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Industry News

3Q08 DSL Port Shipments Hit Lowest Levels in 2 Years

Broadbandtrends recently published its quarterly DSL market share report for 3Q08. DSL port shipments declined by 20 percent from 2Q08 to reach 21.9 million ports. This decline was due to a number of factors including European holidays, economic impact, strong broadband penetration as well as excess unused inventory. The only region to experience position growth was CALA, with North America experiencing the strongest drop at 30 percent, as operators' transition towards FTTH. For the last four quarters, DSL port shipments reached 97.8 million. Alcatel-Lucent maintains a slight lead over Huawei for rolling 4-quarter market share with 29.4 percent versus Huawei with 28.9 percent. The Top Five vendors shipped 82 percent of total port shipments during 3Q08.

- ▶ IP-DSL Port Shipments represented 82 percent of total DSL ports in 3Q08
- ▶ Huawei is the market share leader in IP-DSLAM for both current and rolling 4-quarter
- ▶ Asia Pacific accounted for 48 percent of total DSL ports in 3Q08M
- ▶ Alcatel-Lucent leads in VDSL market, followed by ZyXEL and NEC in 3Q08
- ▶ MSAP platforms contributed 27 percent of total DSL ports in 3Q08

Top Five DSL Vendors by Region, 3Q08

Global	Asia Pacific	CALA	EMEA	North America
Huawei	Huawei	Alcatel-Lucent	Alcatel-Lucent	Alcatel-Lucent
Alcatel-Lucent	ZTE	Huawei	Huawei	Adtran
ZTE	Alcatel-Lucent	ZTE	Nokia Siemens	Calix
Nokia Siemens	ZyXEL	Ericsson	Ericsson	Tellabs
ZyXEL	NEC	Nokia Siemens	ZTE	Occam

Source: broadbandtrends.com

Broadband Forum Releases BroadbandSuite 3.0

The Broadband Forum recently issued its latest release to its BroadbandSuite with release 3.0. BroadbandSuite 3.0 provides specifications for triple-play delivered via GPON and bonded DSL over a QoS-enabled Ethernet architectures; full support for multicast to IPTV streaming; and integrated remote management of set-top-boxes (STB) and attached storage devices. This release also provides the specifications required to successfully remotely manage the multimedia home network. Key elements of BroadbandSuite 3.0 are shown below.

BroadbandSuite 3.0 – Key Technical Documents

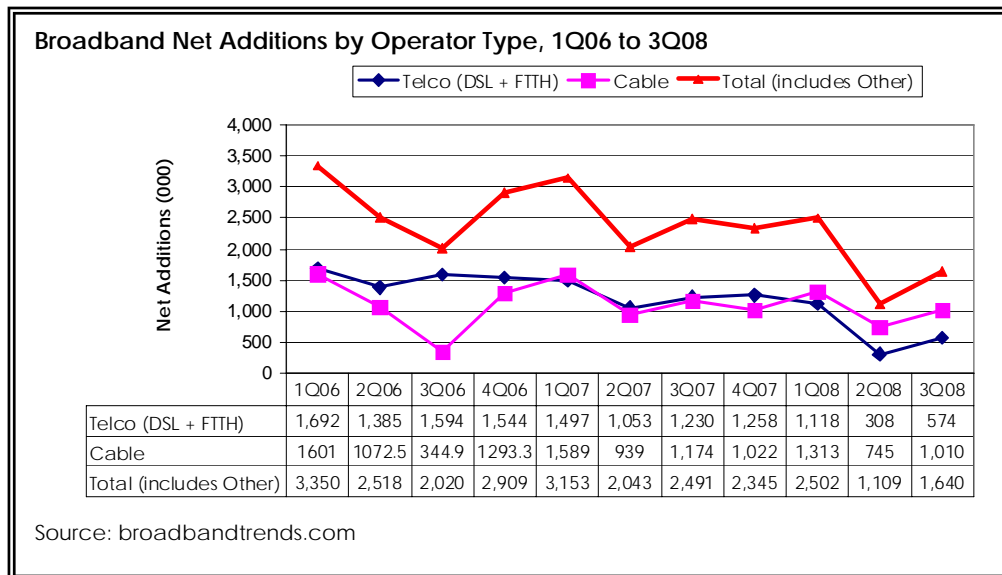
ACCESS R3.0	HOME R3.0	CONTROL R3.0
<ul style="list-style-type: none"> ▶ TR-101: Ethernet-centric multi-cast capable architecture 	<ul style="list-style-type: none"> ▶ TR-135: Residential data model for TR-069 enabled set-top-box ▶ TR-140: Data model for a TR-069 enabled storage device ▶ TR-142: Framework for use of TR-069 with PON access ▶ TR-143: CPE throughput performance test mechanism ▶ TR-098 Amendment 2: Internet gateway device data model for TR-069 	<ul style="list-style-type: none"> ▶ TR-141: Protocol independent management model for TR-101 compliant access node ▶ TR-117: Broadband trouble reporting ▶ TR-176: ADSL2plus profiles for IPTV

WORK IN PROGRESS		
<ul style="list-style-type: none"> ▶ WT-156: Extending TR-101 to GPON fiber access systems 	<ul style="list-style-type: none"> ▶ TR-106v2 (PD-154): XML data model descriptions and object library 	<ul style="list-style-type: none"> ▶ WT-147: Layer 2 control mechanism ▶ WT-159: Management framework for xDSL bonding ▶ WT-169: EMS-NMS functionality requirements for access nodes supporting for TR-101

Cable Continues to Outpace Telcos for North America Broadband Subscribers

Cable broadband operators continue to add more broadband subscribers than Telco during 3Q08, outpacing Telcos by 2:1 and more than 3:1 over DSL net additions. Although net additions showed strong increases over a stagnant 2Q08, levels remain anemic, with DSL suffering the greatest impact. Net additions for 3Q08 were 1.64 million, a 48 percent increase over 2Q08. Net additions are down 34 percent from the same quarter in 2007.

AT&T remains both the largest broadband and DSL provider with 14.841 million subscribers, while Comcast is the largest provider of Cable broadband with 14.738 million subscribers. At present, only 103,000 subscribers separate AT&T and Comcast.



Other highlights for 3Q08 include:

- ▶ Cable represents 52 percent of subscribers, while Telco represents 46 percent
- ▶ FTTH Subscribers have reach 2.84 million in 3Q08
- ▶ VoBB subscribers have reached 22.5 million
- ▶ Cable VoBB Penetration is 43 percent of Cable Broadband Subscribers in 3Q08
- ▶ IPTV Subscribers are estimated at 1.29 million
- ▶ Broadband penetration is 59% of U.S. households, 70% of Canadian households

CenturyTel and EMBARQ to Merge: A Opportunity for National Presence

On Monday October 27, 2008, CenturyTel and EMBARQ announced their plans to merge. The combined company currently has annual revenues in excess of \$8.8 billion and offers local telephone, broadband and video services to consumers and small to medium businesses in 33 states, supporting nearly 8 million access lines, 2 million DSL subscribers, 400,000 video subscribers and 97,000 fiber miles via CenturyTel’s LightCore Fiber Network. The combination offers substantial synergy opportunities primarily in the form of cost savings, but also in the development and launch of future services. It also provides them with the necessary scale to set up sizable clusters in a number of key markets that will enable them to more effectively compete with cable operators. Finally, they will be able to leverage

the 700 MHz spectrum acquired by CenturyTel to launch mobile broadband services based on LTE, to further enhance their reach and enable them to develop a national brand serving Tier 2 markets.

Comparison of CenturyTel & EMBARQ

Metric	CenturyTel	EMBARQ
HQ Location	Monroe, LA	Overland Park, Kansas
Access Lines	2,041,000	5,853,000
Broadband Lines	628,000	1,388,000
Video Subscribers	112,000	284,000
# of States Served	23	18
Teledensity	64 access lines per sq/mile	103 access lines per sq/mile
Largest Markets (Access Line Concentration)	63 percent in MO, WI, AL, AR	66 percent in FL, NC, NV, OH
Key Access Vendors	MSAP/DLC: Calix, Tellabs DSL: Calix, Zhone, Tellabs FTTH : Calix, Tellabs	MSAP : Calix, Ericsson, Tellabs DSL : Adtran, Calix, Alcatel-Lucent FTTH : Calix
Video Strategy	DISH Partnership IPTV	DISH Partnership

Source: broadbandtrends.com

Mergers, Acquisitions, Funding

- Convergin Raises \$10M (1 November 2008)
- PeerApp Raises \$8M Series B (11 November 2008)
- AT&T to Acquire Wayport (6 November 2008)
- AT&T to Acquire Centennial Communications (x November 2008)
- Pannaway to Merge with Enablence (4 November 2008)
- WiChorus raises \$18M in Series C (4 November 2008)
- Roku Gets Series C Funding (28 October 2008)

New Reports

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<http://www.broadbandtrends.com/services.htm>

Recently published research includes the following:

► **Industry Perspective "France Leads EU NGA Regulation; but Many Issues Remain"**

Published 18 November 2008

► **3Q08 DSL/MSAN Market Share: "3Q08 DSL Port Shipments Hit Lowest Levels in 2 Years"**

Published 10 November 2008

► **Research Note: "Cable Continues to Outpace Telcos for NA Broadband Subscribers"**

Published 10 November 2008

► **Research Note: "Merger Mania Continues: Enablence Acquires Pannaway"**

Published 5 November 2008

► **Research Note: "CenturyTel & EMBARQ To Merge"**

Published 27 October 2008

Broadbandtrends is a regular blog contributor to x-change Magazine. Check it out at

<http://www.xchangemag.com/blogs/teresa/blogdefault.aspx>

Selected News Highlights (October 15 to November 17, 2008)

- Verizon partners with Velocix for CDN
- Tellabs Intros Metro Ethernet Product Line
- Cisco unveils new router: ASR 9000
- ZTE Previews Prototype 10G EPON
- Netflix & TiVo Announce Partnership
- Cox to launch new bundle with Wireless in 2009
- Comcast Launches 50Mbps Service
- du selects Nortel for NGN & Multimedia Services
- SureWest Launches Bonded DSL
- Comstar Launches WiMAX Nationwide in Armenia
- Genexis Launches Gigabit FTTH Gateway
- BSNL Extends Broadband Contract with UTStarcom
- VTR Deploys Integra5 Platform for Converged Services

Telco TV Announcements:

- Sezmi Completes Technical Trial
- NSN Intros Next-Generation IPTV Platform
- Verizon Expands HD VoD with over 1,000 Titles
- Occam Intros High Capacity Chassis
- Microsoft Mediaroom passes 2M Subscribers
- 2Wire Introduces MediaPoint
- IP-Prime Provides Customer Traction Update
- Calix Announces Milestones
- AT&T Intros Online Video Search Application
- CloverLeaf & Accedo Bring IPTV Games to IOC Market
- Zeugma Intros Smart Series Applications

Next Issue: December 15, 2008

This issue will feature our FTTH Global Forecast, 2008 Year in Review, the Economy and Telecom in 2009.

For previous issues, please visit: <http://www.broadbandtrends.com/Newsletter.htm>. Pass it along! To subscribe, please send an email with "subscribe" in the subject to editor@broadbandtrends.com. To unsubscribe, please send an email with "unsubscribe" in the subject to editor@broadbandtrends.com.



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