based on a core and pod architecture that Verizon says provides the hyperscale capabilities and flexibility necessary to meet the service provider's network requirements.

Regardless of the value that SDN and NFV networks can bring in terms of scaling functions and improving service delivery times, service providers agree that the migration to NFV and SDN is an evolutionary process where they will have to see what service offerings work and which ones don't.



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