





Exercise peering definitions 



The
Peering Simulation
Game



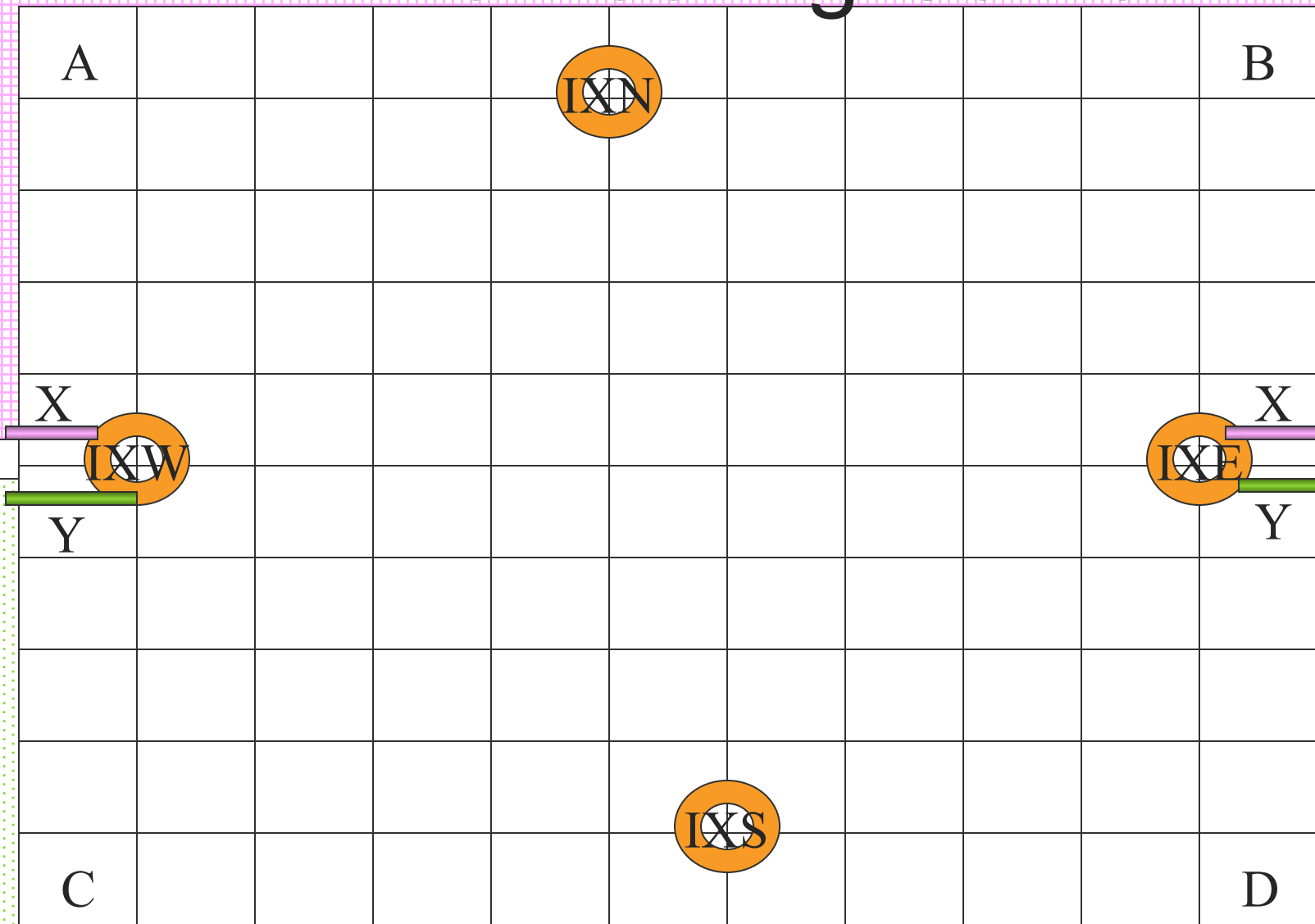
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Apply the definitions

- Strategy Game
- Use the terminology correctly
- Negotiate Peering
- Successful in dozens of fora
- Engaging
- Fun!

Transit Provider X

The Peering Game



Transit Provider Y

3 Rules

1. Goal: **Maximize bank holdings**. Make money by acquiring customers and reduce transit costs by peering
2. Play: Roll the dice and expand your network by selecting that many adjacent “squares” of customers

Gain transit revenue of \$2000 for each customer square you own

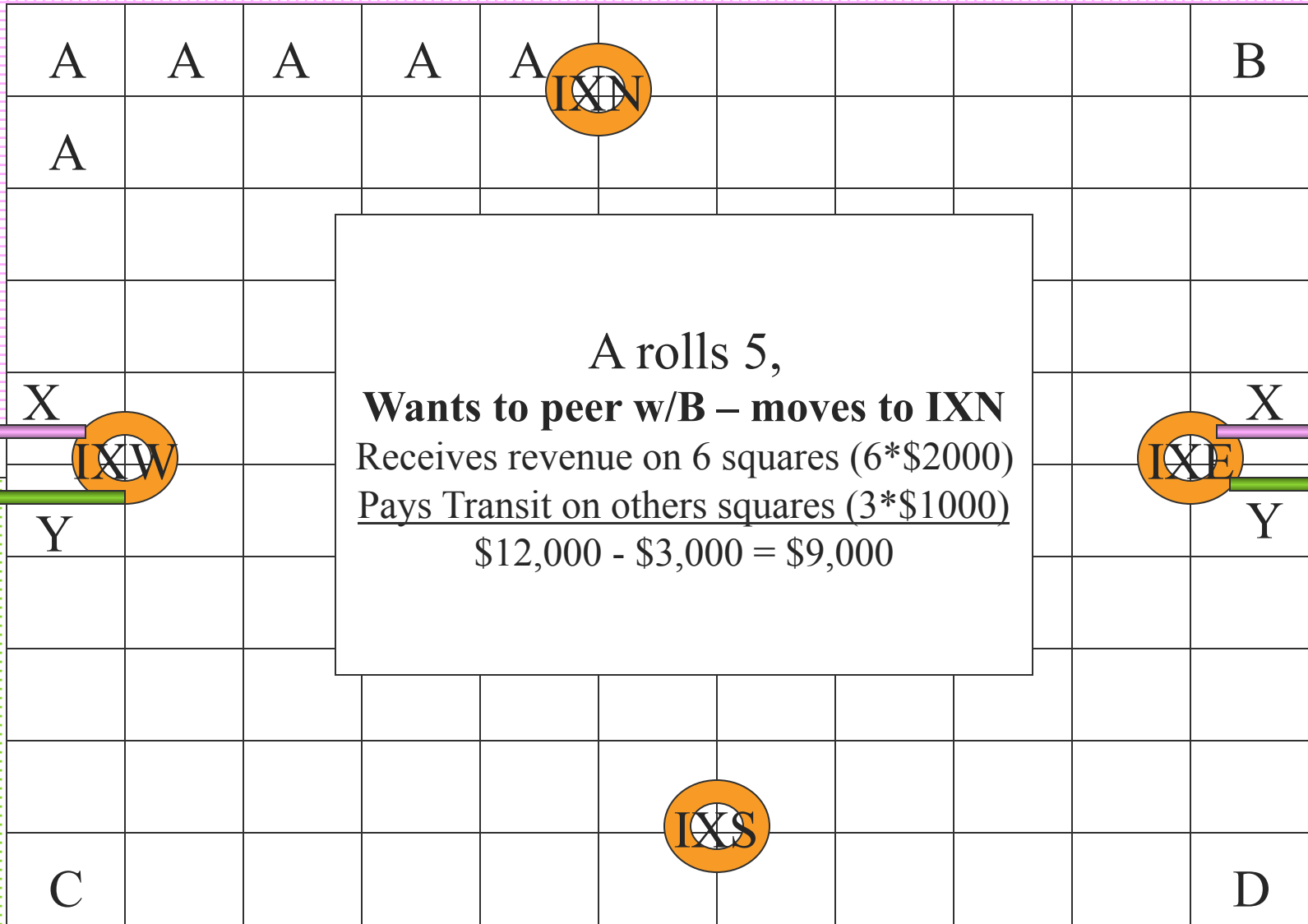
Pay transit fees of \$1000 for each square of traffic that **other** ISPs own

3. If at Exchange Point, two ISPs can **negotiate peering**:

- \$2000 recurring cost and loss of 2 turns, ISPs negotiates who covers the costs of peering

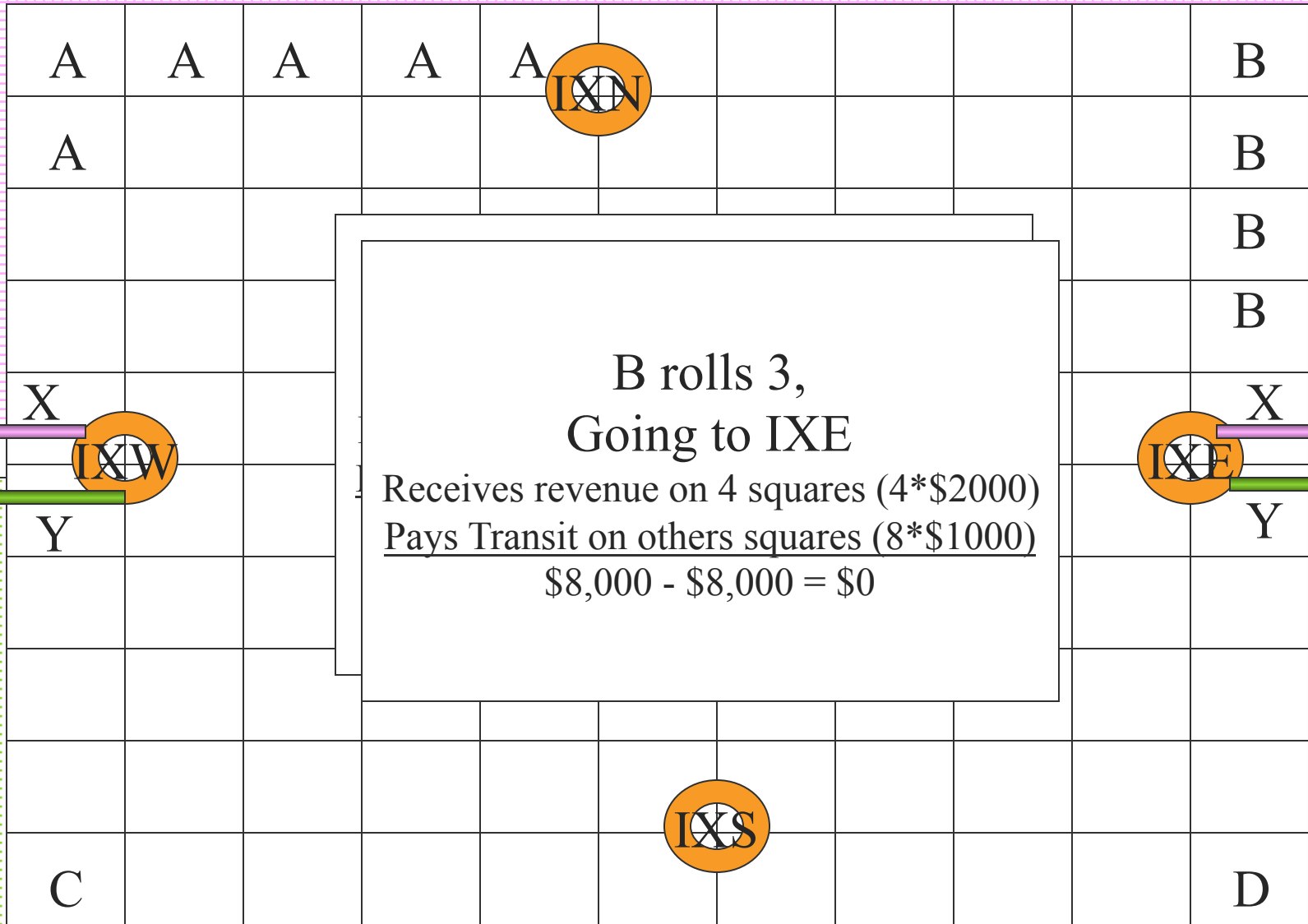
Quick round...

Transit Provider X



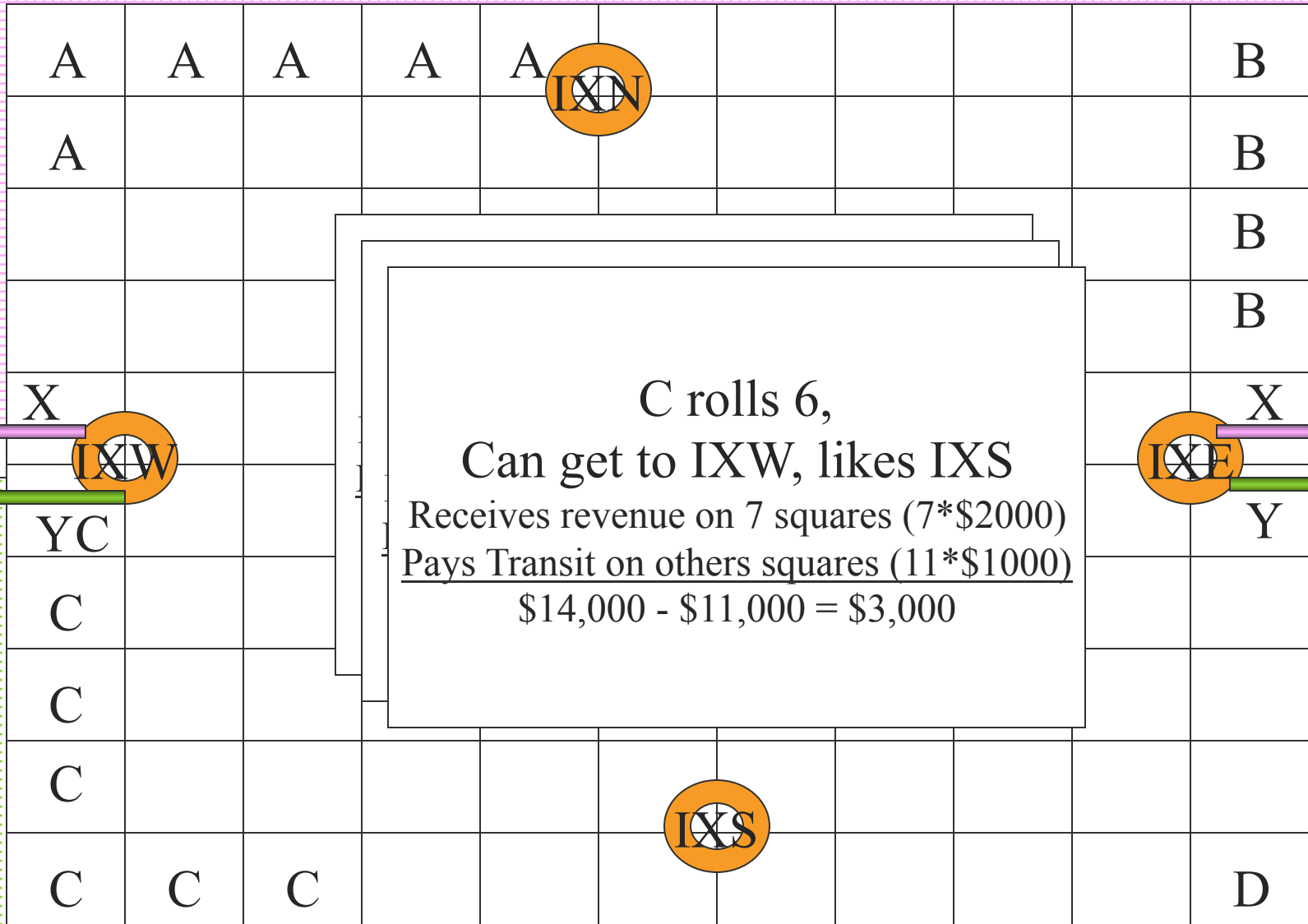
Transit Provider Y

Transit Provider X



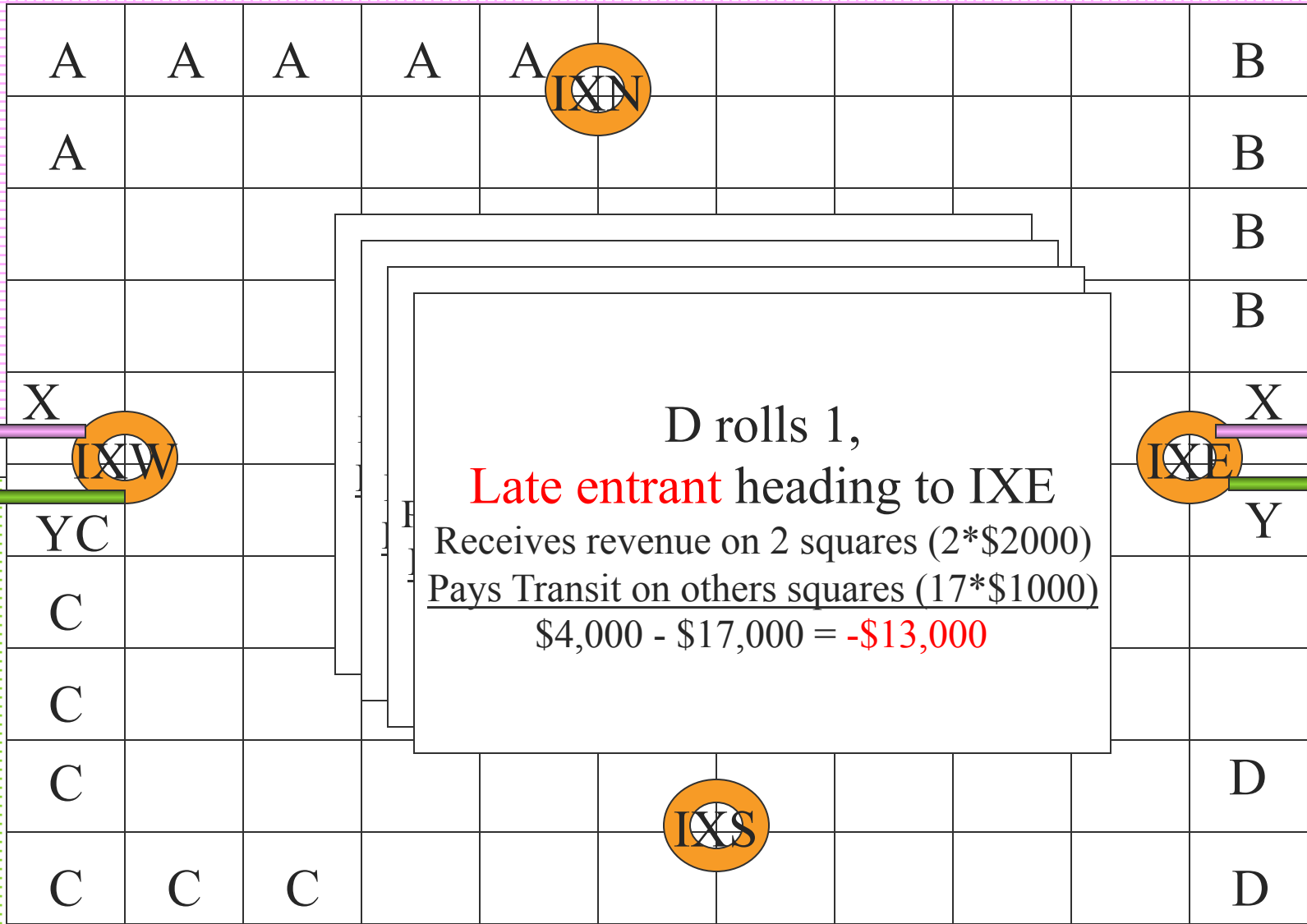
Transit Provider Y

Transit Provider X



Transit Provider Y

Transit Provider X

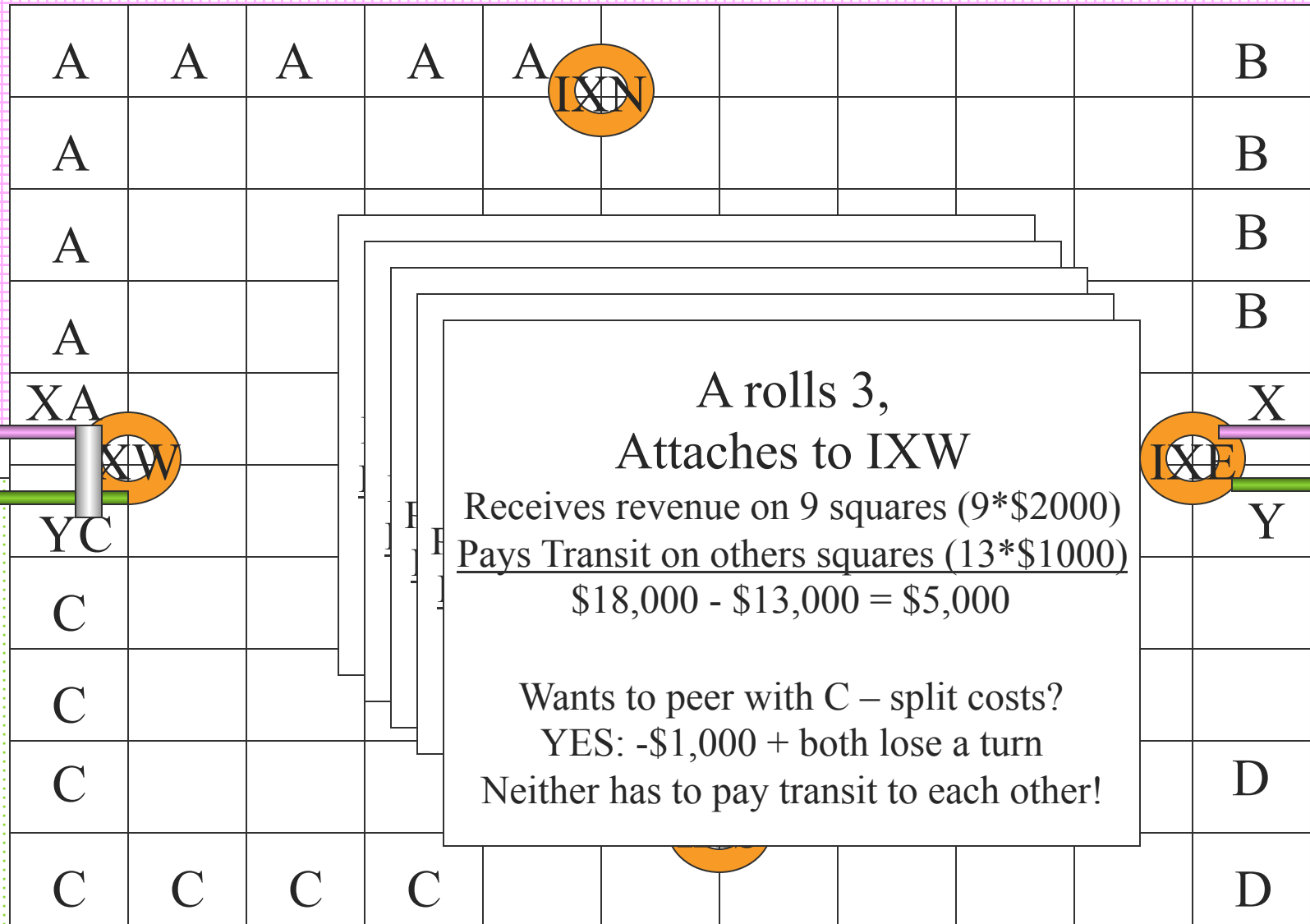


Transit Provider Y

Scoreboard after Round 1

- ISP A: \$9,000
- ISP B: \$0
- ISPC: \$3,000
- ISPD: -\$13,000

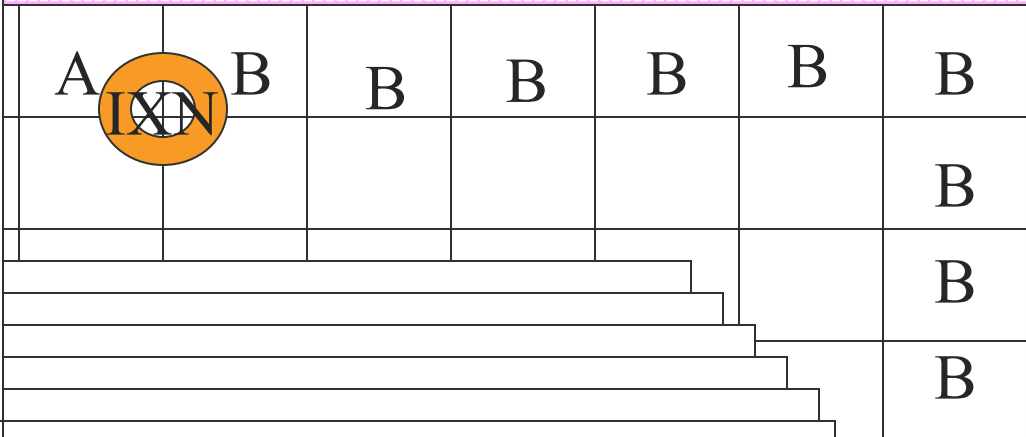
Transit Provider X



Transit Provider Y

Transit Provider X

A Position
 9 Revenue squares
 1 lost turn
 Peering w/C
 reduced cost \$8000/turn



B rolls 6,
 Attaches to IXE*IXN
 Receives revenue on 10 squares (10*\$2000)
 Pays Transit on others squares (21*\$1000)
 $20,000 - 21,000 = -\$1,000$

Wants to peer with A – split costs?
 NO: You pissed me off,
 Yes: if \$0 & B lose both turns
 Both walk away



Transit Provider Y

Let's play!

WELCOME TO **BILLAND**

4 ISPs that have never played before

Open Board

\$35,000 VC Funding

~~\$25,000 VC Funding~~ – HARD Economic Times

We want to hear your thought process and
peering negotiations

Winner - prize



Play Game

Starting Point

- Get \$2000 revenue for each square you own
- Pay \$1000 transit fee to your upstream for each square others own
- Internet Exchange Point East
- Reduce transit fee by peering with other ISPs at exchange point; \$2000 per round and loss of 2 turns, split how ISPs see it

peering costs

ROUND	PLAYER	Roll	Bonus Content Squares # Squares Owned	Revenue (Squares * \$2000)	#OthersSquares	Transit Cost (\$1000)	Peering Costs	Net	Running Total	XpeerY	PLAYER	Pay for Transit to A?	Pay for Transit to B?	Pay for Transit to C?	Pay for Transit to D?	Sum of Transit \$\$\$ paid to X	Sum of Transit \$\$\$ Paid to Y
0	A	##	0	\$0	3	\$0	\$0	\$0	\$0		A	1	1	1	1	\$	
0	B	##	0	\$0	3	\$0	\$0	\$0	\$0		B	1	1	1	1	\$	
0	C	##	0	\$0	3	\$0	\$0	\$0	\$0		C	1	1	1	1	\$	
0	D	##	0	\$0	3	\$0	\$0	\$0	\$0		D	1	1	1	1	\$	
1	copy A	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$25,000	\$25,000	A	1	1	1	1	\$	
1	copy B	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$25,000	\$25,000	B	1	1	1	1	\$	
1	copy C	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$25,000	\$25,000	C	1	1	1	1	\$	
1	copy D	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$25,000	\$25,000	D	1	1	1	1	\$	
Jan	A	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$24,000		A	1	1	1	1	\$	3,000
Jan	B	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$24,000		B	1	1	1	1	\$	6,000
Jan	C	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$24,000		C	1	1	1	1	\$	9,000
Jan	D	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$24,000		D	1	1	1	1	\$	12,000
Feb	A	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$23,000		A	1	1	1	1	\$	15,000
Feb	B	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$23,000		B	1	1	1	1	\$	18,000
Feb	C	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$23,000		C	1	1	1	1	\$	21,000
Feb	D	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$23,000		D	1	1	1	1	\$	24,000
Mar	A	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$22,000		A	1	1	1	1	\$	27,000
Mar	B	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$22,000		B	1	1	1	1	\$	30,000
Mar	C	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$22,000		C	1	1	1	1	\$	33,000
Mar	D	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$22,000		D	1	1	1	1	\$	36,000
Apr	A	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$21,000		A	1	1	1	1	\$	39,000
Apr	B	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$21,000		B	1	1	1	1	\$	42,000
Apr	C	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$21,000		C	1	1	1	1	\$	45,000
Apr	D	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$21,000		D	1	1	1	1	\$	48,000
May	A	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$20,000		A	1	1	1	1	\$	51,000
May	B	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$20,000		B	1	1	1	1	\$	54,000
May	C	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$20,000		C	1	1	1	1	\$	57,000
May	D	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$20,000		D	1	1	1	1	\$	60,000
Jun	A	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$19,000		A	1	1	1	1	\$	
Jun	B	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$19,000		B	1	1	1	1	\$	
Jun	C	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$19,000		C	1	1	1	1	\$	
Jun	D	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$19,000		D	1	1	1	1	\$	
Jul	A	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$18,000		A	1	1	1	1	\$	
Jul	B	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$18,000		B	1	1	1	1	\$	
Jul	C	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$18,000		C	1	1	1	1	\$	
Jul	D	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$18,000		D	1	1	1	1	\$	
Aug	A	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$17,000		A	1	1	1	1	\$	
Aug	B	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$17,000		B	1	1	1	1	\$	
Aug	C	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$17,000		C	1	1	1	1	\$	
Aug	D	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$17,000		D	1	1	1	1	\$	
Sep	A	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$16,000		A	1	1	1	1	\$	
Sep	B	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$16,000		B	1	1	1	1	\$	
Sep	C	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$16,000		C	1	1	1	1	\$	
Sep	D	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$16,000		D	1	1	1	1	\$	
Oct	A	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$15,000		A	1	1	1	1	\$	
Oct	B	##	1	\$2,000	3	(\$3,000)	\$0	(\$1,000)	\$15,000		B	1	1	1	1	\$	

Notes:

- Can only move adjacently and diagonally
- Hint: Calculate cost of NOT peering vs. Cost of peering
- At end of game we assume all roll a 3 for remaining rolls
- Winner is the ISP will the largest bank account at the end

Calculate