**Industry Spotlight: DC Blox CEO Jeff Uphues**

The data center marketplace is a very dynamic one in which the business model seems to work well at both large and small scales. This means there are many regional players I should know more about that I, well, don’t yet. One such upstart regional data center builder and operator is DC BLOX, which is opening a new Birmingham data center facility this month. With us today to talk about DC BLOX and its plans for the data center markets of the southeastern USA is CEO Jeff Uphues.

**TR: *What are the origins of DC BLOX?***

**JU:** DC BLOX is a data center operator that is based in Atlanta that serves the Southeast United States. The company was started in 2014, received its initial funding in 2016, and over the course of 2017, 2019, and now 2019 has built three data center facilities and completed a network ring hooking them up to Atlanta. A lot of our team came from Cbeyond, a service provider that knew how to scale new markets quickly. We also have people from Digital Realty and from QTS.

**TR: *What does your infrastructure look like today?***

**JU:** We build data centers to be market-sized, but with all the capabilities of hyperscale-size capacity. Our Huntsville facility is on 5 acres of land and has about 15,000 square feet of space, expandable to 36,000 square feet and as much as 15MW of power. Our Chattanooga facility is on a smaller property that can handle up to 3MW. We are just this month opening our new data center in Birmingham, Alabama in 27 acres of land. Initially it’s a 31,000 square-foot facility with two data center halls, each of which can handle roughly 240 cabinets. At full buildout it can scale up to 200,000 square feet and 60-70MW of power.

In Atlanta we have a leased facility that is more of our corporate disaster recovery and backup facility as well as a major hub for our network. We have about 450 miles of dark fiber that we've deployed or leased that links all our data centers together with super low latency of less than 5ms on no less than 100Gbps transport. Between Chattanooga and Atlanta we have completely diverse paths, 1.7ms one way and 1.8ms the other. Essentially, we've moved the internet exchange at 56 Marietta into these markets.

**TR: *Do you have expansion plans beyond Birmingham? What markets do you find attractive?***

**JU:** We like to think we're going to conquer all of Dixie. We've got plans to build up to 15 new markets throughout the southeastern states. We are also being asked by some large customers to consider building in other markets, although we have not yet committed. We take a lot of time to analyze and understand which markets we feel we can be successful in and which ones we feel that will be best to put off. But we have a very clear list which you can find on our website, because we're not shy about the markets we see great opportunity in.

When we expand, we think about building it out from the center of a target. The first ring that we created routes between Atlanta, Chattanooga, Nashville, Huntsville, Birmingham, then back into Atlanta. The approach going forward is to create a little bit bigger circle and then incorporate those markets, and then a little bit bigger circle, and so on. So if we go east, it could be Greenville, Augusta, or Charleston. To the north we might tie in Louisville. To the west we could tie in Memphis or Jackson, and to the south maybe Tampa or Orlando. But there's a cadence that we have to go into new markets that is based upon customer demand, the right property, and high availability to network and power.

**TR: *What draws you to the Southeast?***

**JU: (**1) we know the Southeast very, very well. (2) if you look at the markets of the southeastern United States, the population is continually expanding across the whole area. A lot of people are moving here from the North, whether it's for better jobs or weather or a combination thereof. Therefore, we see a continued demand from what are underserved colocation markets. If you look at the hyperscale markets like Ashburn, Virginia, there's a lot of demand, but there's also a lot of competition. When we look at our markets, we see very little competition for the type of quality of product that we put on the ground. When you look at some of the facilities already there when we go into a market, many of them have been built by companies that either lease the building or built it 10- 15 years ago at a time when the power infrastructure, efficiency levels, and flexibility were not the same.

**TR: *Do you prefer to build from the ground up or redevelop existing locations?***

**JU:** We prefer to build everything from greenfield. We built our Huntsville location from first shovel of dirt to completion in 22 weeks. The new Birmingham facility will end up coming in right around 25 weeks. Whereas Huntsville looks a little different on the exterior than Birmingham or Chattanooga, the interior is essentially the same building block approach to scaling a data center with the same design, the same support system, the same reliability, and the same cost. If you can put that level of quality of facility on the ground in these highly underserved, yet growing markets, you can build the same design over and over again.

**TR: *What kinds of customers do you focus on to drive demand in these markets?***

**JU:** I think it's a bit of everything. We focus on being a partner for managed service providers that have never had a facility like this in the past. We focus on enterprises that either had their own facility that they are transitioning out of or had previously co-located and utilized platforms in the major markets where they always had to drive into to access their equipment. By bringing proximity into these markets, enterprises like us, the managed service providers like us, the life sciences, research institutions and universities, really enjoy having us in the market, and then finally, city and local state governments also find that this is a way for them to attract other. We are also starting to get more content companies that are starting to pull things out into our markets rather than just having them stuck into a market like Atlanta or Nashville or Charlotte. And then, finally, we are also becoming a really strong resource for carriers. We haven't seen any of the 5G deployments yet into the market because 5G hasn't really been announced in these markets. But we think we're a great location for remote radio heads and other infrastructure.

We have a very methodical, planned approach to underserved yet growing markets that we can serve local and connect global. Before we even put the first shovel in the dirt, we'll buy property in that market. When you build a market, you have to have a long-term view, and we have a 10-year horizon on these markets. We use a Lego style approach to modular design that allows us to scale them, and we right-size them for the amount of power that we initially use. We have a deep understanding of what enterprises are in that market and what the IP demand coming in and out of the market is. Any company that either wants to have a deployment in that market or that is local into that market but hasn't had a facility like what we deploy is a potential customer.

**TR: *How do you differentiate yourself from other data center providers with those customers?***

**JU:** Latency matters. Proximity matters. A company that understands that is not just a real-estate focused company. We're a service company that was birthed out of the network and storage business, not just a REIT that pops down a building and hopes people show up. We really pride ourselves on the services for what we can deliver. That’s why MARTA, the mass transit system in Atlanta, uses us for their disaster recovery. Our facilities are close enough for them to support with their same staff, but outside the impact zone of the major market they're in and served by a different power company in a different power grid. Yet our proximity makes them feel like they're in Atlanta. We also serve Mohawk Industries, the world's largest carpet manufacturer and a host of others. You can also imagine the type of customers that we have in the market like Huntsville, Alabama, home to NASA deployments and Red Stone Arsenal. It’s large place for other agencies, federal agencies including almost all the contractors that are there working on some of the most advanced technologies available.

**TR: *What's the biggest challenge ahead on the path DC BLOX is following right now?***

**JU:** I think that the biggest one is probably our own patience. We like to move pretty quickly and are proud of our ability to act swiftly within our markets. But we have to truly understand that market before we go into it. A lot of capital is being deployed into the data center space today, and we want to be very prudent with the capital for which we are stewards of. We need to pick the right markets when they're ready. If we start one about every four months, then over the course of the next three years we will add nine facilities to the four we have. We think that would be a great footprint.

**TR: *Thank you for talking with Telecom Ramblings!***