

# Technology Overview

## Configuring a Layer 2 Circuit into a Layer 2 VPN Connection

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#### *Junos® OS Network Configuration Example Configuring a Layer 2 Circuit into a Layer-2 VPN*

Release 10.4

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## Layer 2 Circuit and Layer 2 VPN Overview

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### Layer 2 Circuit Overview

A Layer 2 circuit is a point-to-point Layer 2 connection transported using Multiprotocol Label Switching (MPLS) or other tunneling technology on the service provider's network. A Layer 2 circuit is similar to a circuit cross-connect (CCC), except that multiple virtual circuits (VC) are transported over a label-switched path (LSP) tunnel between two provider edge (PE) routers. In contrast, each CCC requires a dedicated LSP.

To establish the Layer 2 circuit, Link Integrity Protocol (LIP) is used as the signaling protocol to advertise the ingress label to the remote PE routers. For this purpose, a targeted remote LDP neighbor session is established using the extended discovery mechanism described in LDP and the session is brought up to the remote PE loopback IP address. Because LDP looks at the Layer 2 circuit configuration and initiates extended neighbor discovery for all the Layer 2 circuit neighbors (the remote PEs), no new configuration is necessary in LDP. Each Layer 2 circuit is represented by the logical interface connecting the local PE router to the local customer edge (CE) router. Note that LDP must run on the lo0.0 interface for extended neighbor discovery to function correctly.

Packets are sent to remote CE routers over an egress VPN label advertised by the remote PE router using a targeted LDP session. The VPN label is sent over an LDP LSP to the remote PE router connecting to the remote CE router. Return traffic from the remote CE router destined to the local CE router is sent over an ingress VPN label advertised by the local PE router, which again is sent over an LDP LSP to the local PE router from the remote PE router.

### Layer 2 VPN Overview

Implementing a Layer 2 VPN on a router is similar to implementing a VPN using a Layer 2 technology, such as Asynchronous Transfer Mode (ATM). However, for a Layer 2 VPN on a router, traffic is forwarded to the router in a Layer 2 format. It is carried by MPLS over the service provider's network, and then converted back to Layer 2 format at the receiving site. You can configure different Layer 2 formats at the sending and receiving sites. The security and privacy of an MPLS Layer 2 VPN are equal to those of an ATM or Frame Relay VPN. The service provisioned with Layer 2 VPNs is also known as Virtual Private Wire Service (VPWS).

On a Layer 2 VPN, routing typically occurs on the CE router. The CE router connected to a service provider on a Layer 2 VPN must select the appropriate circuit on which to send traffic. The PE router receiving the traffic sends the traffic across the service provider's network to the PE router connected to the receiving site. The PE routers do not need to store or process the customer's routes; they only need to be configured to send data to the appropriate tunnel. For a Layer 2 VPN, customers need to configure their own routers to carry all Layer 3 traffic. The service provider needs to know only how much traffic the Layer 2 VPN will need to carry. The service provider's routers carry traffic between customer sites using Layer 2 VPN interfaces. The VPN topology is determined by policies configured on the PE routers.

Because Layer 2 VPNs use BGP as the signaling protocol, they have a simpler design and require less overhead than traditional VPNs over Layer 2 circuits. BGP signaling also enables autodiscovery of Layer 2 VPN peers. Layer 2 VPNs are similar to BGP or MPLS VPNs and VPLS in many respects; all three types of services employ BGP for signaling.

## Layer 2 VPN Application

Implementing a Layer 2 VPN includes the following benefits:

- Terminating a Layer 2 VPN into a Layer 2 VPN using the interworking (iw0) software interface eliminates the limitation of bandwidth on the tunnel interfaces used for these configuration scenarios. Instead of using a physical Tunnel PIC for looping the packet received from the Layer 2 VPN to another Layer 2 VPN, Junos OS is used to link both the Layer 2 VPN routes.
- Layer 2 VPNs enable the sharing of a provider's core network infrastructure between IP and Layer 2 VPN services, reducing the cost of providing those services. A Layer 2 MPLS VPN allows you to provide Layer 2 VPN service over an existing IP and MPLS backbone.
- From a service provider's point of view, a Layer 2 MPLS VPN allows the use of a single Layer 3 VPN (such as RFC 2547bis), MPLS traffic engineering, and Differentiated Services (DiffServ).
- Service providers do not have to invest in separate Layer 2 equipment to provide Layer 2 VPN service. You can configure the PE router to run any Layer 3 protocol in addition to the Layer 2 protocols. Customers who prefer to maintain control over most of the administration of their own networks might want Layer 2 VPN connections with their service provider instead of a Layer 3 VPN.

## Understanding the Layer 2 Interworking Junos OS Interface

Instead of using a physical Tunnel PIC for looping the packet received from the Layer 2 circuit, the Layer 2 interworking interface uses Junos OS to stitch together both Layer 2 VPN routes.

To configure the interworking interface, include the **iw0** statement. The **iw0** statement is configured at the **[edit interfaces]** hierarchy level. This specifies the peering between two logical interfaces. This configuration is similar to the configuration for a logical tunnel interface. The logical Interfaces must be associated with the endpoints of a Layer 2 circuit and Layer 2 VPN connections.

```
[edit interfaces]
iw0 {
  unit 0 {
    peer-unit 1;
  }
  unit 1 {
    peer-unit 0;
  }
}
```

Configure the Layer 2 circuit protocol by including the **l2circuit** statement at the **[edit protocols]** hierarchy level and specifying the **neighbor** and **iw0** interface.

```
[edit protocols]
  l2circuit {
    neighbor 1.2.3.4 {
      interface iw0.0;
    }
  }
```

Configure the Layer 2 VPN connection, by including the **routing-instances** statement at the **[edit routing-instances]** hierarchy level and specifying the **instance-type l2vpn** option.

```
[edit routing-instances]
  routing-instance-name {
    instance-type l2vpn;
    interface iw0.1;
    ...
    protocols {
      l2vpn {
        <l2vpn configuration>;
      }
    }
  }
```

In addition to the **iw0** interface configuration, Layer 2 interworking **l2iw** protocols must be configured. Without the **l2iw** configuration, the **l2iw** routes will not be formed, regardless of whether any **iw** interfaces are present. Within the **l2iw** protocols, only trace options can be configured in the standard fashion. The minimum configuration necessary for the feature to work is shown below:

```
protocols {
  l2iw;
}
```

#### Related Documentation

- Example: Configuring a Layer 2 Circuit into a Layer 2 VPN on page 5



## Example: Configuring a Layer 2 Circuit into a Layer 2 VPN

This example provides a step-by-step procedure and commands for configuring and verifying a Layer 2 circuit to a Layer 2 VPN. It contains the following sections:

- Requirements on page 5
- Overview and Topology on page 5
- Configuration on page 6

### Requirements

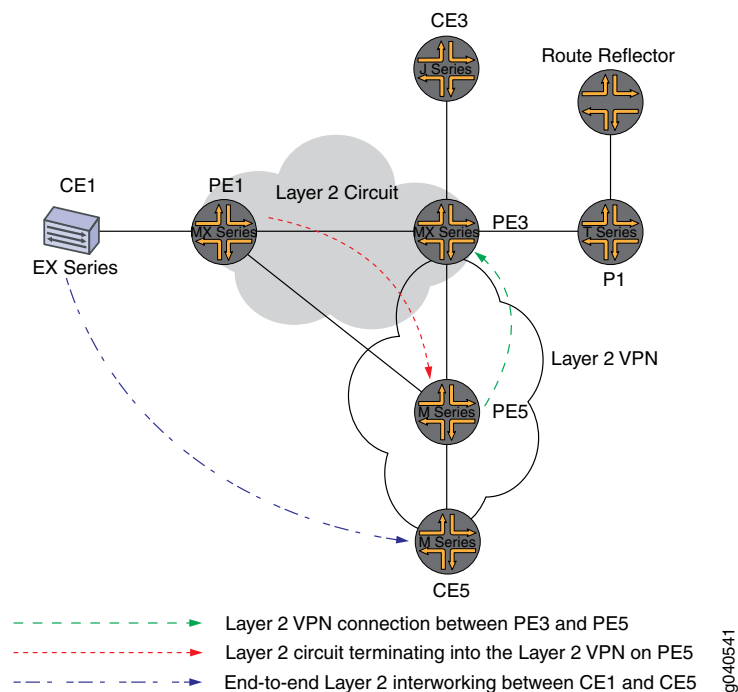
This example uses the following hardware and software components:

- Junos OS Release 9.3 or later
- 2 MX Series routers
- 2 M Series routers
- 1 T Series router
- 1 EX Series router
- 1 J Series router

### Overview and Topology

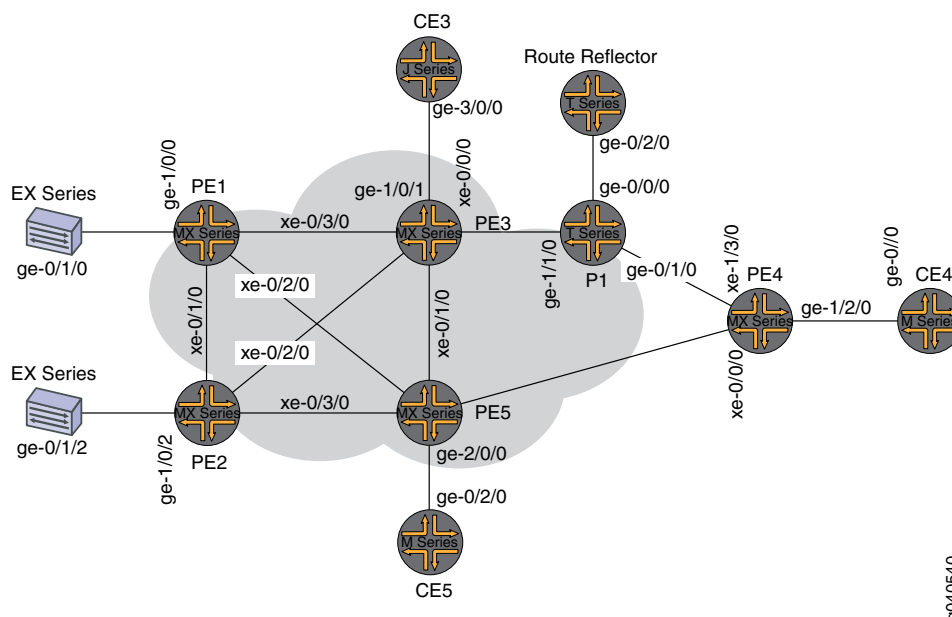
The logical topology of a Layer 2 circuit to a Layer 2 VPN connection is shown in Figure 1 on page 5.

Figure 1: Logical Topology of a Layer 2 circuit to a Layer 2 VPN Connection



The physical topology of a Layer 2 circuit to a Layer 2 VPN connection is shown in Figure 2 on page 6.

Figure 2: Physical Topology of a Layer 2 circuit to a Layer 2 VPN Connection



## Configuration



**NOTE:** In any configuration session, it is good practice to verify periodically that the configuration can be committed using the `commit check` command.

In this example, the router being configured is identified using the following command prompts:

- **CE1** identifies the customer edge 1 (CE1) router
- **PE1** identifies the provider edge 1 (PE1) router
- **CE3** identifies the customer edge 3 (CE3) router
- **PE3** identifies the provider edge 3 (PE3) router
- **CE5** identifies the customer edge 5 (CE5) router
- **PE5** identifies the provider edge 5 (PE5) router

This example is organized in the following sections:

- Configuring Protocols on the PE and P Routers on page 7
- Verification on page 11

## Configuring Protocols on the PE and P Routers

### Step-by-Step Procedure

#### Base Configuration

All of the PE routers and P routers are configured with OSPF as the IGP protocol. The MPLS, LDP, and BGP protocols are enabled on all of the interfaces except **fxp0.0**.

Core-facing interfaces are enabled with the MPLS address and inet address.

1. Configure all the PE and P routers with OSPF as the IGP. Enable the MPLS, LDP, and BGP protocols on all interfaces except **fxp0.0**. LDP is used as the signaling protocol on Router PE1 for the Layer 2 circuit. The following configuration snippet shows the protocol configuration for Router PE1:

```
[edit]
protocols {
  mpls {
    interface all;
    interface fxp0.0 {
      disable;
    }
  }
  bgp {
    group RR {
      type internal;
      local-address 1.1.1.1;
      family l2vpn {
        signaling;
      }
      neighbor 7.7.7.7;
    }
  }
  ospf {
    traffic-engineering;
    area 0.0.0.0 {
      interface all;
      interface fxp0.0 {
        disable;
      }
    }
  }
  ldp {
    interface all;
    interface fxp0.0 {
      disable;
    }
  }
}
```

2. Configure the PE and P routers with OSPF as the IGP. Enable the MPLS, LDP, and BGP protocols on all interfaces except **fxp0.0**. BGP is used as the signaling protocol on Router PE3 for the Layer 2 VPN. The following configuration snippet shows the protocol configuration for Router PE3:

```
[edit]
protocols {
  mpls {
```

```
interface all;
interface fxp0.0 {
  disable;
}
}
bgp {
  group RR {
    type internal;
    local-address 3.3.3.3;
    family l2vpn {
      signaling;
    }
    neighbor 7.7.7.7;
  }
}
ospf {
  traffic-engineering;
  area 0.0.0.0 {
    interface all;
    interface fxp0.0 {
      disable;
    }
  }
}
ldp {
  interface all;
  interface fxp0.0 {
    disable;
  }
}
}
```

**Step-by-Step  
Procedure****Configuring Interfaces**

1. On Router PE1, configure the **ge-1/0/0** interface encapsulation. To configure the interface encapsulation, include the **encapsulation** statement and specify the **ethernet-ccc** option (vlan-ccc encapsulation is also supported). Configure the **ge-1/0/0.0** logical interface family for circuit cross-connect functionality. To configure the logical interface family, include the **family** statement and specify the **ccc** option. The encapsulation should be configured the same way for all routers in the Layer 2 VPN domain.

```
[edit interfaces]
ge-1/0/0 {
  encapsulation ethernet-ccc;
  unit 0 {
    family ccc;
  }
}
lo0 {
  unit 0 {
    family inet {
      address 1.1.1.1/32;
    }
  }
}
```



```
}
```

2. On Router PE5, configure the **iw0** interface with two logical interfaces. To configure the **iw0** interface, include the **interfaces** statement and specify **iw0** as the interface name.

```
[edit interfaces]
iw0 {
  unit 0 {
    encapsulation ethernet-ccc;
    peer-unit 1;
  }
  unit 1 {
    encapsulation ethernet-ccc;
    peer-unit 0;
  }
}
```

3. On Router PE5, configure the logical loopback interface. The loopback interface is used to establish the targeted LDP sessions to Routers PE1 and PE5.

```
[edit interfaces]
lo0 {
  unit 0 {
    family inet {
      address 5.5.5.5/32;
    }
  }
}
```

#### Step-by-Step Procedure

##### Configuring the Layer 2 circuit

1. On Router PE1, configure the IP address of the remote PE router with the **neighbor** statement. The loopback address and router ID of the PE neighbor is commonly the neighbor's IP address. To allow a Layer 2 circuit to be established even though the maximum transmission unit (MTU) configured on the PE router does not match the MTU configured on the remote PE router, include the **ignore-mtu-mismatch** statement.

```
[edit]
protocols {
  l2circuit {
    neighbor 5.5.5.5 {
      interface ge-1/0/0.0 {
        virtual-circuit-id 100;
        no-control-word;
        ignore-mtu-mismatch;
      }
    }
  }
}
```

2. On Router PE5, configure the IP address of the remote PE router. To configure the IP address of the remote PE router, include the **neighbor** statement and specify the IP address of the loopback interface on Router PE1. Configure the virtual circuit ID to be the same as the virtual circuit ID on the neighbor router. To allow a Layer 2

circuit to be established even though the MTU configured on the local PE router does not match the MTU configured on the remote PE router, include the **ignore-mtu-mismatch** statement. Also disable the use of the control word for demultiplexing by including the **no-control-word** statement.

```
[edit protocols]
l2circuit {
  neighbor 1.1.1.1 {
    interface iw0.0 {
      virtual-circuit-id 100;
      no-control-word;
      ignore-mtu-mismatch;
    }
  }
}
```

3. On Router PE5, configure the Layer 2 VPN protocols by including the **l2vpn** statement at the **[edit routing-instances routing-instances-name protocols]** hierarchy level. To configure the **iw0** interface, include the **interfaces** statement and specify **iw0** as the interface name. The **iw0** interface is configured under the Layer 2 VPN protocols to receive the looped packet from the **iw0.1**. Protocols **l2vpn** is configured on Router PE5 with a site CE5, which is configured in the BGP L2VPN. The CE1 should have communication to CE5, through the Layer 2 interworking configuration on Router PE5.

```
routing-instances {
  L2VPN {
    instance-type l2vpn;
    interface ge-2/0/0.0;
    interface iw0.1;
    route-distinguisher 65000:5;
    vrf-target target:65000:2;
    protocols {
      l2vpn {
        encapsulation-type ethernet;
        site CE5 {
          site-identifier 5;
          interface ge-2/0/0.0 {
            remote-site-id 3;
          }
        }
        site l2-circuit {
          site-identifier 6;
          interface iw0.1 {
            remote-site-id 3;
          }
        }
      }
    }
  }
}
```

4. In addition to the **iw0** interface configuration, Layer 2 interworking **l2iw** protocols must be configured. Without the **l2iw** configuration, the **l2iw** routes are not formed, regardless of whether any **iw** interfaces are present. Within the **l2iw** protocols, only

trace options can be configured in the standard fashion. The minimum configuration necessary for the feature to work is shown below.

```
[edit]
protocols {
  l2iw;
}
```

## Verification

### Step-by-Step Procedure

Verifying the Layer 2 Circuit to Layer 2 VPN Connection on Router PE3

1. On Router PE1, use the **show l2circuit connections** command to verify that the Layer 2 Circuit from Router PE1 to Router PE5 is **Up**.

```
user@PE1> show l2circuit connections
```

Layer-2 Circuit Connections:

Legend for connection status (St)

EI -- encapsulation invalid	NP -- interface h/w not present
MM -- mtu mismatch	Dn -- down
EM -- encapsulation mismatch	VC-Dn -- Virtual circuit Down
CM -- control-word mismatch	Up -- operational
VM -- vlan id mismatch	CF -- Call admission control failure
OL -- no outgoing label	IB -- TDM incompatible bitrate
NC -- intf encaps not CCC/TCC	TM -- TDM misconfiguration
BK -- Backup Connection	ST -- Standby Connection
CB -- rcvd cell-bundle size bad	XX -- unknown
SP -- Static Pseudowire	

Legend for interface status

Up -- operational

Dn -- down

Neighbor: 5.5.5.5

Interface	Type	St	Time last up	# Up trans
ge-1/0/0.0(vc 100)	rmt	<b>Up</b>	Jan 3 22:00:49 2010	1
Remote PE: 5.5.5.5, Negotiated control-word: No				
Incoming label: 301328, Outgoing label: 300192				
Local interface: ge-1/0/0.0, Status: Up, Encapsulation: ETHERNET				

2. On Router PE5, use the **show l2vpn connections** command to verify that the Layer 2 VPN connection is **Up** using the **iw0** peer interface of the Layer 2 circuit.

```
user@PE5> show l2vpn connections
```

Instance: L2VPN

Local site: CE5 (5)

connection-site	Type	St	Time last up	# Up trans
l2-circuit (6)	loc	OR		
3	rmt	<b>Up</b>	Jan 3 22:51:12 2010	1
Remote PE: 3.3.3.3, Negotiated control-word: Yes (Null)				
Incoming label: 800258, Outgoing label: 800000				
Local interface: ge-2/0/0.0, Status: Up, Encapsulation: ETHERNET				

Local site: l2-circuit (6)

connection-site	Type	St	Time last up	# Up trans
CE5 (5)	loc	OR		
3	rmt	<b>Up</b>	Jan 3 22:56:38 2010	1
Remote PE: 3.3.3.3, Negotiated control-word: Yes (Null)				
Incoming label: 800262, Outgoing label: 800001				

Local interface: **iw0.1**, Status: **Up**, Encapsulation: ETHERNET

### Step-by-Step Procedure

Verifying the Layer 2 Circuit terminating into Layer 2 VPN connection

1. On Router PE 5, use the **show l2circuit connections** command to verify that the Layer 2 circuit is **Up** using the **iw0** interface. This will be looped through the **iw0.1** interface to the Layer 2 VPN.

user@PE5> **show l2circuit connections**

Layer-2 Circuit Connections:

Neighbor: 1.1.1.1

Interface	Type	St	Time last up	# Up trans
iw0.0(vc 100)	rmt	Up	Jan 3 21:59:07 2010	1

Remote PE: 1.1.1.1, Negotiated control-word: No  
Incoming label: 300192, Outgoing label: 301328

2. On Router PE 5, use the **show route table mpls.0** command to verify the Layer 2 circuit and Layer 2 VPN routes. In the example below, the Layer 2 circuit is associated with LDP label **301328** and the Layer 2 VPN is associated with LDP label **800001**. Notice the two **iw0** interfaces that are used for the Layer 2 interworking route.

user@PE5>**show route table mpls.0**

mpls.0: 18 destinations, 20 routes (18 active, 2 holddown, 0 hidden)

+ = Active Route, - = Last Active, \* = Both

```

0          *[MPLS/0] 5d 20:07:31, metric 1
    Receive
1          *[MPLS/0] 5d 20:07:31, metric 1
    Receive
2          *[MPLS/0] 5d 20:07:31, metric 1
    Receive
299776     *[LDP/9] 2d 03:00:51, metric 1
300048     *[LDP/9] 2d 03:00:49, metric 1
    > to 10.10.6.1 via xe-0/1/0.0, Pop
300048(S=0) *[LDP/9] 2d 03:00:49, metric 1
    > to 10.10.6.1 via xe-0/1/0.0, Pop
300192     *[L2IW/6] 19:11:05, metric2 1
    > to 10.10.6.1 via xe-0/1/0.0, Swap 800001
    [L2CKT/7] 20:08:36
    > via iw0.0, Pop
800258     *[L2VPN/7] 19:16:31
    > via ge-2/0/0.0, Pop      Offset: 4
800262     *[L2IW/6] 19:11:05, metric2 1
    > to 10.10.3.1 via xe-1/1/0.0, Swap 301328
    [L2VPN/7] 19:11:05
    > via iw0.1, Pop      Offset: 4
ge-2/0/0.0 *[L2VPN/7] 19:16:31, metric2 1
    > to 10.10.6.1 via xe-0/1/0.0, Push 800000 Offset: -4
iw0.0      *[L2CKT/7] 20:08:36, metric2 1
    > to 10.10.3.1 via xe-1/1/0.0, Push 301328
iw0.1      *[L2VPN/7] 19:11:05, metric2 1
    > to 10.10.6.1 via xe-0/1/0.0, Push 800001 Offset: -4

```

- Related Documentation**
- [Layer 2 Circuit and Layer 2 VPN Overview on page 1](#)

