



Neutral Tandem Makes Its Mark

By Cindy Waxer, TMCnet Contributing Editor

For years, incumbent local exchange carriers (ILECs) have enjoyed a monopoly on providing tandem services to competitive carriers. While connecting carriers and switches together to unify an entire telecommunications network is crucial to the exchange of voice traffic, the volume of tandems and interconnections has grown into a costly web of inefficiencies. What's more, as the largest competitor to many wireless carriers and cable companies, ILECs have had little incentive to lower prices or improve service.

Enter Neutral Tandem, a Chicago-based outfit whose alternative method for inter-carrier traffic could shake-up an entire industry and make relying on an ILEC to complete calls between two carrier networks a thing of the past.

"Neutral Tandem's 'neutral' network of tandem switches provides an independent third-party platform to exchange traffic between car-

riers," says Rian Wren, Neutral Tandem's newly appointed president and chief executive officer. "Since we do not compete against our customers for their end-users, we are able to offer services designed to promote a carrier's success – not hinder it."

Founded in 2003, Neutral Tandem has created the largest non-PSTN tandem network in the U.S. Currently, the company provides tandem services to over 45 major carriers, including nearly all of the major wireless, competitive local exchange carriers (CLECs), cable and VoIP providers. With service to over 40 U.S. markets, Neutral Tandem recently announced expansion to Orlando and Tampa, Florida, as well as New Jersey. Plans to expand to the Washington, D.C. area and a number of new markets in New York are also underway.

Neutral Tandem's growing popularity is

understandable. Not only is the firm helping carriers enter new markets and improve network performance, but it is also "saving carriers on billions of minutes of inter-carrier traffic each month," says Wren.

And Neutral Tandem is winning over investors too. Earlier this month, the company scored \$12 million in a round of series C financing, bringing its total to \$50 million since its inception in 2003. Company officials said the funding will be used for accelerating network growth.

Cindy Waxer is a Toronto-based freelance journalist specializing in business and technology. She has written for publications including TIME, Fortune Small Business, Business 2.0, Computerworld, Canadian Business, and Workforce Management. To see more of her articles, please visit Cindy Waxer's columnist page.



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