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CHX Upgrades Network Bandwidth

NEW YORK—The Chicago Stock Exchange (CHX) recently boosted its bandwidth capability thanks to an upgrade from Internet service provider Cogent Communications, officials say.

With the revamped system, “we don’t have any bandwidth restraints,” says John Kavanagh, manager of communications and facilities at CHX. The exchange was offering network access of 3MB, but has increased that to 100MB via its arrangement with Cogent. Prior to the upgrade, “we would have to add additional lines and install hardware to support that type of increase,” Kavanagh says. “We use the network for quote and trade reporting in New York as well as all the market data coming back to the stock exchange from New York,” he says.

The CHX is “interconnecting all of their routers across our Layer 2 network—basically building virtual LANs to then transfer data among various locations or various portions of their organization,” says Dave Schaeffer, founder and CEO of Cogent.

The new system, which allows CHX to connect

to New York directly and to Chicago locally, is also more cost-efficient, Kavanagh says. “We’ve got direct Ethernet to all routers within the network. What that does is reduce our possibility of outages as there is no last-mile connectivity,” he says.

The CHX has been using the Cogent service for about six months. The exchange previously relied on a multiple-link grouping of T1 connections from AT&T, but found that Cogent’s solution was more affordable given the exchange’s bandwidth demands, Kavanagh says. But he says the CHX still uses AT&T and telecom provider Broadwing Communications for other capabilities. Broadwing officials confirm that CHX is a customer.

The installation process took about two weeks to physically connect riser facilities in CHX’s buildings and wiring closets and is now operational, says Cogent’s Schaeffer. To contact Cogent directly, go to www.cogentco.com, fill out the inquiry form and a local representative will contact you shortly.

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