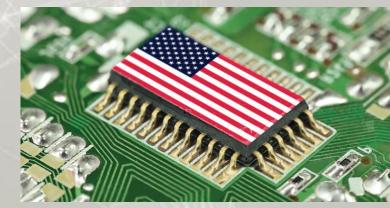


Any opinions, findings, and conclusions or recommendations expressed in this presentation are those of the author and do not necessarily reflect the views of the US Air Force, Department of Defense or the USAF Cyber College.

#### Chinese POP & Subsea Cable Overview



Dr. Michael L. Thomas Professor of Cyberwarfare Studies U.S. Air Force Cyber College Maxwell AFB, Montgomery, Alabama



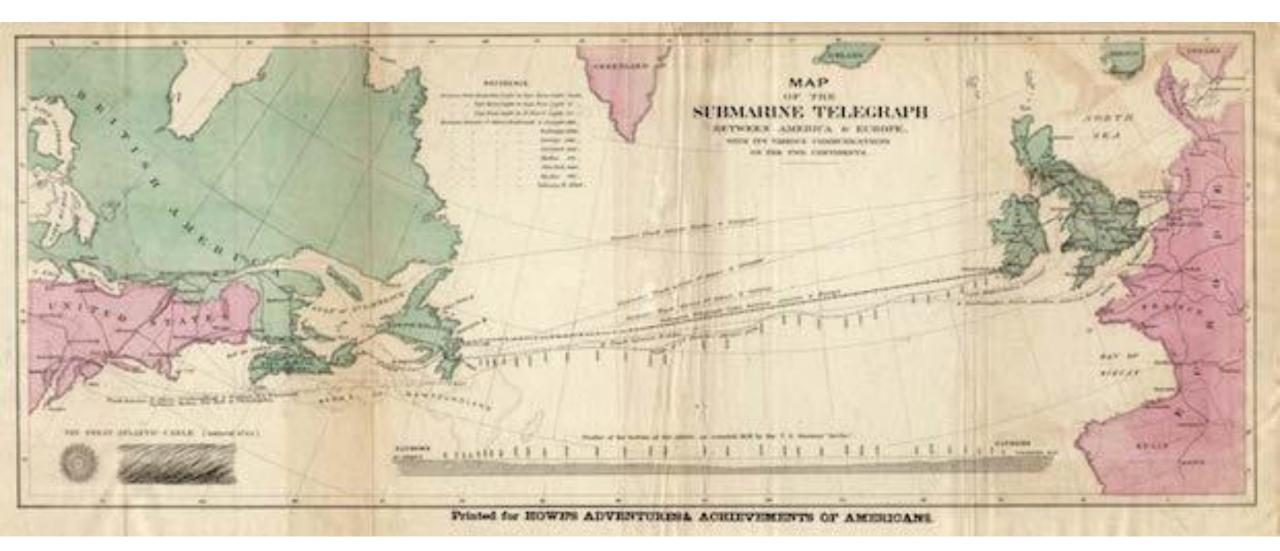


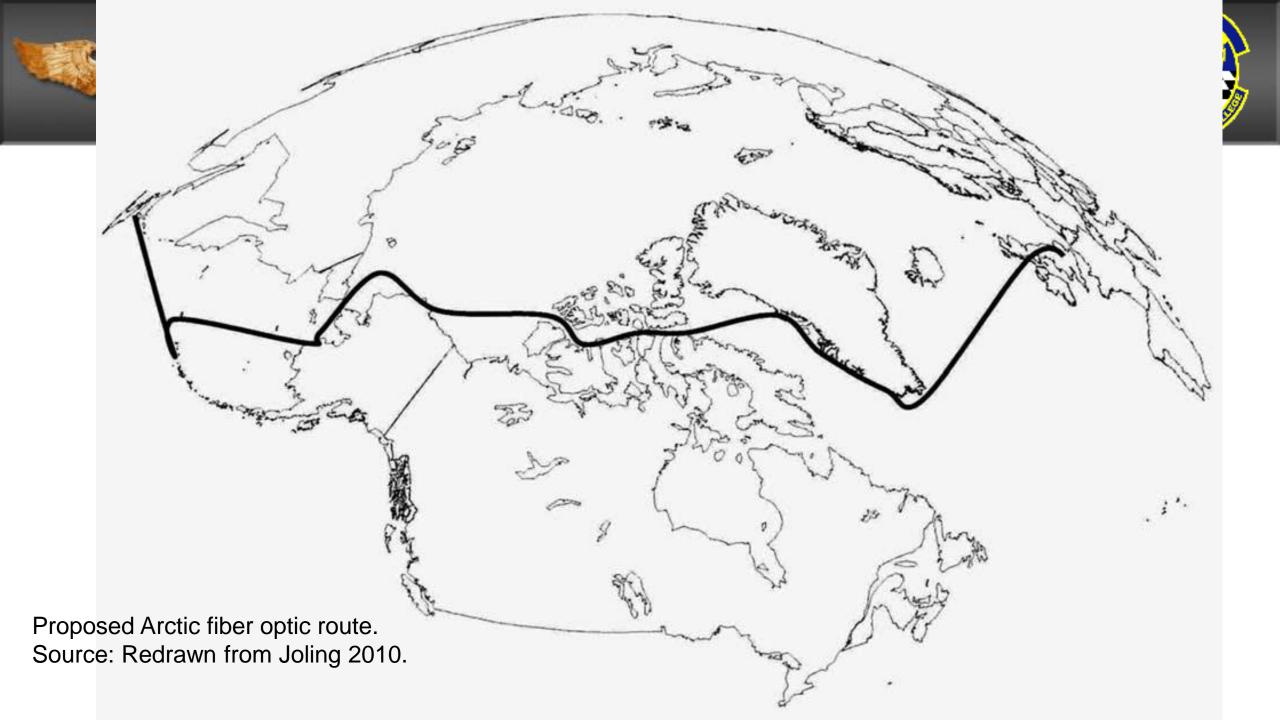
- A Little History
- Geopolitics
- Economics of Subsea Cables
- Owners of Subsea Projects
- Future Views
- Chinese Points of Presence in North America









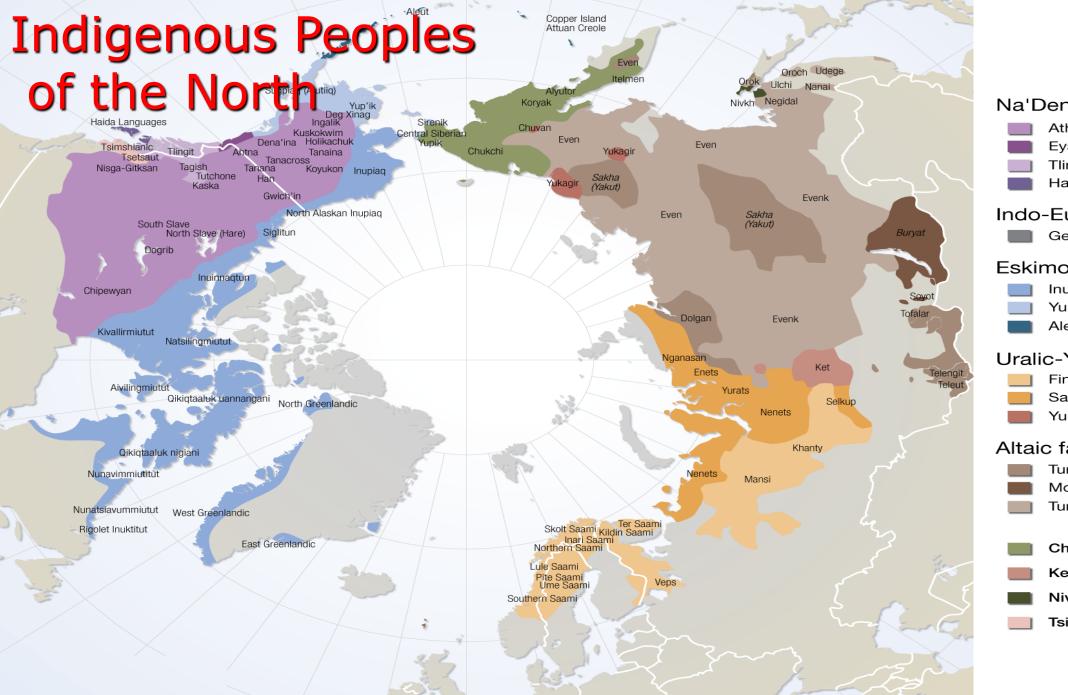




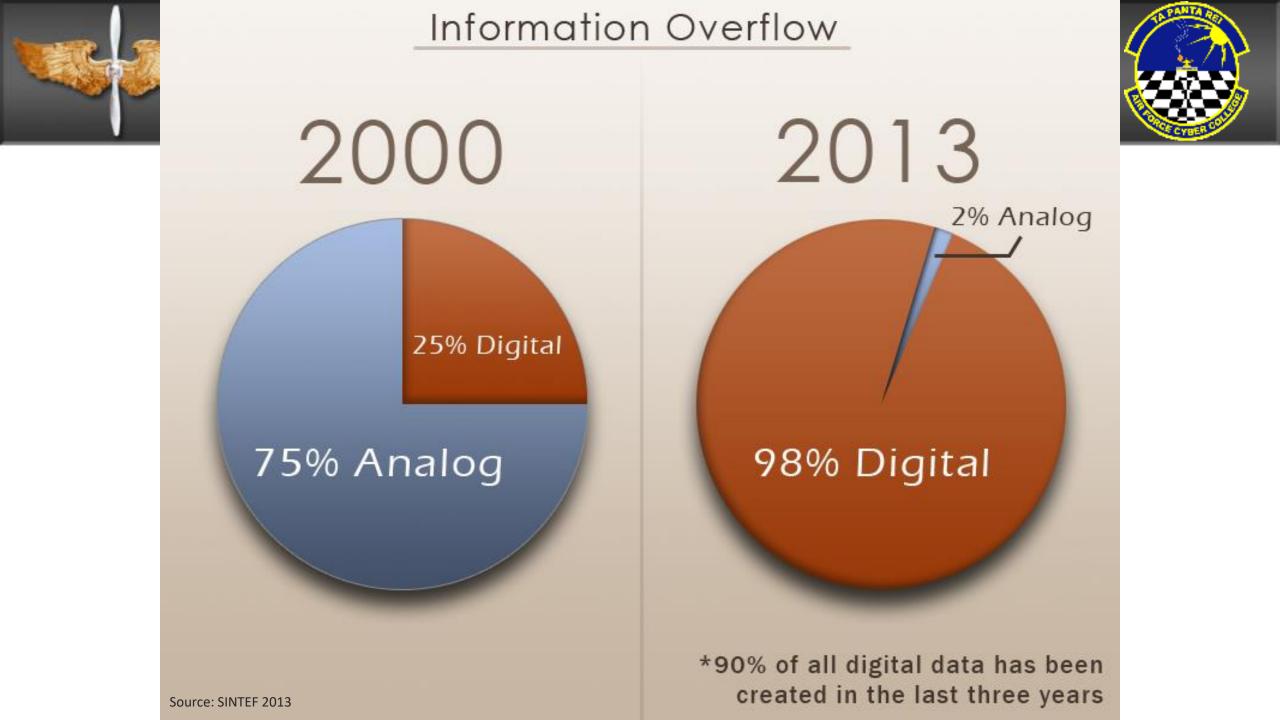




source: Adapted from CVA: the world Facebook, https://www.cla.gow/lbtary.publications/the-world-facebook/maps/refmap\_arctic.html

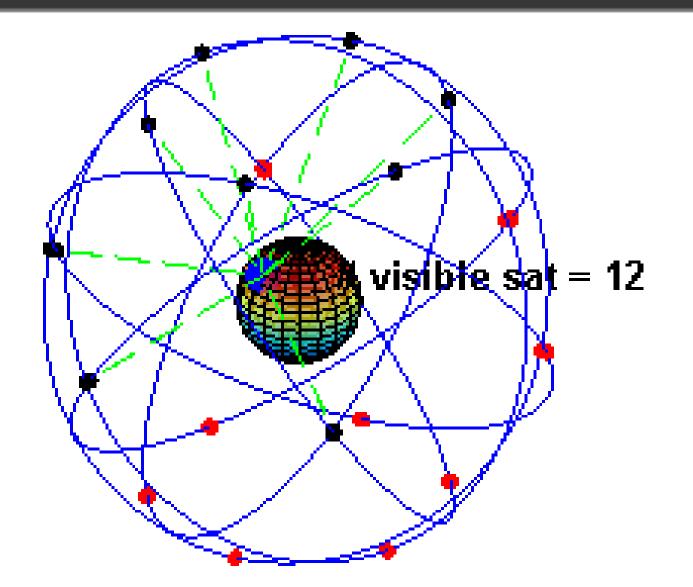






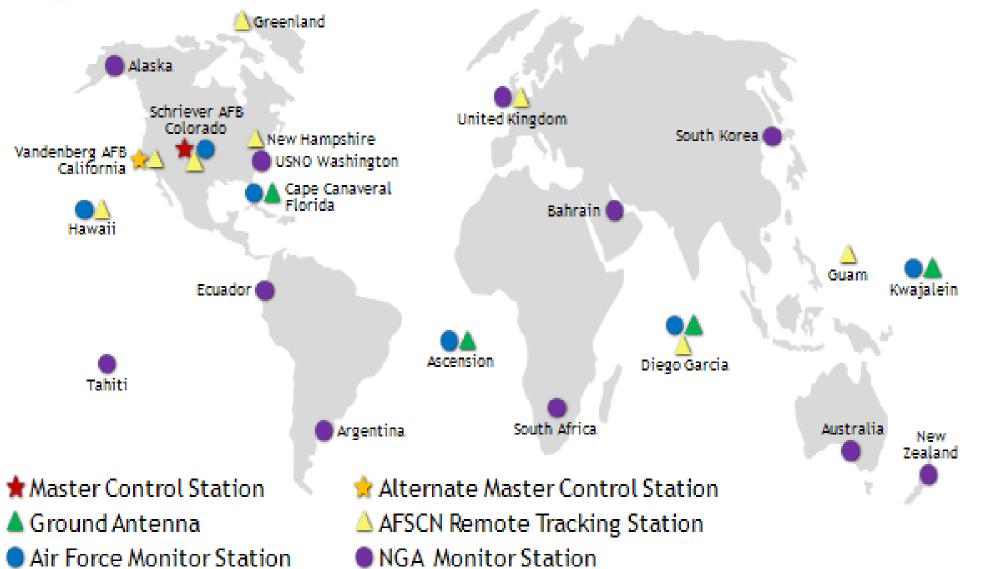
### ICT Infrastructure Increase

GPS Constellation 24X7 Location Capability

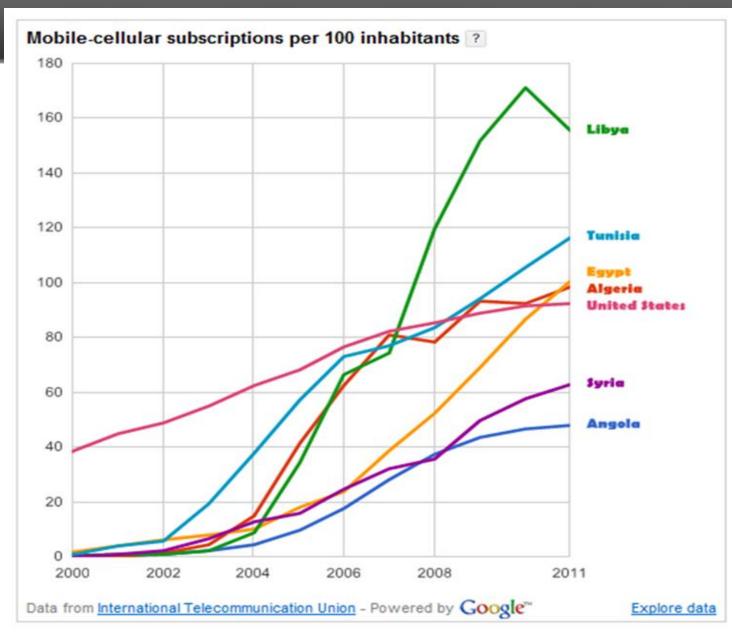


#### **Locations of GPS Ground Stations**



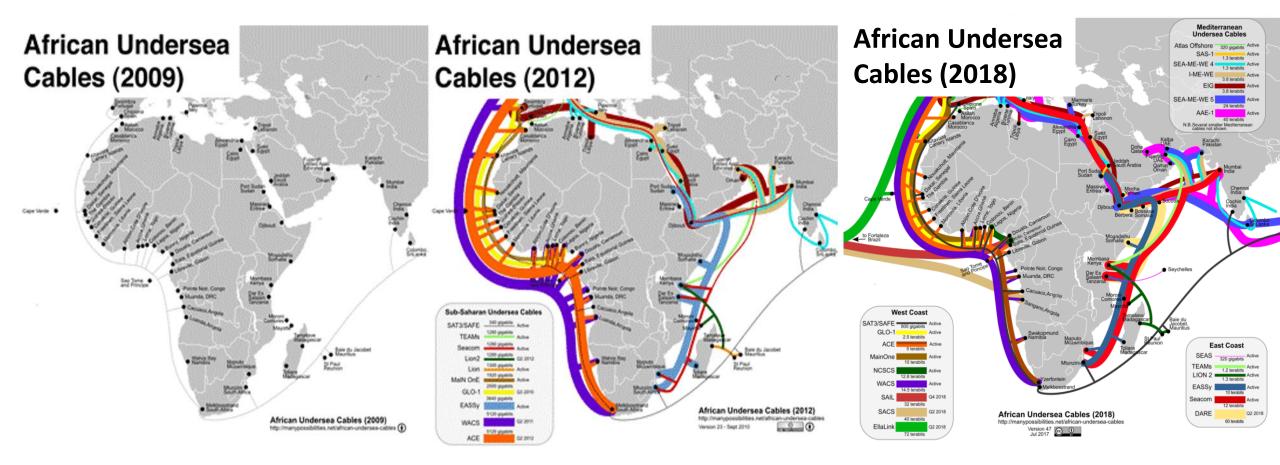


#### **ICT Infrastructure Increase II**



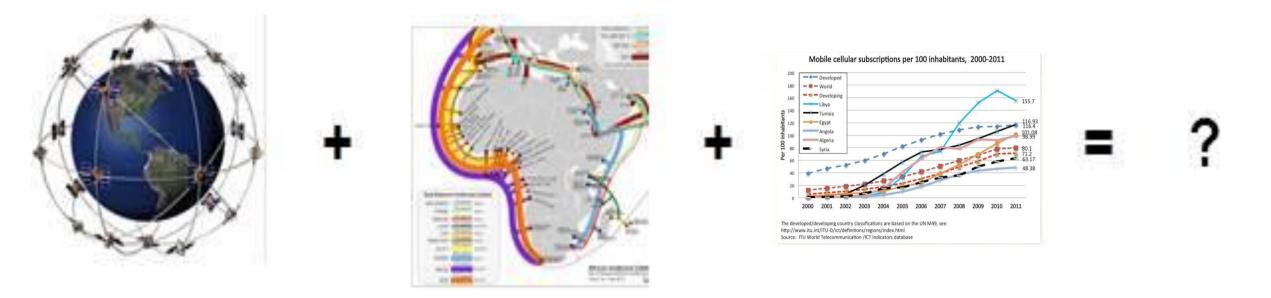


#### ICT Infrastructure Increase III





# Total > Sum of the Parts



#### = Exponential increases in connectivity, information flow and location data





- Satellites provide between 1-7% of total internet traffic capacity
- Subsea Cables provide >90% capacity
  - For the US, 36 cables carry 95% of all international voice and video
  - Subsea Cables are "the Cloud"
  - Datacenters are worldwide
- Cable routes fall along historic shipping and traffic lanes



# History in Warfare



- Subsea Cables have provided telecom traffic for over 100 years
- Spanish American War US cut cables linking Spain to colonies
- 1<sup>st</sup> offensive action by UK Navy in WWI was similar to cut off Germany
- WWII, subsea operators in Porthcurno installed flame throwers on beaches at landing points
- Ergo to pretend they will not be a target in a future confict is naïve'.

# **Annual Accidents**

- Cables are vulnerable.
- < 1500 meters buried in yard deep trenches & armored in a steel sheeth
- Most common accident caused by shipping
- Deeper than 1500 meters laying bare on the sea floor
- On average there are 200 cable faults per year
- Since the US is not part of UNCLOS, willful destruction of cable 2yrs & \$5000 fine.
- Physical infrastructure is critical. Not enough to think of only software hacks.





- City of LA has deal with Google all data MUST be stored in lower 48.
  - Most customers cannot strike that type of bargain.
  - Most accidents take 1-2 weeks to repair.
- Most court will not allow companies to collect damages due to loss of access.
  - Issue loss of access.
  - Issue loss of data.
- Breach of cables is a cybersecurity issue.

# Architecture



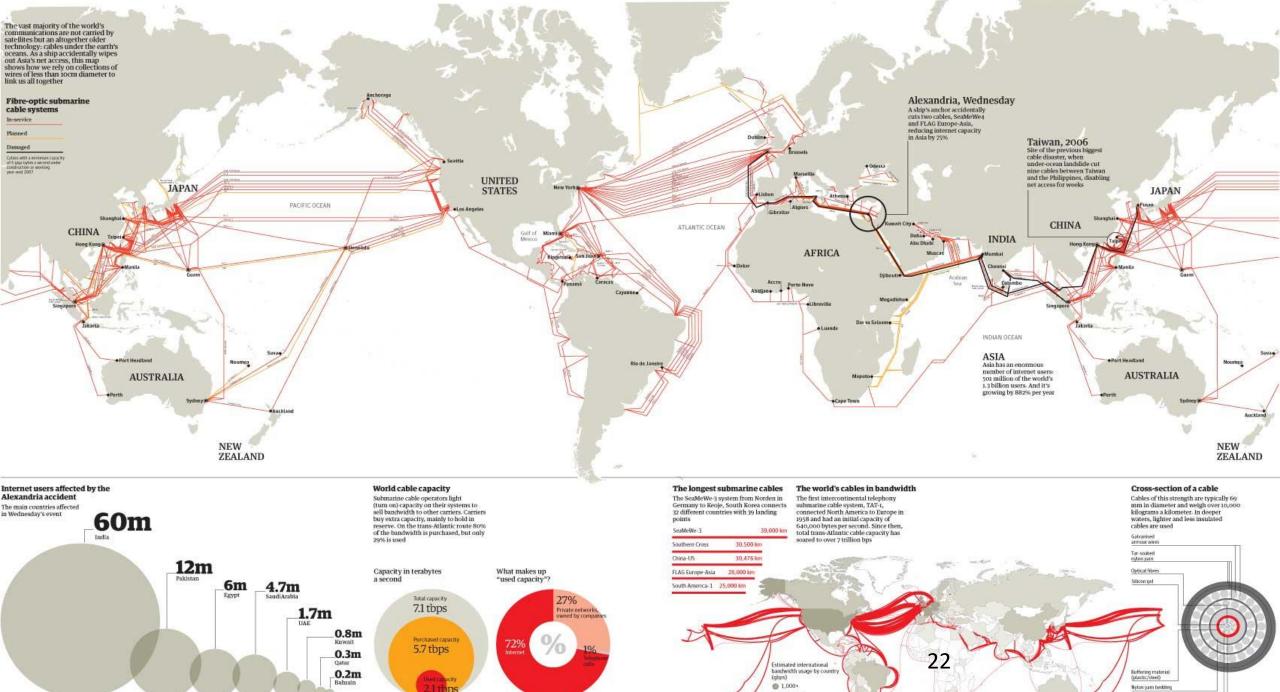
- Redundancy is not efficient
- It is resilient.
- Inefficiency creates resiliency.
- Architecture like a Hydra....
- Complicates the "targeting solution".
  - Security is increased not by patrols but by resiliency. 20

# **Other Factors**



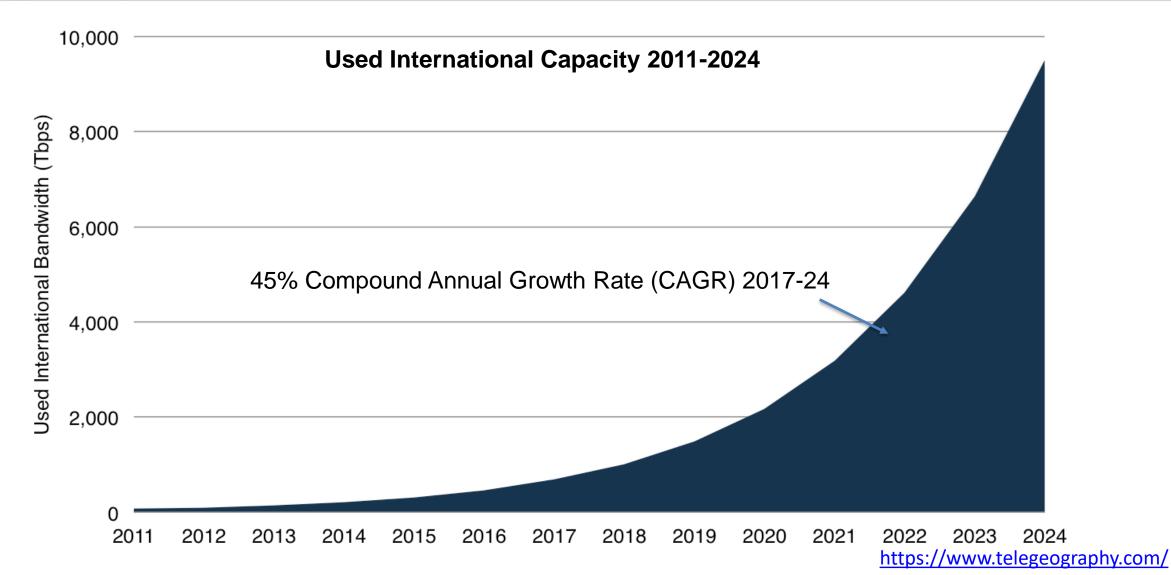
- Marginal Profits
- Conflated at traditional landing points
- We are on third generation of subsea cable technology
- Fishermen and shipping companies have to be informed
- Most infrastructure getting long in the tooth.
- Moving data to the cloud entails dependence on undersea links

#### The internet's undersea world







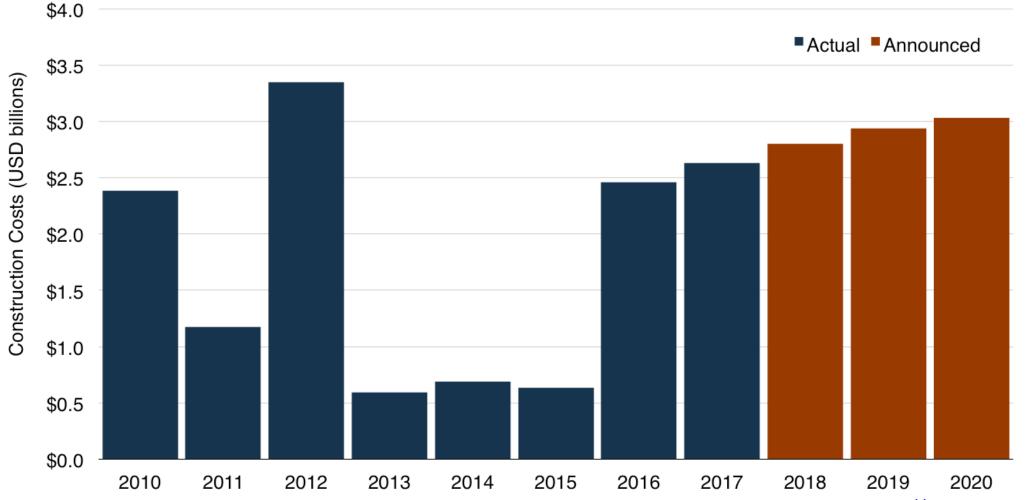




#### Large Investment in New Cables Underway



Investment in New Submarine Cable Systems by Request For Service (RFS) Year, 2010-2020



https://www.telegeography.com/

# How is a Submarine Cable Retired?

- Cables' minimum *design* life is 25 years, but what matters is *economic* life
- Economic life of a cable depends on a system's revenues exceeding costs
- Cables must continually add capacity to offset the negative effect of lower capacity prices on revenues
- At some point, annual costs exceed revenues, once this threshold is reached...

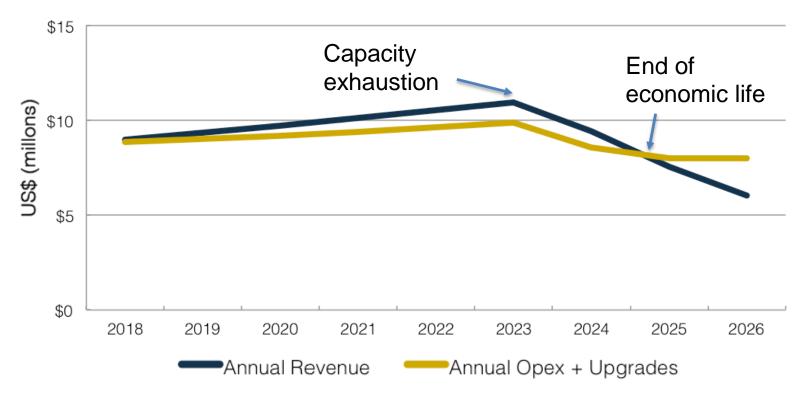
#### What does economic life look like?



Hypothetical "Old" 20 Tbps Cable



- Construction costs
   recovered/written off
- Opex \$8m/year
- Upgrade cost \$75k/100G, declining 10% annually
- Prices \$15k/month/100G, declining 20% annually
- Sales 100% 100G leases
- Demand 5 Tbps sold in 2018, rising 30% annually

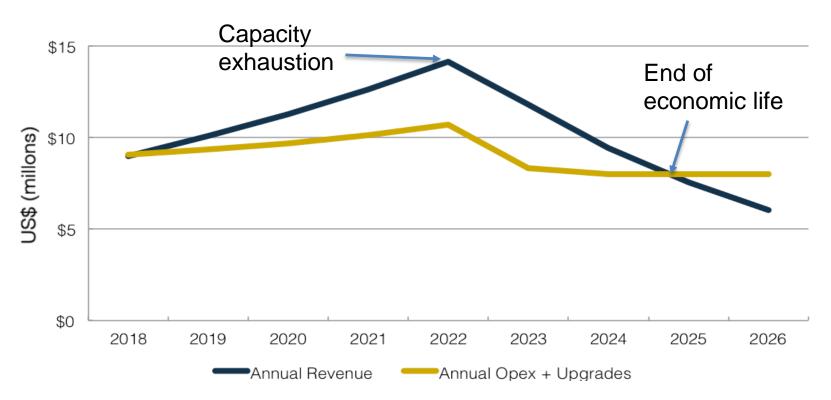


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- Prices \$15k/month/100G, declining 20% annually
- Sales 100% 100G leases
- Demand 5 Tbps sold in 2018, rising 40% annually

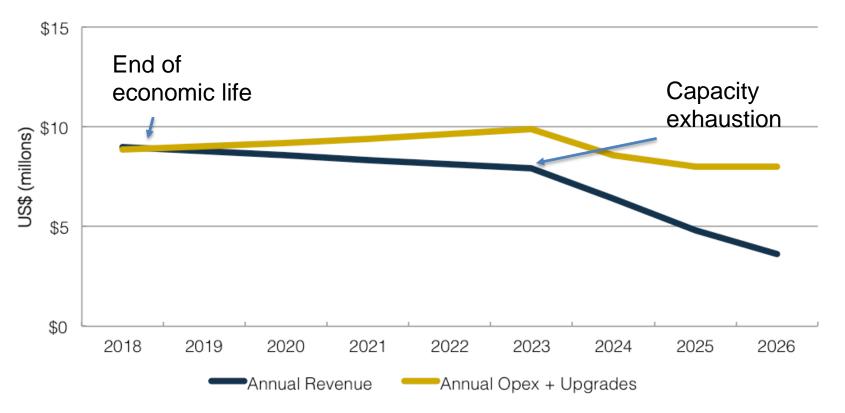


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#### Factors Influencing Economic Life



- Price erosion more rapid erosion will move up the end of economic life
- Demand large differences in volumes and pace of growth lead to far different economic lifespans across regions/routes
- Upgrade costs unit upgrade costs are often higher on older cables compared to newer systems
- Increased competition new high capacity cables can reduce an older cable's market share, slower sales growth shortens economic life
- Faults increases in repairs as cables age, which would boost costs and hasten end of life
- Capacity exhaustion running out of capacity does *not* mean immediate end of economic life, but does start the countdown to retirement



## Cable retirement challenges

- Consortia have differing requirements for voting for retirement: unanimous decision? majority?
  - Members with favorable backhaul agreements may be reluctant to vote for retirements
  - Members from countries with a limited number of cables may be less inclined to vote for retirement
- Customers with existing IRUs may need to be compensated
- Hidden retirement costs some governments require portions of cables to be recovered once they are decommissioned

# Cable Retirement Phases



- Zombie Cables (commercial retirement) cable remains operational, but not actively selling capacity or engaging in additional upgrades
- Dismembered Cables (partial retirement) only specific spans or branches are decommissioned

• e.g. Americas-I, Columbus-II, CANTAT-3

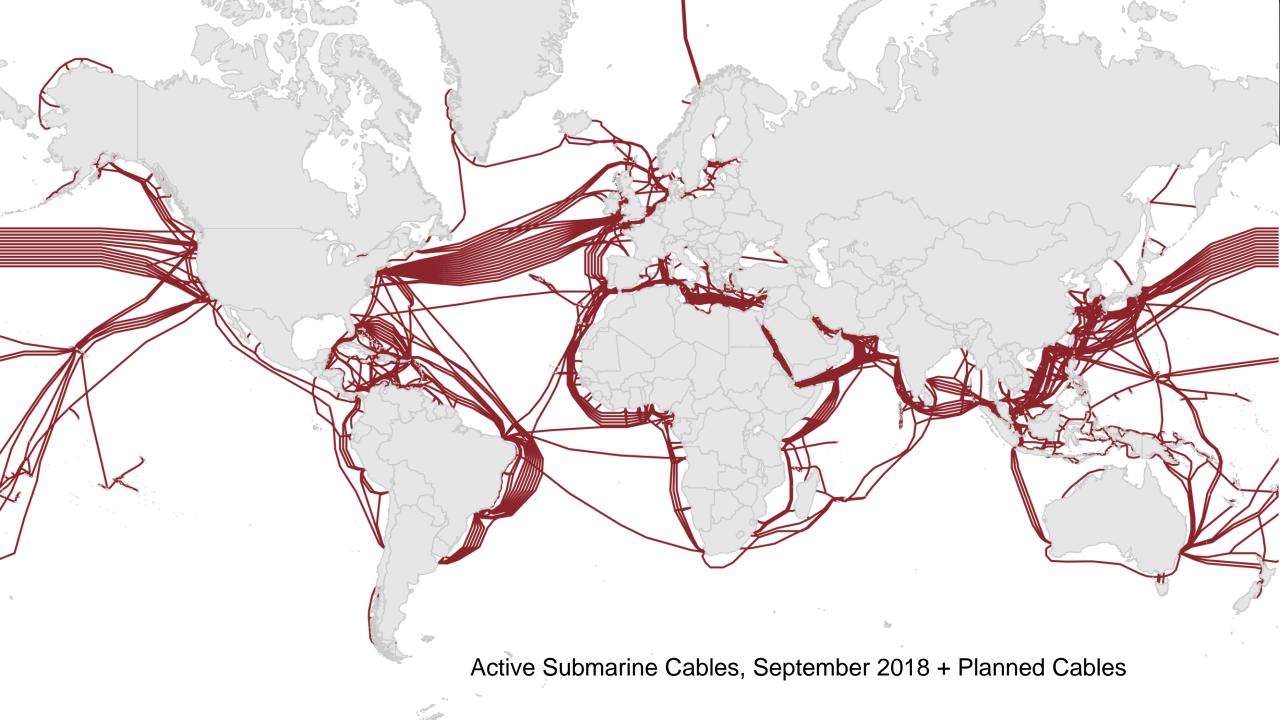
- Death Row Cables ("soft" decommissioning) maintenance contract cancelled, but cable remains in service until the next fault
- Dead Cables (full decommissioning)

## Traits of the New Technologies in Cables



- Not a one-for-one replacement
  - Higher fiber pair count in new cables
  - New routings and landings
  - Different topologies (R.I.P. self-healing rings)
- Not always the same companies involved, several new builders
  - Content providers: Google, Facebook, Amazon, Microsoft
  - Seaborn Networks
  - Aqua Comms
  - RTI
  - Hawaiki
  - Super Sea Cable Networks

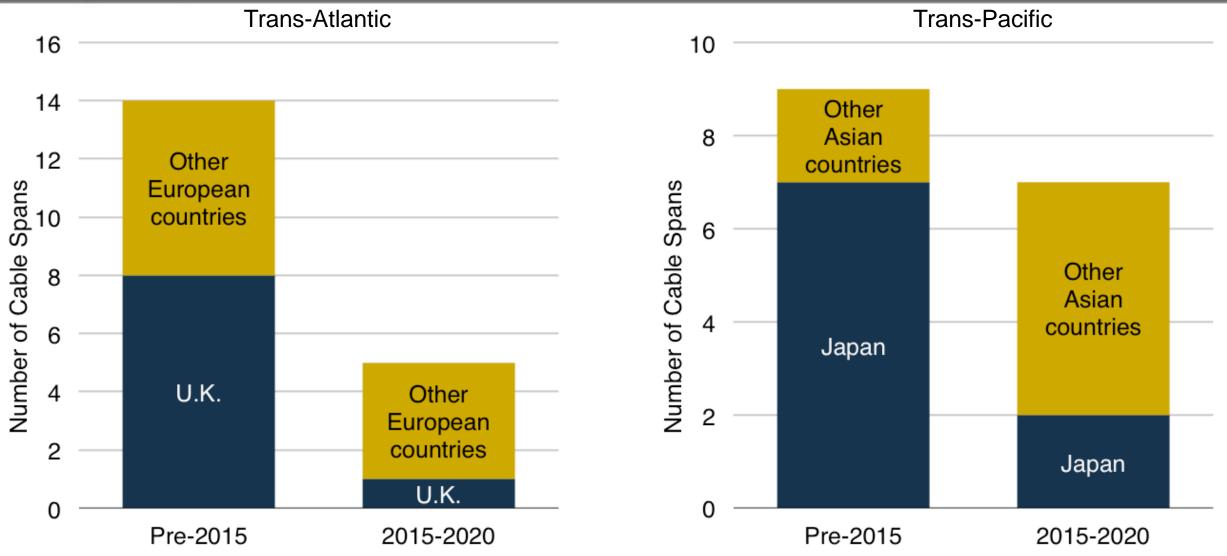
Active Submarine Cables, September 2018



Only Active Cables with RFS Post-2011 + Planned Cables

# New cables evolving beyond Japan and the U.K.



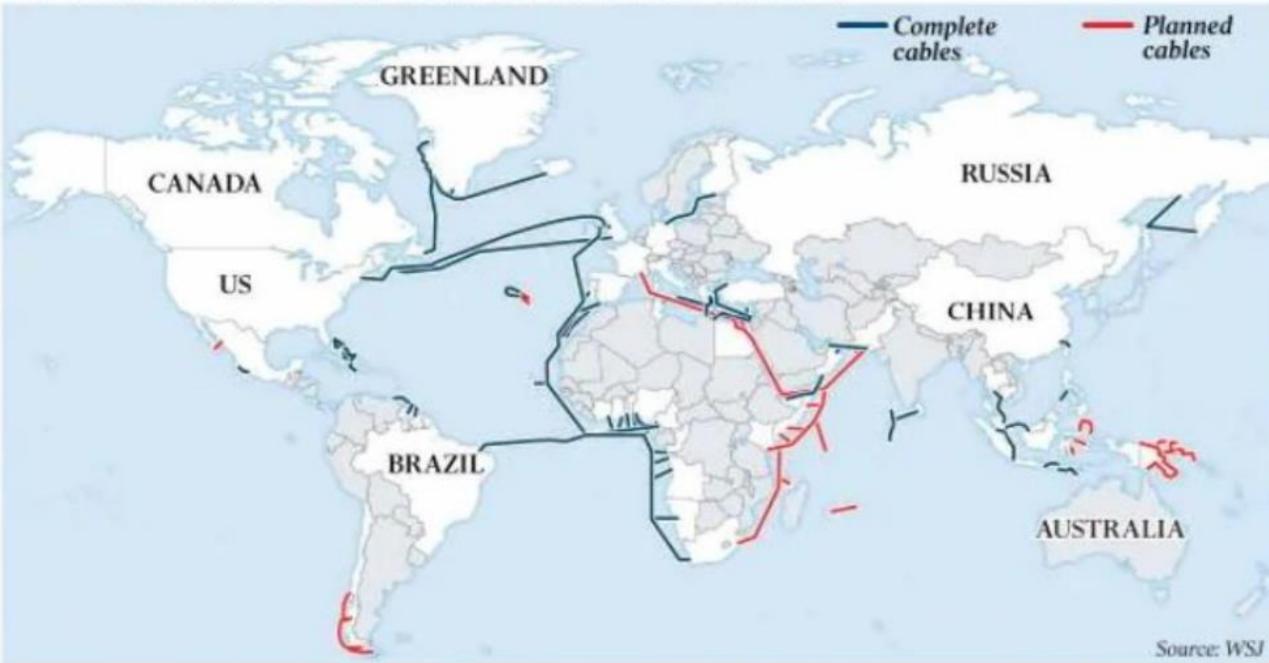


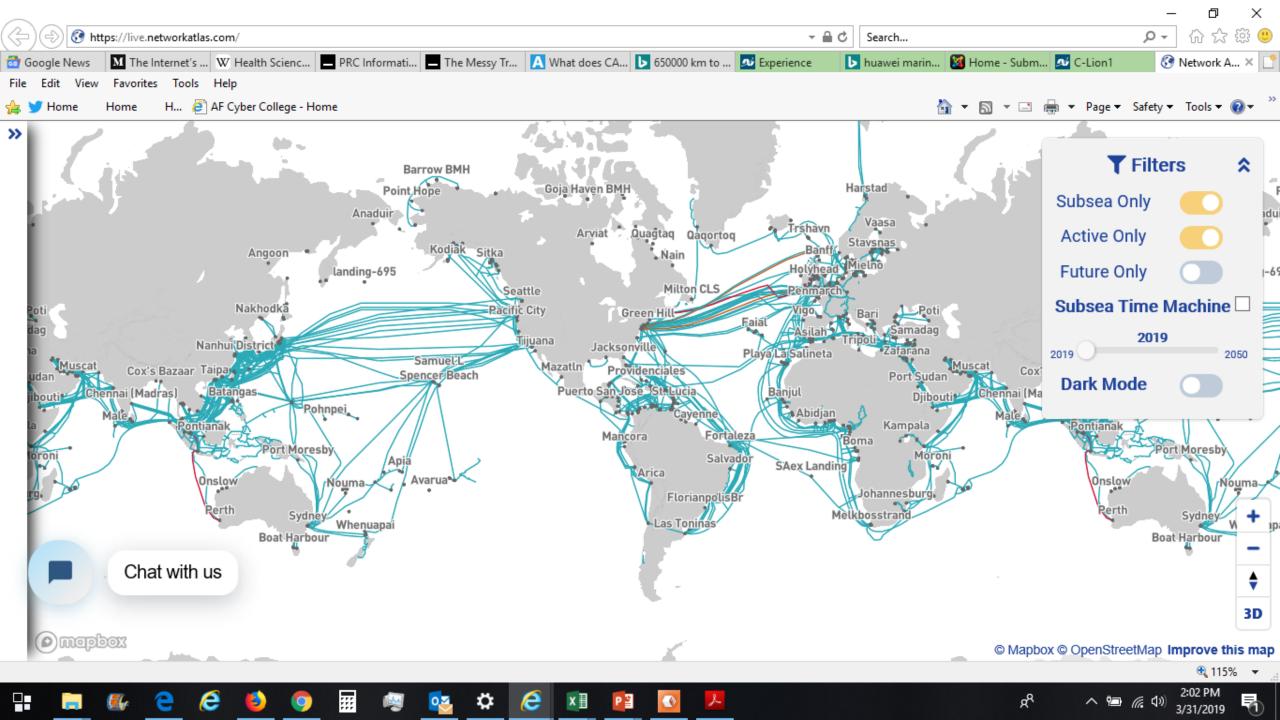


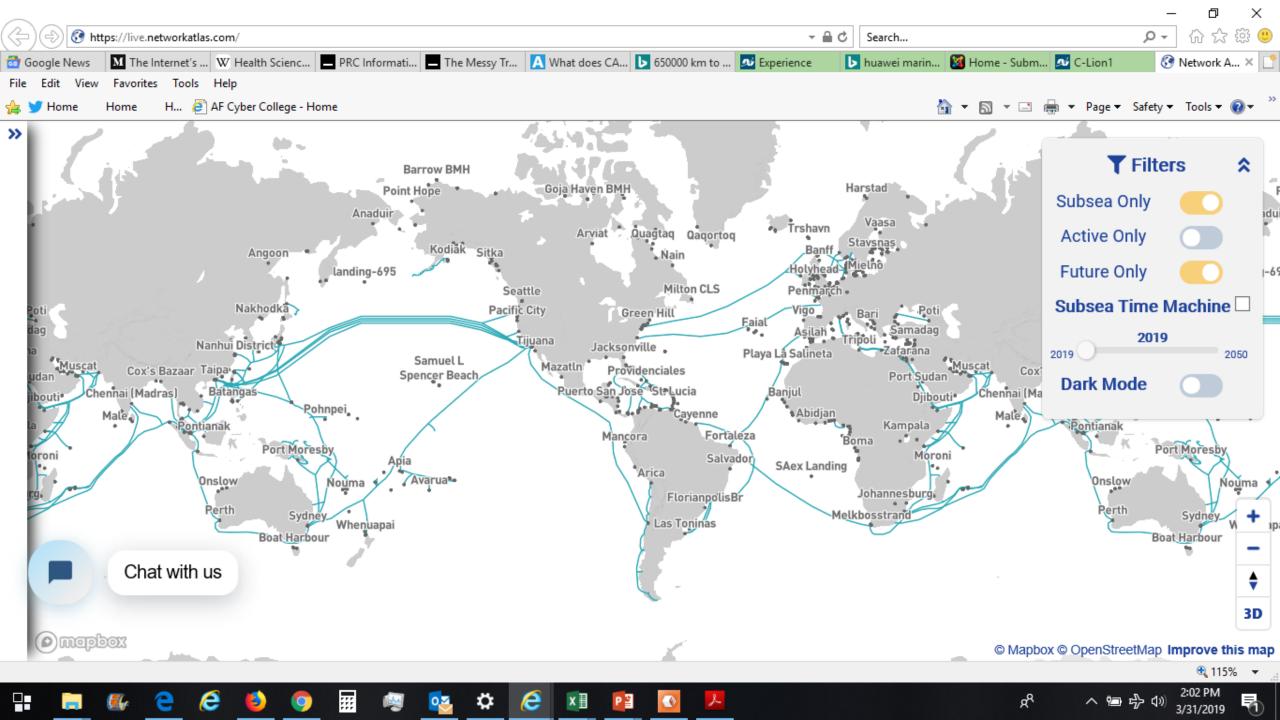


- Ecosystem Collapse The retirement of cables using consortium maintenance agreements may increase the cost for other cables covered under the agreement due to the reduction in total kilometers covered
- Mass Migration Customers migrating capacity off of retired cables will serve as new revenue sources for other cables
- Rise of New Players Even if cable retirements are slow to materialize, this does not change the fact that many new cables will be needed to meet the forecasted demand requirements
- Most UK and Japanese cables are older technology
  - "Friendly" cables currently dominate over 550,000 miles of cable runs
  - Most laid between 2000-2002; many will be due for retirement
- Huawei Marine currently has over 30,000 miles of cable on 90 projects
  - 5% that will increase

## Huawei Marine's undersea cable network









China Telecom PoP Evaluation Process



- Reviewed Nov 2018 Paper
- Located Suspected NSA Listening Posts on Canadian website
- Google China Telecom US Office Locations
- Review on Google Maps Proximity
- Conclusions?

# China Hijacks Internet



# GOVERNMENT IT SECURITY FINANCE IT TELCO BENCHMAN

## China systematica traffic: researcher

2018



in'

### Exploited omission in U detente agreement.

Researchers have mapped out a serihijacks and redirections that they sa espionage and intellectual property

The researchers, Chris Demchak of t

### China's Maxim – Leave Unexploited: The Hidd BGP Hijacking

Chris C. Demchak U.S. Naval War College, christemchakötusmyc edu

Yuval Shavitt Tel Ariv University, shavitt@eng.tau.ac.il

#### TECHSPOT

TRENDING FEATURES REVIEWS THE BEST DOWINLOADS PRODUCT FINDER FORUMS

Researchers discover China has at least ten PoPs it uses to

## hijack internet infrastructure

US government is urged to issue 'urgent policy response' By Cal Jeffrey or October 26, 2013, 6:06 PM | 18 comments



The big picture: China has been using BGP hijacking to re-route western internet traffic through one of its biggest telecoms. The attacks have been occurring at least since it entered into an agreement with the US to halt state-sponsored cyber theft. Ten points-ofpresence have been tracked down in the US and Canada, which are being maliciously used by the Chinese government.

According to a paper by the US Naval War College and Tel Aviv University, China has been hijacking the internet backbone of western countries since 2015. The study was published in the academic journal Military Cyber Affairs.

It asserts that China Telecom, one of the country's leading internet service providers and

It asserts that China Telecom, one of the country's leading internet service providers and phone companies has been using points-of-presence (PoP) to perform man-in-the-middle interceptions. <u>CNET</u> explains that a PoP is merely a data center that re-routes traffic between the smaller networks that make up the internet.

malicious intent and is therefore corrected within minutes or hours.

## CONNECT TO YOUR CUSTOMERS IN A WHOLE NEW WAY.

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MOST READ



ern Asia

# ing internet traffic using claim researchers

30 OCT 2018 2





# China Hijacks Internet

 "Starting from February 2016 and for about 6 months, routes from Canada to Korean government sites were hijacked by China Telecom and routed through China."

43

- "On October 2016, traffic from several locations in the USA to a large Anglo-American bank headquarters in Milan, Italy was hijacked by China Telecom to China."
- "Traffic from Sweden and Norway to the Japanese network of a large American news organization was hijacked to China for about 6 weeks in April/May 2017."



Military Cyber Affairs The Journal of the Military Cyber Professionals Association ISSN: 2378-0789

Volume 3 Issue 1

Article 7

#### 2018

China's Maxim – Leave No Access Point Unexploited: The Hidden Story of China Telecom's BGP Hijacking

Chris C. Dernchak U.S. Naval War College, chris.demchak@usnwc.edu

Yuval Shavitt Tel Aviv University, shavitt@eng.tau.ac.il



Border Gateway Protocol (BGP) Hijacks



- Geography has not been "defeated" by the global cyberspace; no "death of distance". Proximity still extremely important.
  - The closer a network is to the attacker or its complicit ISP, the more likely an attack will succeed because defending administrators
    are less likely to have enough time to detect, analyze, and mitigate the attack.
- In 2008, Pakistan Telecom (Tier 1 AS for Pakistan) hijacked all YouTube traffic for several hours as administrators made mistakes in using routing to censor a clip considered non-Islamic.
- In 2010, China Telecom hijacked 15% of the global Internet traffic for 18 minutes.
  - Accident, experiment or demonstration?
- In Nov2018 Internet traffic rerouted thru RU and PRC for 2 hours.

# Chinese Points of Presence (PoP) in Western Hemisphere



## Chinese PoPs

- Bypasses 2015 Xi-Obama agreement on military units hacking US
  - Located near major subsea cables landfalls
  - Located major US & Canadian exchange points
- Capable of highjacking network traffic with minimal detection
  - Patterns of traffic can be revealed in traceroute research
- No US PoPs in China
  - Recommend an 'Access Reciprocity' policy for the west
- Major Chinese exchange points in Beijing, Shanghai, and Hong Kong (3)



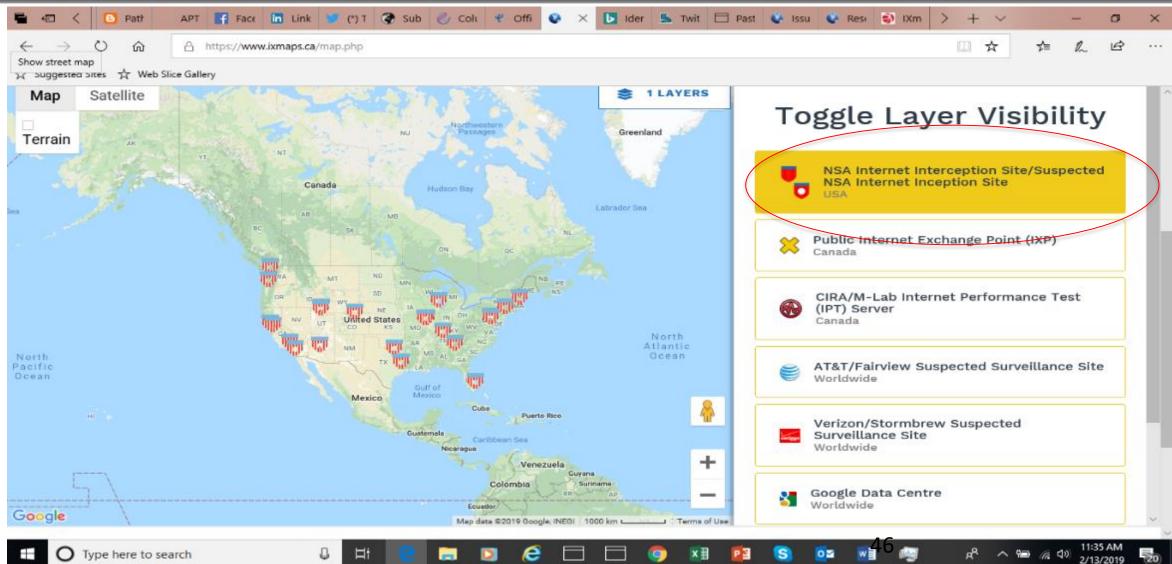
(image taken from the CT web site)

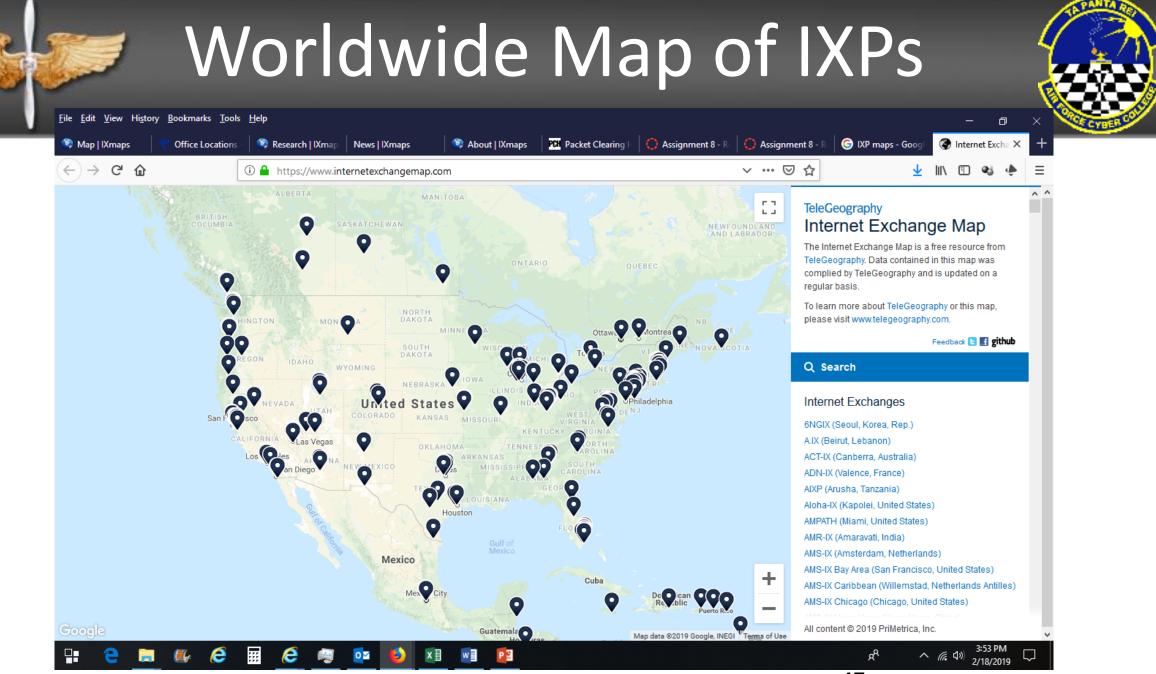
A 'point-of-presence' (PoP) is a major point of connection where a long-distance telecommunications carrier such as Verizon or British

Telecom connects to a local network and picks up the local traffic – or transit traffic – to move it onwards towards its various destinations.

# Canadian Site Maps NSA Listening Posts







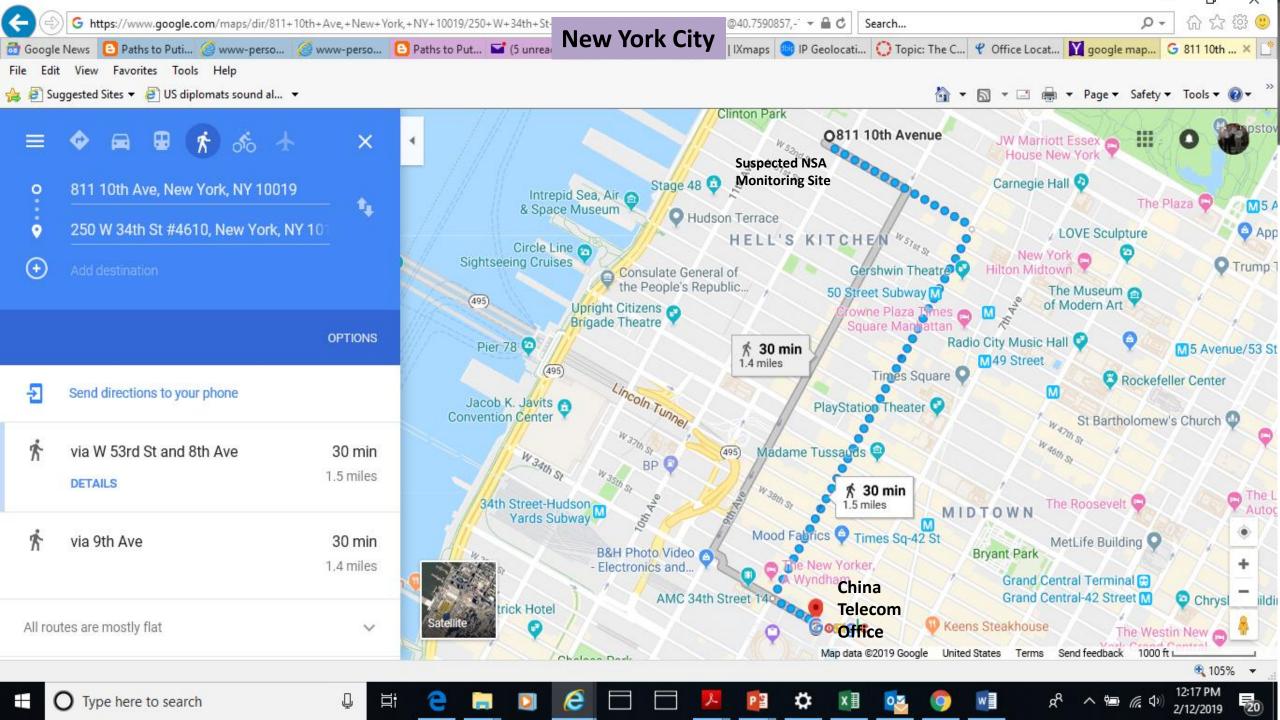
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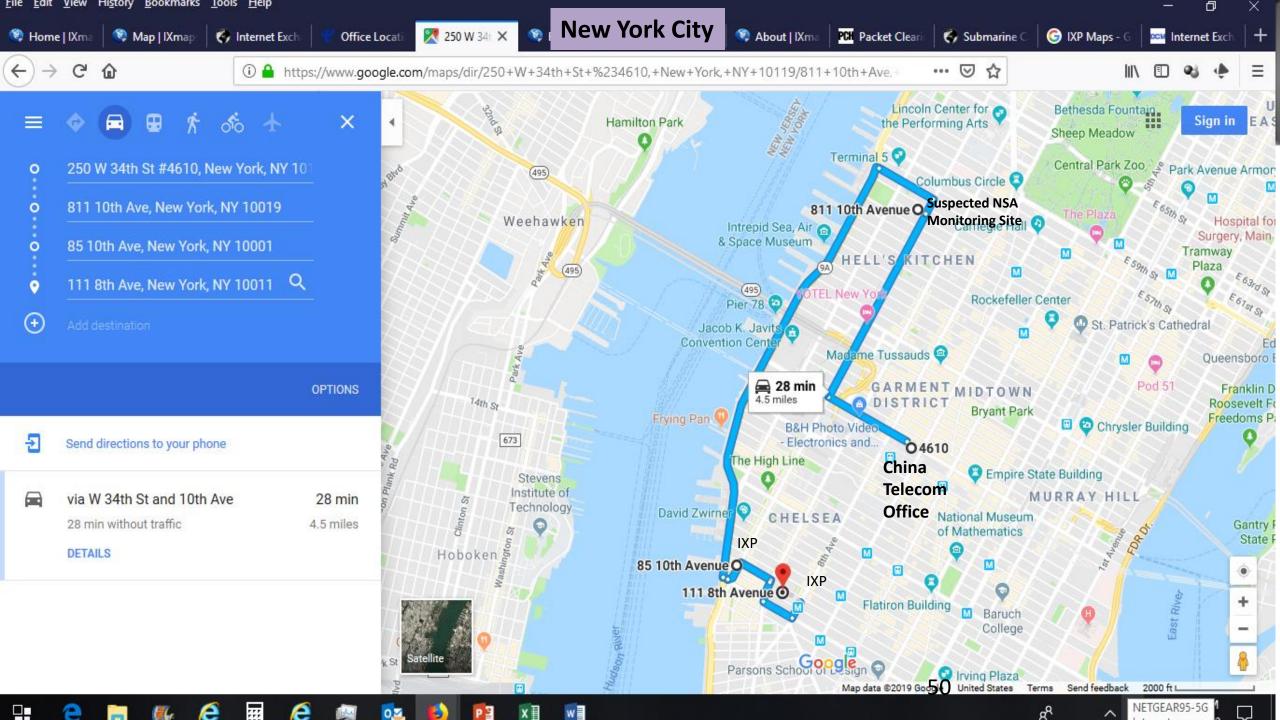


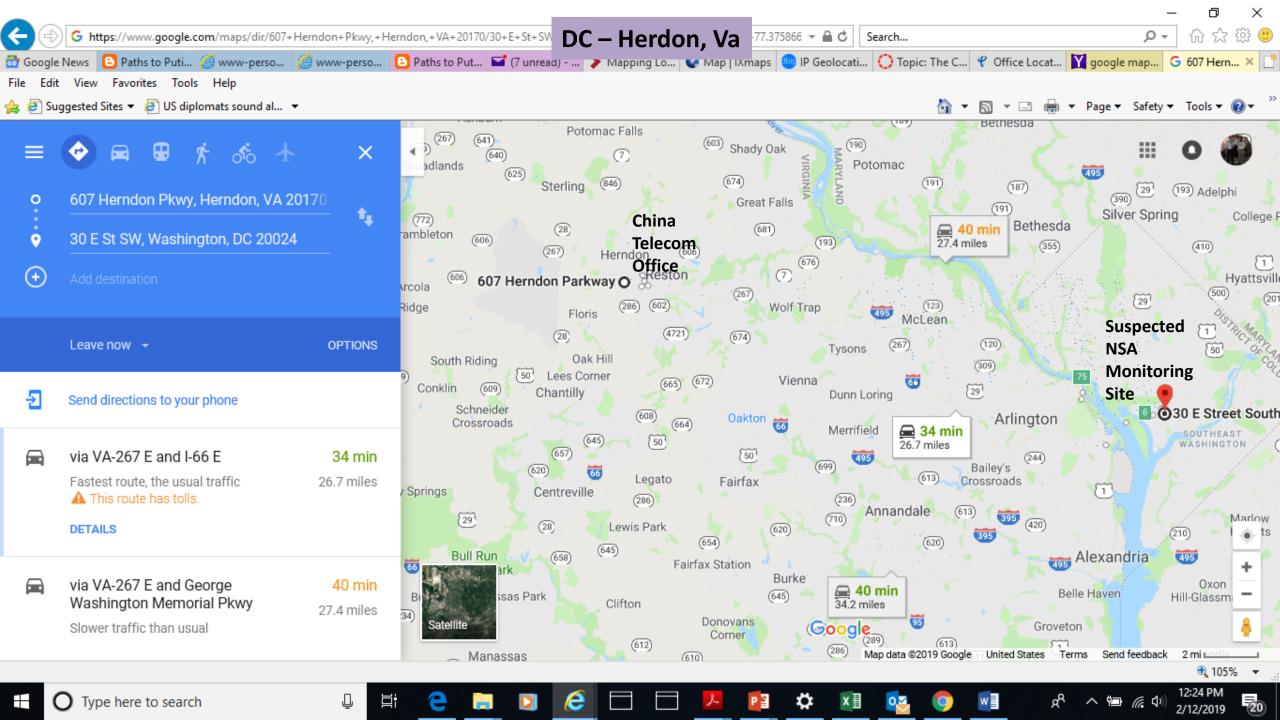


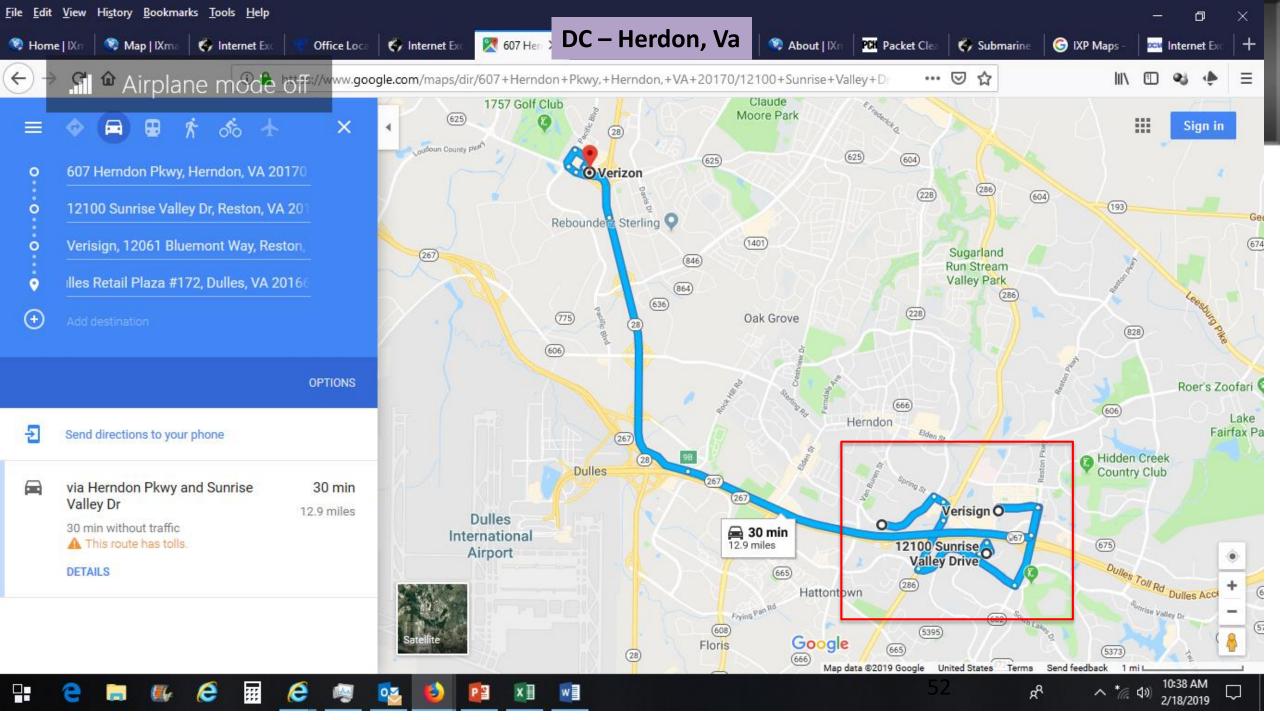
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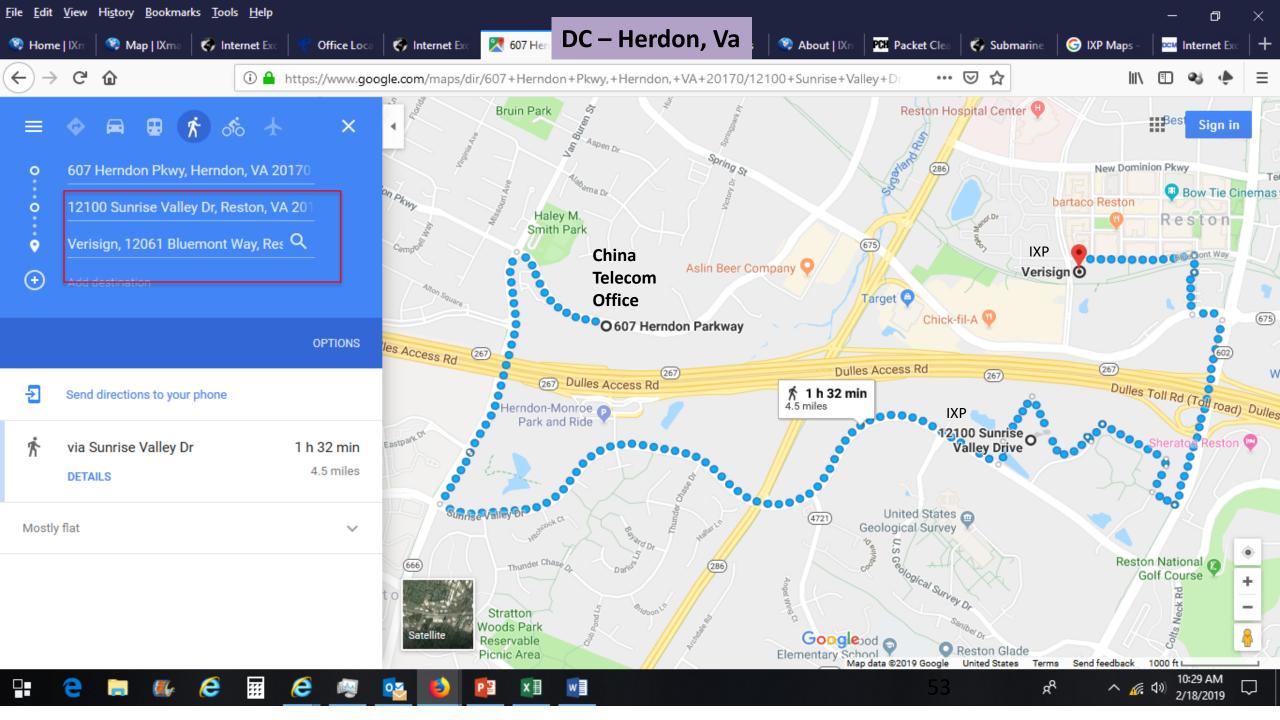


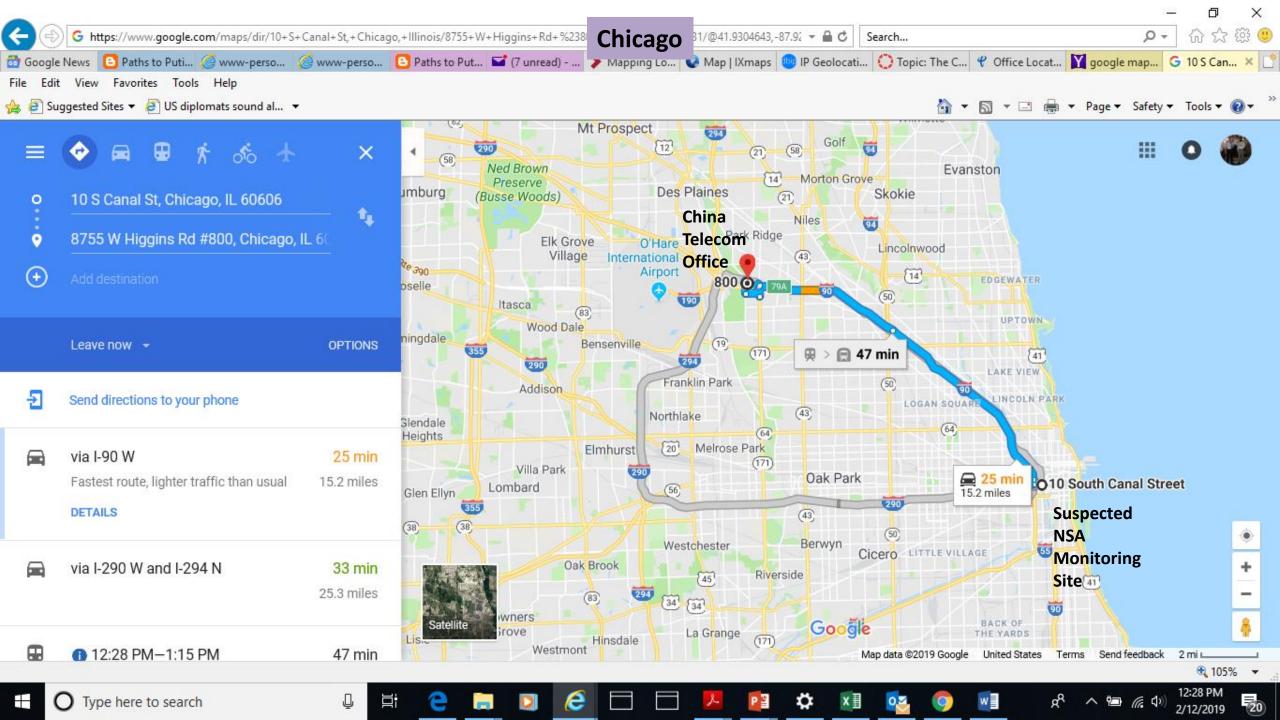


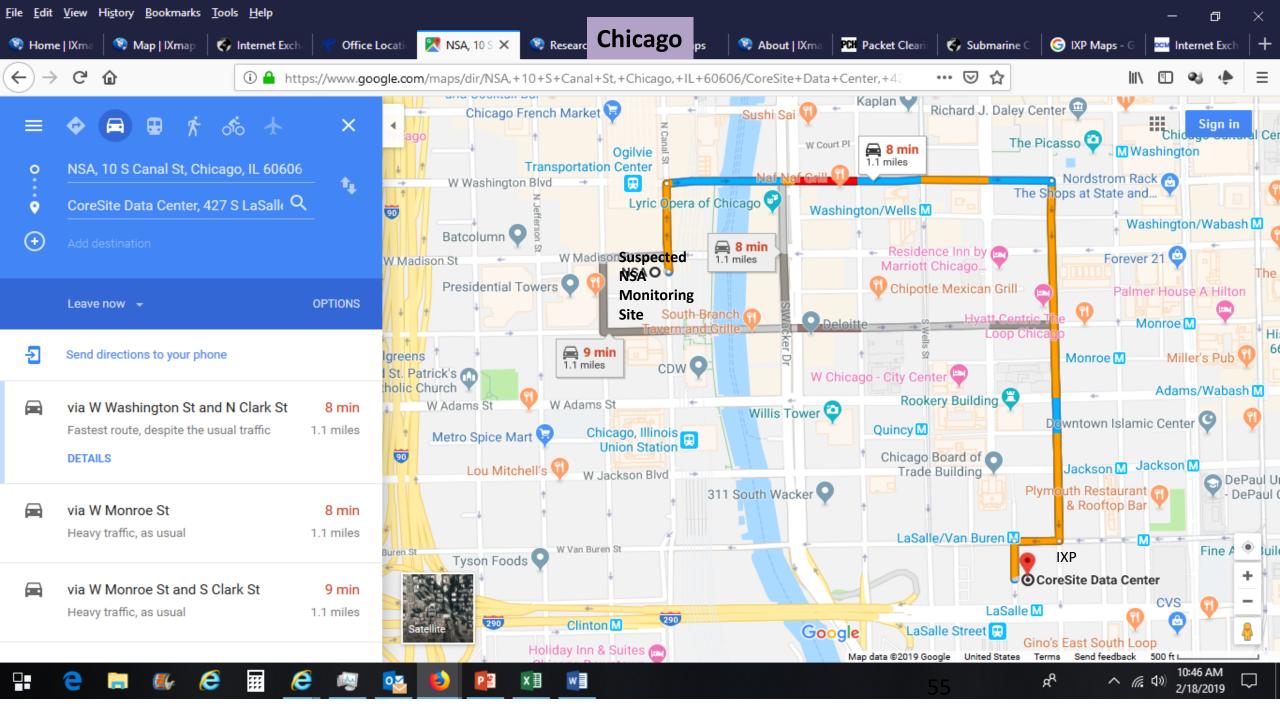


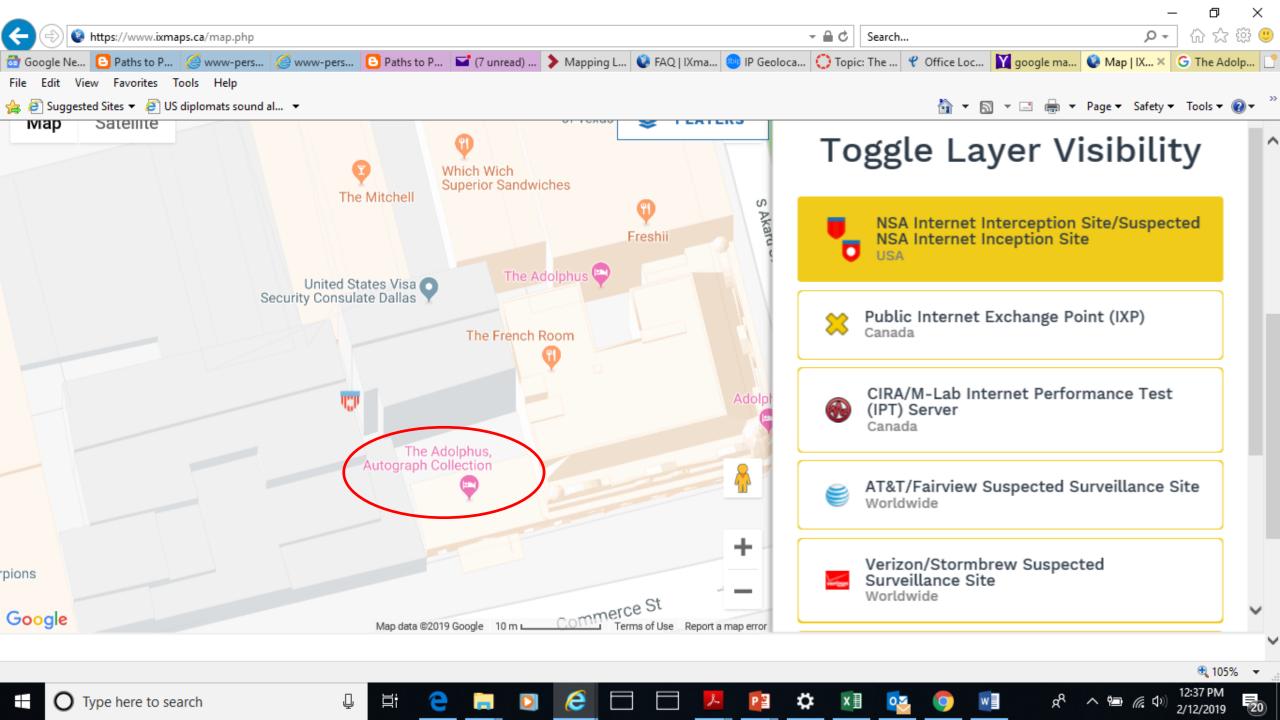


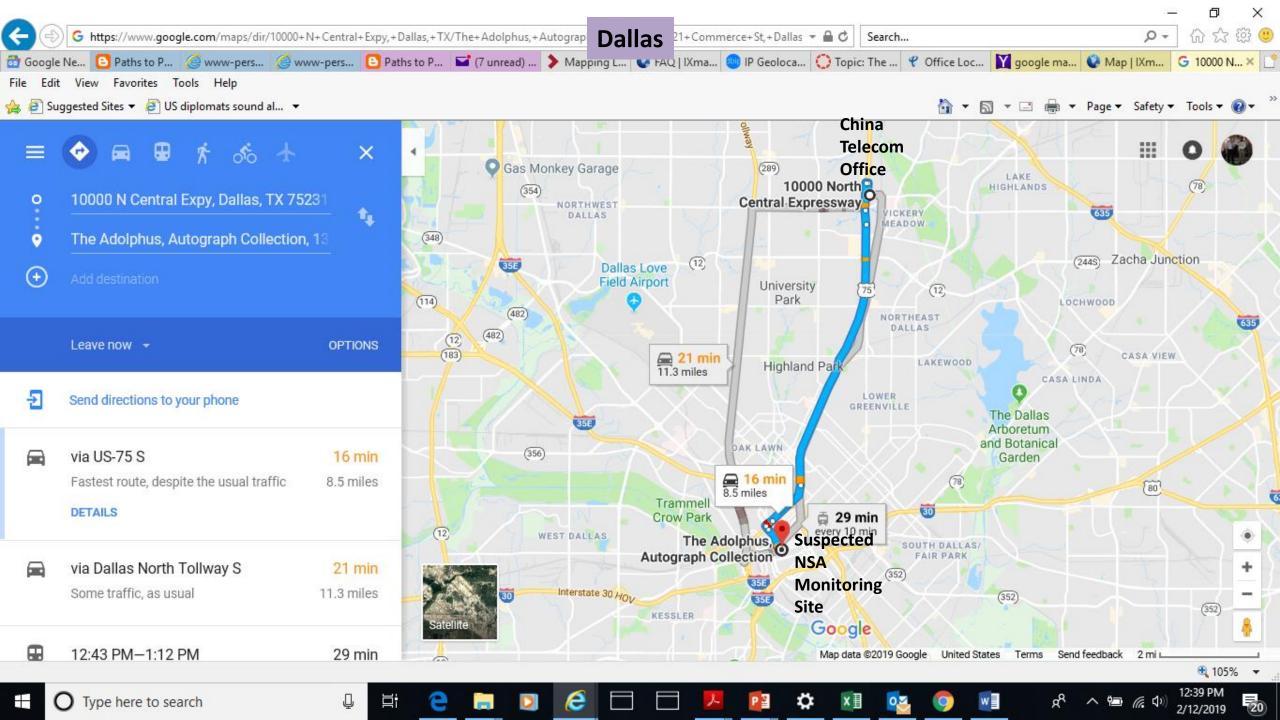


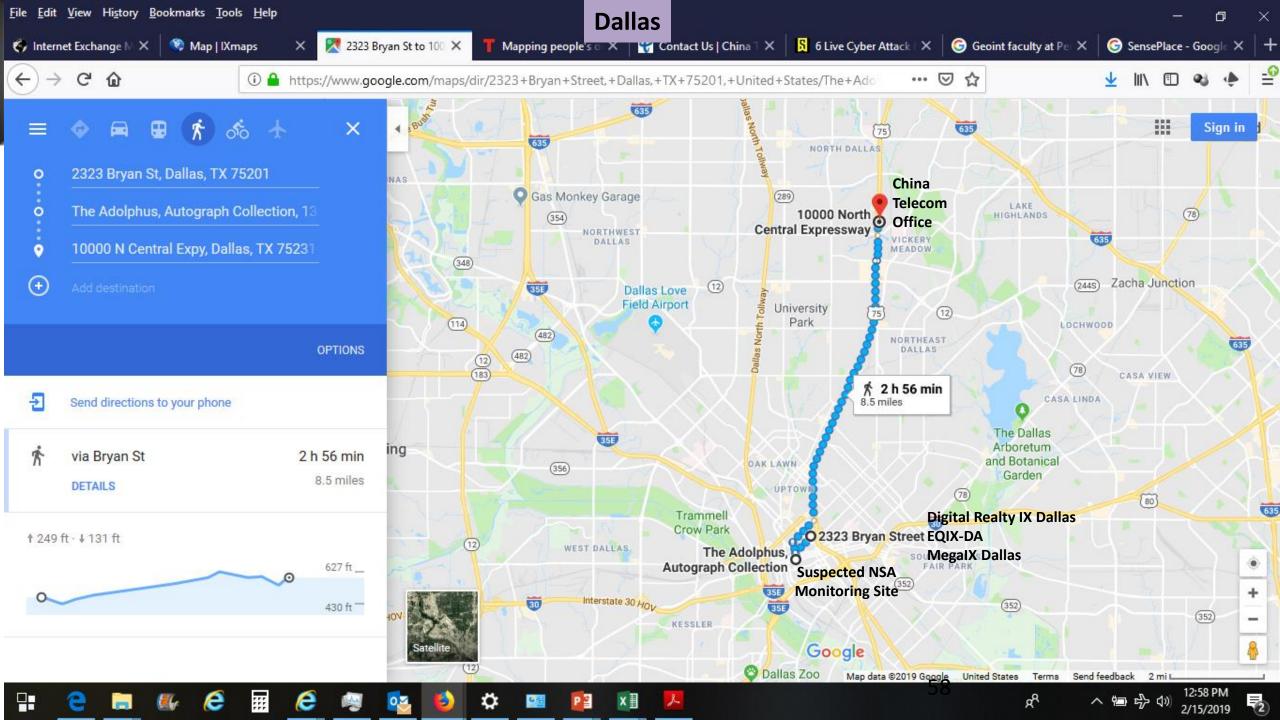


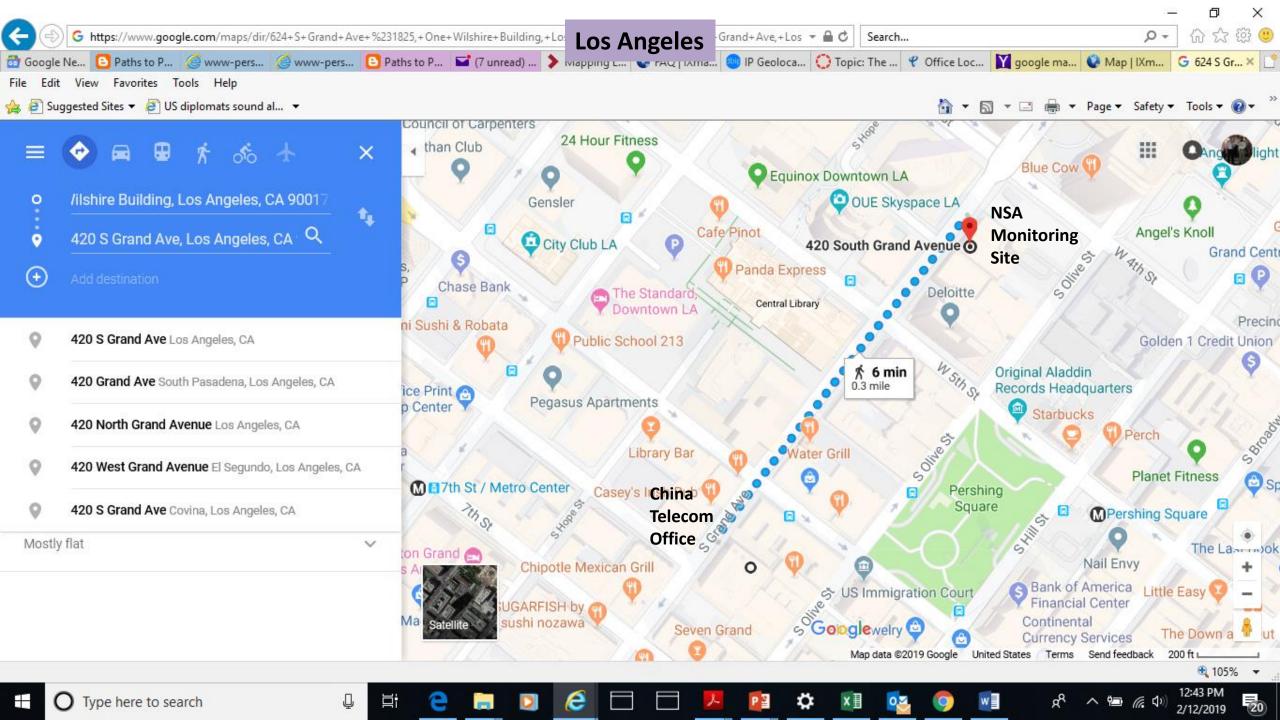


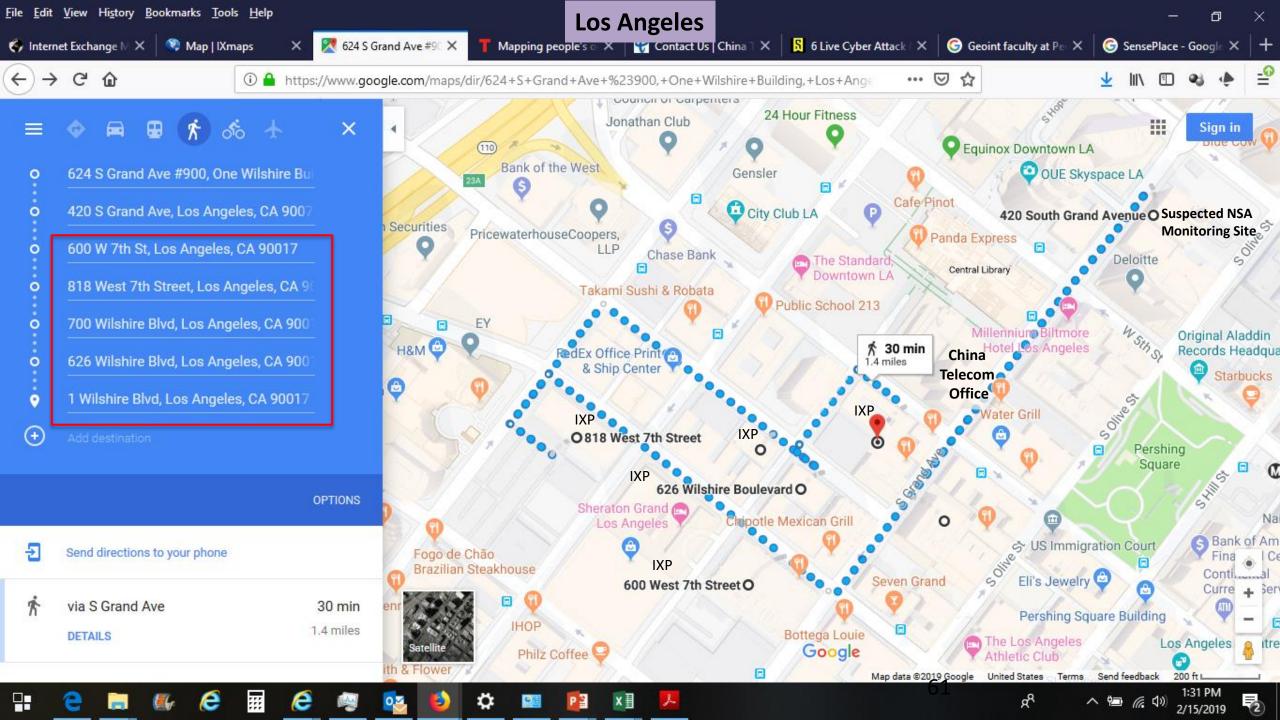


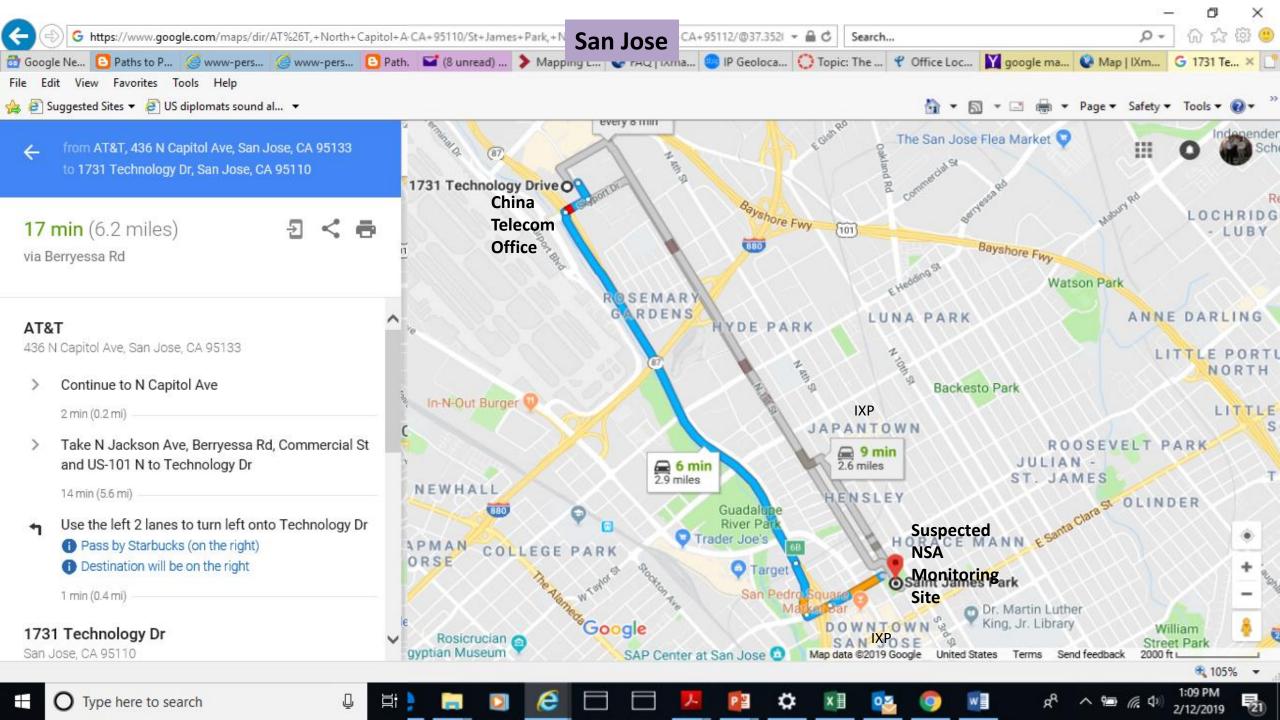


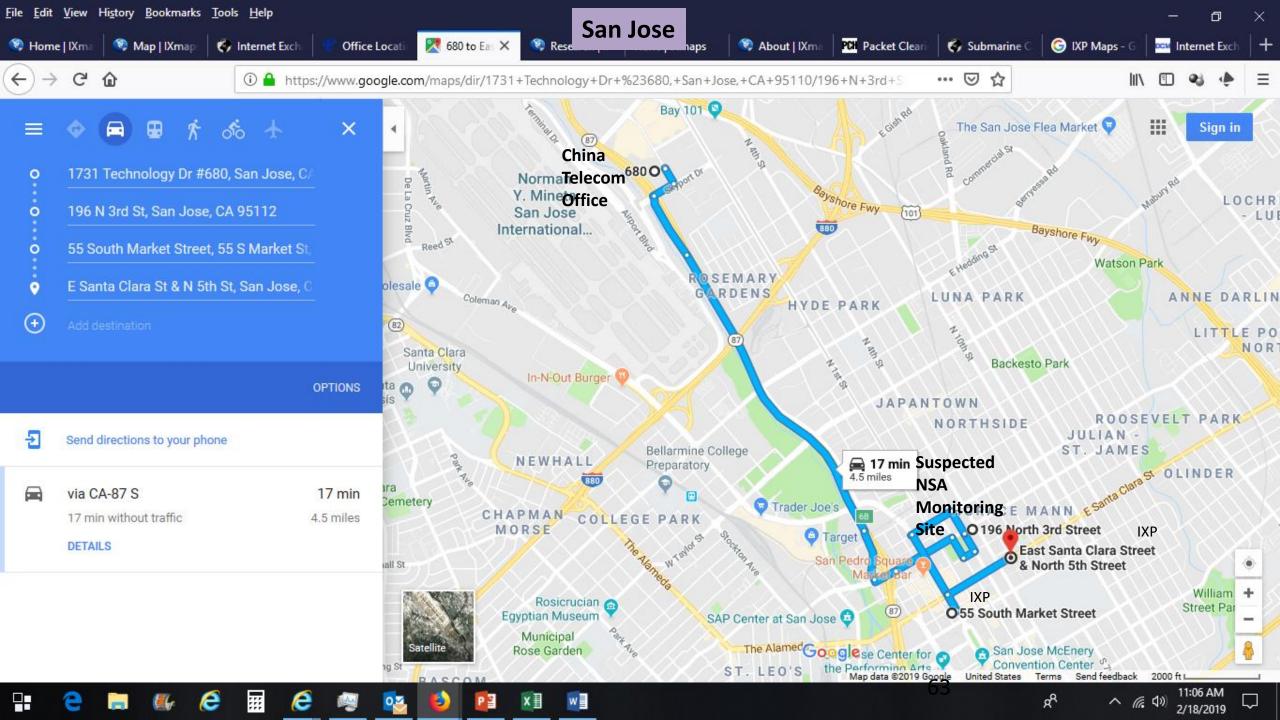


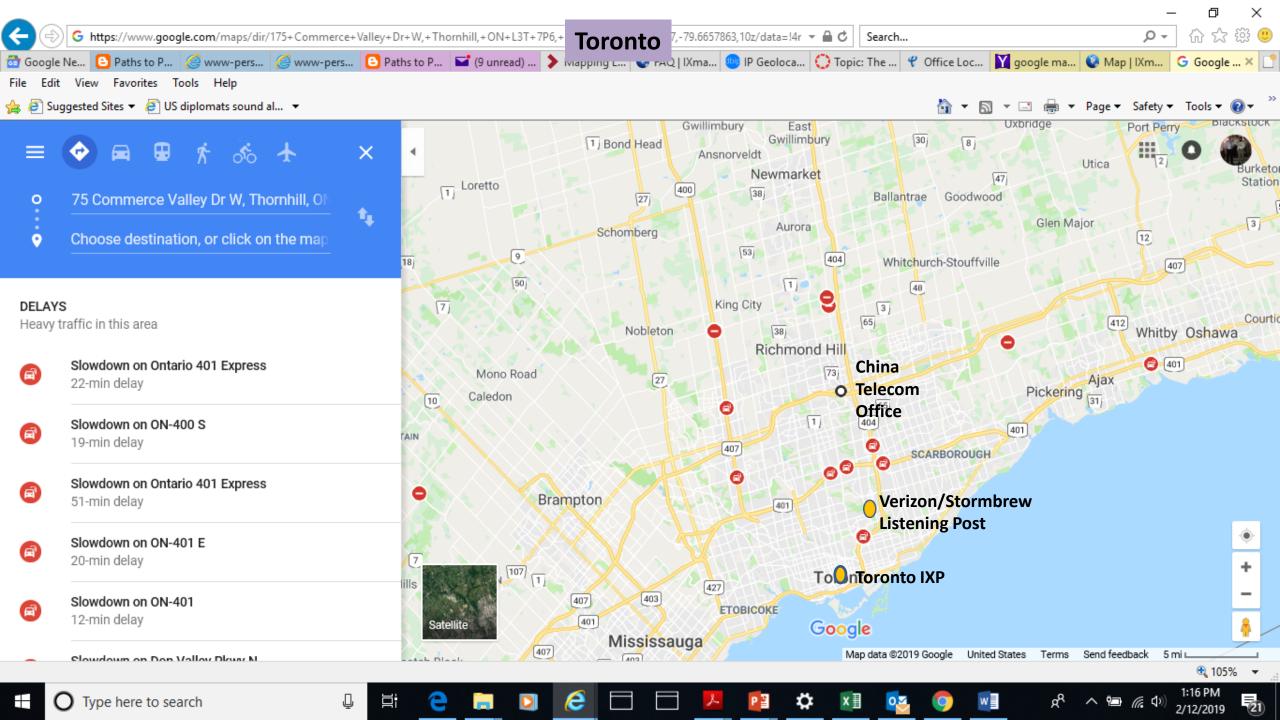


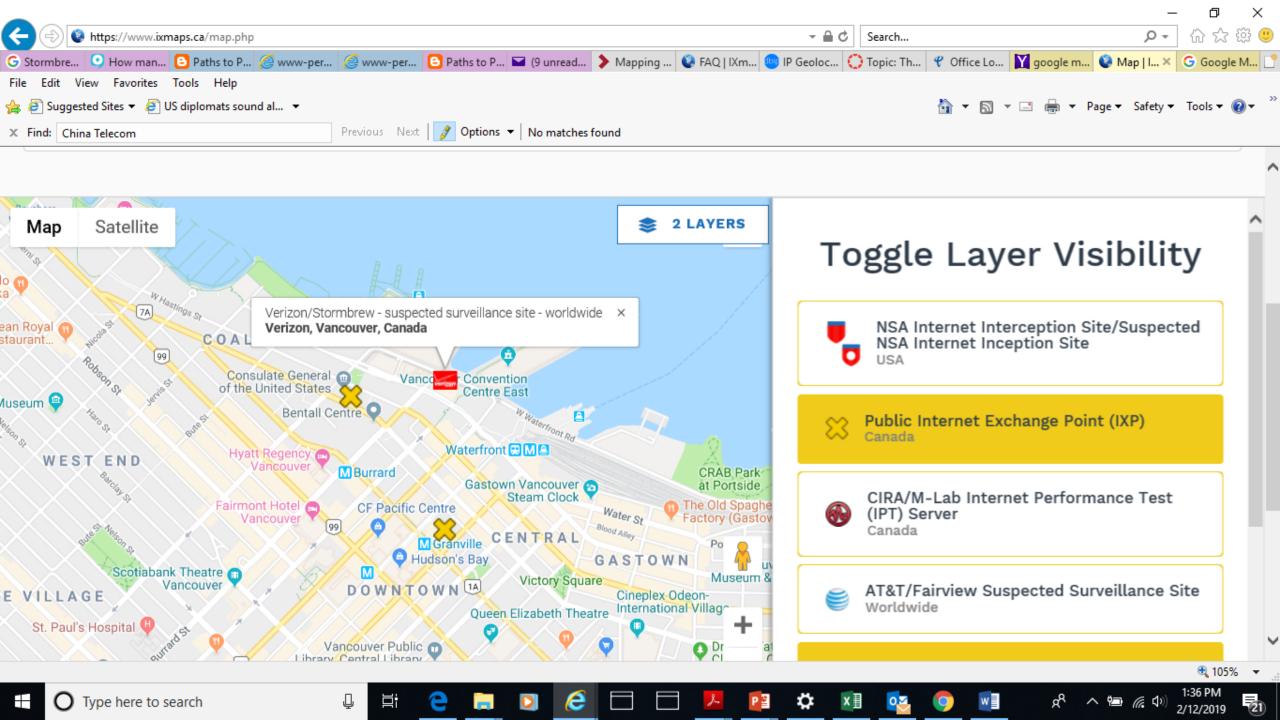


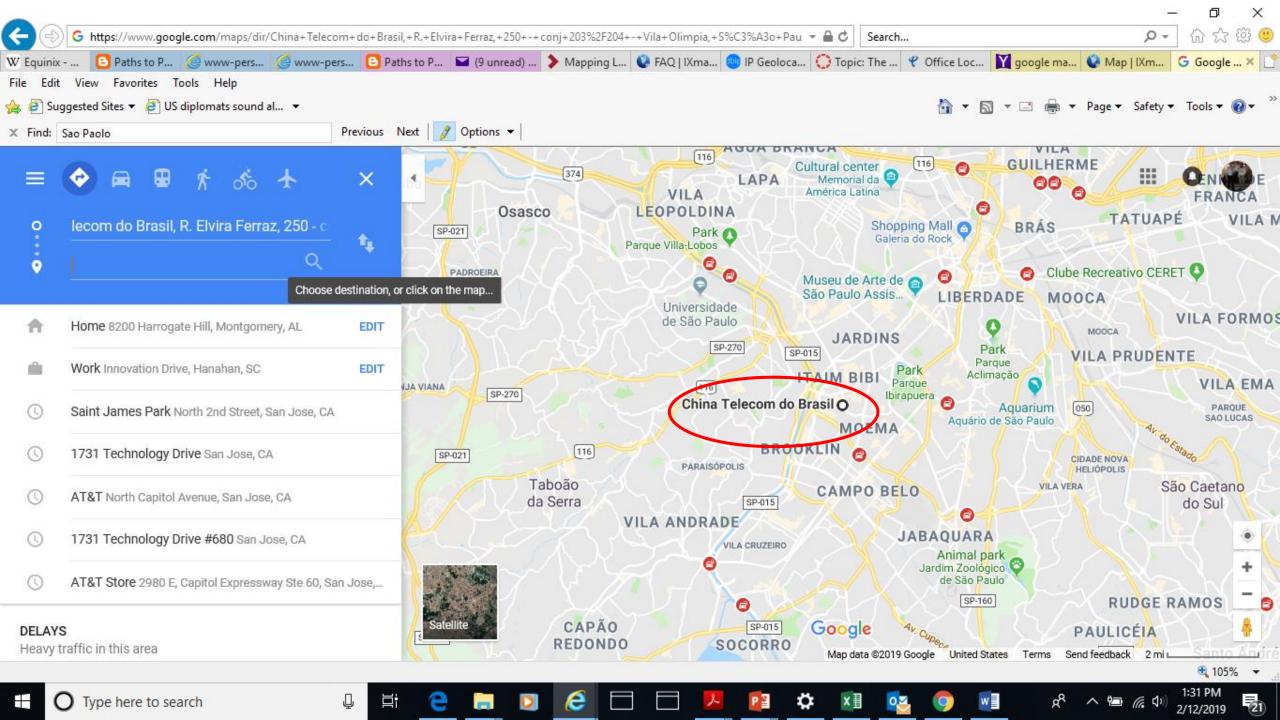


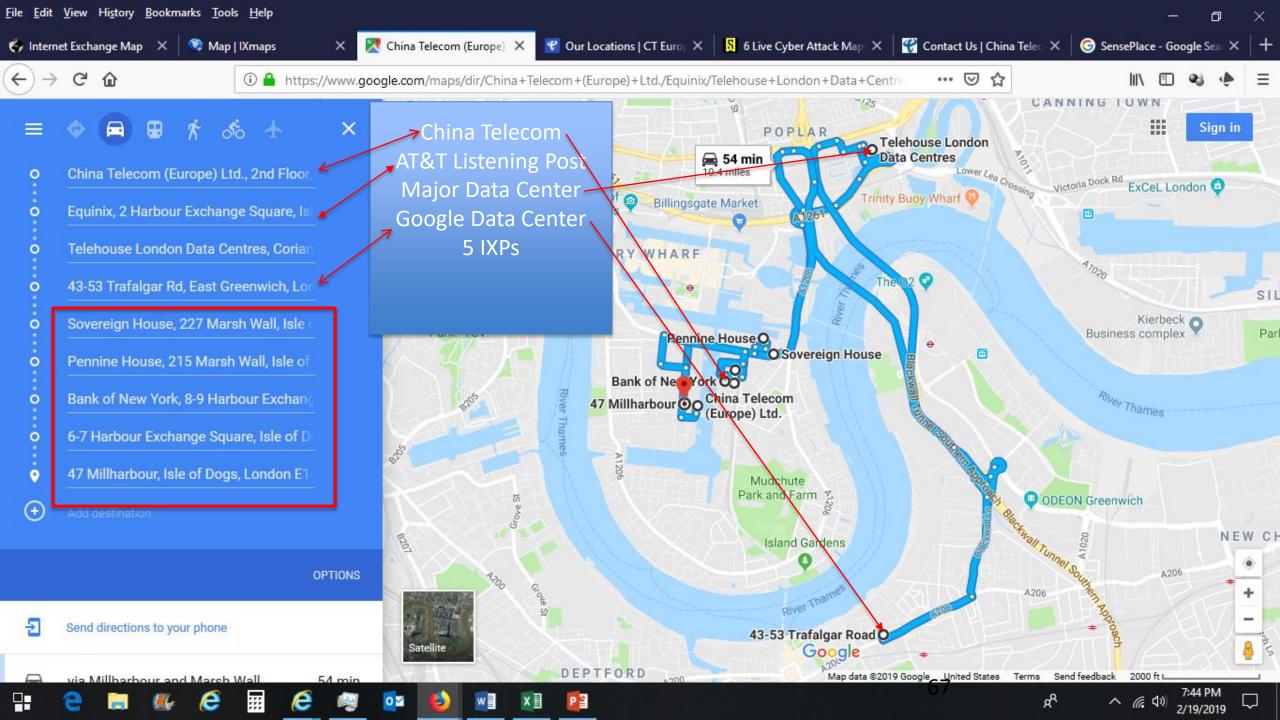












## Why Sao Paulo?



#### 苗 April 26th, 2018

## BGP hijacks - Malicious or Mistakes?

A few days ago several cybersecurity resources reported details of an entirely malicious traffic redirection that combined DNS, and BGP hijacking. The primary goal of this attack was to steal money from different cryptocurrency wallets and services. Moreover, it was successful, since Amazon did not detect it in time. Today, on April 26, another significant incident happened that seems to be also unnoticed by the majority of players.

An AS267286, registered almost two years ago, stayed invisible until the event we are going to cover below when it announced 28 prefixes to the outer world. Among those 28 separate announcements **sixteen** were /8 prefixes (6,25% of IPv4 address space). This initial announcement was accepted by ASNs that belong to China Telecom (AS4134, AS4809), which in its turn propagated it to Tier1 carriers and thus helped to spread it all over the world.

The reasining AC has any partial view it is connected to IV/as) and accepts all

A spread of /8 prefixes on their own does not always affect end-user services or applications. To redirect traffic using /8 prefix, several conditions are necessary:

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https://radar.grator.net/blog/bgp-hijacks-malicious-or-mistakes

- An <u>AS267286</u>, registered in 2016, stayed invisible until the event we are going to cover below when it announced 28 prefixes to the outer world.
- This initial announcement was accepted by ASNs that belong to China Telecom (<u>AS4134</u>, <u>AS4809</u>), which in its turn propagated it to Tier1 carriers and thus helped to spread it all over the world.
- To redirect traffic using /8 prefix, several conditions are necessary:
- The receiving AS has only partial view: it is connected to IX(es) and accepts all routes from that source, but accepts only default routes from upstream providers.
- The /8 is distributed through IX, while legitimate more specific routes are not present there.
- With high probability, we can state that those /8 prefixes were distributed at **São Paulo IX, the biggest IX in Brazil.**

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"Oh, look . . . they're reading '1984' in Ms. Smith's English class."



# And Watching the Watchers...

