

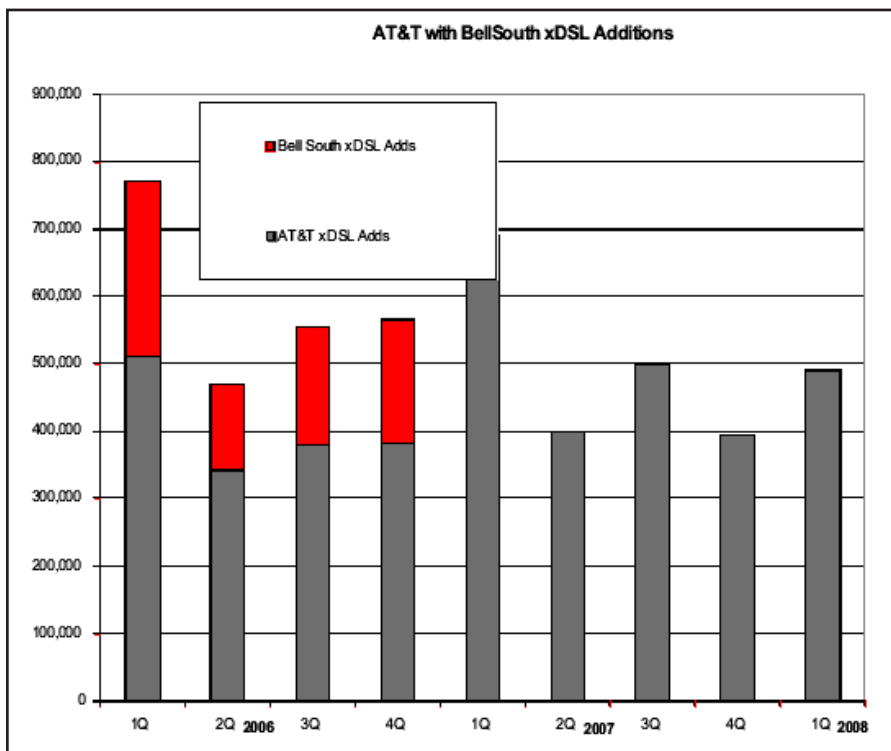
XDSL

Monthly Newsletter Devoted to
Worldwide Developments in Digital
Subscriber Line Technologies

NEWS

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TOP NEWS

Ofcom introduces voluntary broadband speed code

UK's telecom regulator Ofcom has introduced a voluntary speed code of practice to regulate the advertisement of Internet service providers' (ISPs') broadband speeds. For instance, fixed-

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line ISPs would need to give an accurate representation of the speeds supported by their lines when selling the packages. If their estimates are accurate, the ISPs would be able to solve any technical problems affecting broadband speeds and also provide customers with the option of migrating to a lower-speed package.

The UK-based ISPs will also have to give precise information on usage limits. Although the regulations are not enforceable, as many as 32 ISPs have agreed to honor this agreement.

According to Ed Richards, Ofcom's chief executive, the introduction of a voluntary code will provide broadband users with a lot of clarity with regard to the speeds they are receiving. Meanwhile the Internet Services Providers' Association (ISPA) UK has urged the regulator to include wireless cellular operators in the purview of this code.

CARRIERS

Vodafone Egypt unveils ADSL services in the country

Mobile service provider Vodafone Egypt is venturing into the fixed-line segment by launching its ADSL service.

The operator, which is a joint venture between Vodafone Group and Telecom Egypt, announced that it is committed to providing high-speed services for business as well as residential customers.

The ADSL service comes with free installation and a locally made router. Telecom Egypt is the incumbent operator in the country, with more than 260,000 users.

Washington communities now can get Verizon's fastest DSL-based Internet service

Qualifying consumers in 32 Washington communities now have a new broadband option from Verizon, as the company introduces its ultrafast High Speed Internet service. It more

than doubles the download speed of the company's current fastest digital subscriber line, or DSL, service and provides an appealing alternative to cable Internet.

The new Verizon High Speed Internet service offers qualified customers a downstream connection speed of up to 7 megabits per second (Mbps) for as low as \$42.99 a month when ordered with an annual service plan. Verizon now offers the new service to some 3 million households and small businesses across the country.

"Verizon 7 Megabit High Speed Internet is the way to go for qualifying residents in Washington who are looking for a better alternative to high-priced cable Internet," said Kathy Koelle, general manager for Verizon's West Coast region.

"Our super-fast DSL provides all the speed you need for everything you do online — and at a reasonable cost. From digital music and streaming video to photo sharing and online gaming, to video conferencing and working from home — it's faster, easier and more affordable with Verizon High Speed Internet."

The 7Mbps broadband service is available in parts of Anacortes, Big Lake Blaine, Bothell, Brier, Cashmere, Chelan, Concrete, Coupeville, Darrington, Deming, East Wenatchee, Edmonds, Everett, Everson, Ferndale, Granite Falls, Hamilton, Kennewick, Kirkland, Laurel, Lynden, Manson, Oak Harbor, Redmond, Richland, Sammamish, Sedro Woolley, Shoreline, Sultan, Sumas, West Richland, and Woodinville.

Verizon High Speed Internet service is delivered on a dedicated line from Verizon's central office to the customer's home and is backed by live, 24 x 7 customer service and technical support. High Speed Internet subscribers have access to an extensive collection of features and services, including online protection with Verizon Internet Security Suite; Verizon Enhanced Email; Verizon Premium Tech Support; online gaming; free

news from ABC News Now; free sports from ESPN360; and more.

NEW PRODUCTS

Aware expands DSL test modem module portfolio for outside plant equipment

Aware Inc., a supplier of broadband technology and DSL test and diagnostics solutions, announced a new addition to its Universal DMT (UDMT) product line of DSL test modem modules. The 455 is a multimode ADSL2+/VDSL2 module that meets service providers' stringent ADSL2+ performance requirements and delivers industry-leading VDSL2 performance, making it ideal for solutions deployed in North American telco networks. The 455 module uses the same small-profile form factor, Linux-based network processor, and Dr. DSL expert diagnostics software features as Aware's 450 UDMT module and supports all applicable data link layer protocols and statistics.

All of Aware's UDMT module product lines can be software-configured to emulate both DSL access multiplexers (DSLAMs) and customer premises equipment (CPEs) across a broad range of DSL technologies, including ADSL, ADSL2+, legacy VDSL1/1.5, and VDSL2. This extensive DSL technology footprint allows a single UDMT module to support all the common DSL network architectures. Service providers using test solutions based on Aware's UDMT modules are able to interoperate with installed DSLAMs and CPEs/gateways that contain chipsets from Broadcom, Conexant, Ikanos, Infineon, or Texas Instruments. Aware's UDMT products are based on the company's 14 years of experience in developing and deploying DSL chipsets around the world.

"When faced with the challenge of rolling out new services such as IPTV-over-DSL, service providers are looking for a future-proof, all-in-one universal testing solution that is interoperable with their current installed access

equipment and able to support ADSL2+ and VDSL2 as well as the legacy VDSL1/1.5 solutions," said Peter LeBlanc, vice president, sales and marketing for Aware Inc. "By using products based on Aware's UDMT modules, only one piece of test gear is required to perform all the necessary DSL tests, which reduces costs for the service provider and improves technician efficiency. This is particularly important now that IPTV deployments have begun to accelerate."

Traditional DSL testing solutions are built around single-function CPE emulation, which only allows technicians to test back to the DSLAM to verify sync. Aware's UDMT DSLAM emulation capability allows technicians to also test towards the subscriber. The technician can qualify the in-home copper wiring and isolate inside wiring faults from the network interface device (NID) without access to the home or subscriber involvement. UDMT also enables multipair troubleshooting from the subscriber access cabinet without dispatching to every home and DSLAM profile optimization by testing the impact of a profile change or automatically selecting an optimal profile for a particular line.

Aktino repeater enables carriers to shatter 50Mbps loop distance limitations

Aktino introduced a repeater for its bonded copper equipment that doubles the reach of high-bandwidth backhaul and Ethernet services capacity, enabling bandwidth of more than 50Mbps over eight copper pairs to as far as 24,000 feet from the central office.

Simply by placing the Aktino repeater at the midpoint of the span, ILECs can bring much higher bandwidths to remote copper-fed DSLAMs, cell sites, and business customers.

The repeater, available later this summer, allows carriers to serve a footprint far larger than the typical 12,000-foot-radius Carrier Serving Area (CSA), the standard reference for copper-based services. It broadens the effective CSA from a circle of 16 square miles to a circle of 64 square miles, a fourfold increase.

With the new repeater, Aktino has further established itself as the leader in delivering high-bandwidth Carrier Ethernet and broadband services over bonded copper. The company is able to deliver such high bandwidth throughout the CSA by using its signature asymmetric transmission, coupled with its MIMO on DMT technology for high per-pair bandwidth. The asymmetric approach — unique to Aktino — enables carriers to tailor their bandwidth to customer needs, and with the new repeater, the reach of that bandwidth is vastly expanded.

“Typically, as you extend reach, the per-pair bandwidth rate decreases, but with the new Aktino repeater, this effect is mitigated,” said Lonnie Martin, CEO of Aktino. “This makes it possible for service providers to implement a network-wide service delivery strategy, rather than be limited to the traditional CSA service territory.”

The line-powered repeater is suited for outdoor use and will be available for the eight-pair Ethernet product family initially. It uses the same MIMO on DMT technology that has earned Aktino its reputation as a leader in throughput over copper.

Aktino developed the repeater to address service providers’ increasing demand for products that cost-effectively address the needs of long-reach backhaul applications, as well as to extend the coverage area for Ethernet services.

This is the second major advancement Aktino has announced recently. Its earlier announcement made public the company’s ability to achieve bandwidth of 100Mbps over 16 copper pairs for DS3 and Ethernet-based backhaul and other applications. The 100Mbps capacity covers the entire CSA using asymmetric transmission, and shorter reaches with symmetric transmission. Aktino’s planned 16-pair version of the repeater will double the reach of those capacities to 30,000 feet.

“Performance like this, over such a huge area, truly puts Aktino in a league of its own in

terms of the ability to provide network-wide service delivery,” Martin said.

CONTRACTS

Huawei wins \$1.36 million deal to install 33,000 ADSL lines for STE

According to the Syria Report Newsletter, Chinese telecom equipment vendor Huawei Technologies has been awarded a \$1.36 million deal by Syrian state-run Internet and landline operator Syrian Telecommunications Establishment (STE) for installing 33,000 new ADSL lines in the country. STE currently provides dialup as well as ADSL broadband service via two 100 percent-owned Internet service providers, Syrian Computer Society and 190. The number of broadband users in the country increased to 16,500 by the end of 2007, while the dialup user base reached 300,000.

German service provider HL komm adopts Packet Design’s Traffic Explorer to manage growing IP network

HL komm Telekommunikations, a regional service provider in eastern Germany, has deployed a Traffic Explorer route and Netflow analysis system from Packet Design to manage the growing IP network which provides its customers with Internet access, data, and voice-over-IP (VoIP) services.

Traffic Explorer enables HL komm to monitor customer traffic as it moves from end to end over the backbone network, helping the Leipzig-based service provider to do more-effective troubleshooting and capacity planning, and to make cost-effective decisions about peering relationships with other providers outside the region.

Gregor Türpe, design engineer at HL komm, said the need for more visibility into routing and traffic became apparent over the last several years as HL komm’s network grew into a major backbone spanning many cities and offering converged services to business

customers and other carriers. Today that backbone carries data and voice traffic to more than 50,000 end users, many of them purchasers of “triple-play” service packages through HL komm’s cable-provider partners.

“As we expanded our IP backbone to increase network capacity, we suddenly had a lot of bandwidth, many more routers and much more complexity to manage,” Türpe said. “And when we added IP-based voice services, the network’s stability and the need to avoid service degradation became much more important. We were in need of new tools.”

On a daily basis, HL komm uses Traffic Explorer to diagnose network problems on its Cisco router-based network and find their causes. “Traffic Explorer is the only tool that gathers routing and Netflow information and creates an overlay that shows the impact of routing changes on traffic activity,” Türpe said. “Because it keeps current and historical traffic data for every link in the network, if one of our customers experienced a problem with its traffic last Friday between 5:00 and 6:00 p.m., we can actually ‘rewind’ the network to that exact time and see what changes in the routing led to the problem.”

HL komm also uses Traffic Explorer to help make critical decisions about key peering and transit relationships.

“With our network growing, we plan to connect to a number of new peers and transit providers,” Türpe said. “Before, there was no way to know which peerings would be the most cost-effective, or whether we should contract with a provider to handle 300 megabits of traffic or 500 or 700. We had to go through a trial-and-error process, actually connecting and disconnecting transit providers to find out what worked. With Traffic Explorer, we can determine in advance the impact of any peering, and make the right decision about which new providers to connect and which old ones to disconnect. This saves us money in transit costs and helps us deliver more competitive services.”

Traffic Explorer is the only IP network management system to combine traffic-flow data with network-wide “path awareness” to reveal the consequences of routing changes on application and service delivery. Users gain unprecedented visibility into layer 3 (routing) operations for troubleshooting problems, engineering networks for maximum efficiency, and planning for change and growth. Traffic Explorer consists of a small set of network appliances that collect traffic-flow (e.g., Netflow) data at key points of entry into the network, aggregate and compute those flows across the topology, and monitor how traffic changes as routing changes. Historical traffic and routing data are stored in a database for analysis, diagnosis, and planning.

Zhone MDU solutions gain traction with CLEC Maskatel in Quebec

Zhone Technologies Inc., a provider of multiservice access solutions, announced that Quebec CLEC Maskatel has selected Zhone’s next-generation MALC 1U POTS/DSL platform to provide high-speed services to multidwelling units (MDUs). Zhone’s 1 Rack Unit (RU), 48-port configuration of voice and ADSL2+ ports with Ethernet uplinks is uniquely suited to the MDU play. Maskatel cited Zhone’s robust platform, superior interoperability, and plug-and-play configuration as deciding factors against competing platforms.

Zhone’s 1U MALC design provides the field-proven performance of Zhone’s multiservice access platform with the latest in processor speeds and chipset evolution for both voice and data services. The product is fully triple-play compatible and comes with Zhone’s new easy-to-use embedded web browser, making the system simple to configure and activate.

“Our business is evolving rapidly in a very competitive market space,” said Donald Dupuis, president of Maskatel. “We needed a vendor with cutting-edge abilities, based on a mature

and stable platform that was price competitive and ready to go. We found Zhone to be the triple winner. The platform fits all of our needs right out of the box.”

“Maskatel is an ideal customer for our 1U MALC product design,” said Steven Glapa, VP of product management and marketing for Zhone. “We did a lot of active listening before we delivered on the product and it’s paying off in real interest based on ease of install, value and feature set. CLECs and IOCs alike are impressed with what we’ve crafted and the price point. It’s not just a game of speeds and feeds, but of making the overall business fit.”

New Edge and Edgenics to build e-learning broadband network for schools

New Edge Networks, the business communications unit of EarthLink Inc., says it has entered into a strategic business agreement with Edgenics Inc. to build and manage a national broadband network that will power innovative video-centric IP services, interactive distance learning, and other Web 2.0 applications for schools.

Edgenics, a privately held company based in Matawan, New Jersey, entered into a projected multimillion-dollar agreement under which New Edge will build and manage a private network supported by multiprotocol label switching (MPLS) technology. New Edge will provide core broadband network resources to interconnect Edgenics’ datacenter facilities and support “last-mile” broadband connections to end users.

To facilitate cost-effective deployment, New Edge is enabling Edgenics to colocate its computer servers and routers within carrier interconnection centers around the country. This arrangement provides Edgenics with local or near-local network nodes that can easily and cost-effectively interconnect with the regional network nodes of the schools.

This helps reduce ongoing communications transport costs.

“This agreement is about demonstrating carrier flexibility and leveraging business relationships with other providers to help improve the quality of education for tomorrow’s leaders,” said Kevin Flaherty, vice president of sales for New Edge.

“Edgenics will do well by doing something good for schools, especially those in rural areas and under-funded school districts.”

New Edge will provide and manage a combination of broadband local access technologies with MPLS class of service to enable Edgenics to deliver video content over its IP network facilities in various modes such as live broadcasts, video-on-demand, and two-way interactive videoconferencing.

“MPLS technology is important for the success of our program because of its ability to provide quality-of-service and class-of-service performance standards that are crucial for high-quality video delivery,” said Robert Dansby, Ph.D., chairman and CEO of Edgenics.

“New Edge’s new MPLS class of service over DSL certainly was a factor in our decision to partner with New Edge Networks,” Dansby continued. “The lower the cost at which we can provide our services, the better we can provide services that benefit schools and students.”

New Edge was first to introduce MPLS class of service over DSL access.

The service allows businesses to tag and prioritize applications data traffic using up to five classes of service over high-speed, low-cost DSL connections. New Edge honors these tags end-to-end across the customer’s entire network.

Edgenics plans to expand its distance-learning programs and other video-centric services nationally in five phases.

The first phase of the MPLS-based network deployment will support Edgenics e-learning services for about 175 schools and learning centers, primarily in Arkansas, Louisiana, Mississippi, and eastern Texas. It will also support the delivery of e-learning services

to schools in New Jersey, Michigan, Minnesota, and Pennsylvania.

“There are a number of university studies that show that distance learning is more effective the more closely it approximates face-to-face engagement — the more closely it approximates being in the physical classroom with the teacher,” Dansby said. “Video is the most challenging component of a virtual face-to-face environment,” Dansby said. “The infrastructure that many school districts have in place is unable to support the video-centric e-Learning services that are a focus of what Edgenics is doing.”

Edgenics received \$11.2 million of federal funding to help fund the first phase of this national initiative.

With its funding, Edgenics plans to provide broadband IP connections, technology, and curriculum resources to schools, learning centers, universities, and other educational institutions.

Edgenics will offer video-centric distance-learning programs that help students and teachers around the country get affordable access to the latest academic curricula and certifications. Edgenics e-Learning Services offer a major boost to the quality of education, especially in areas where it is difficult to attract and retain teachers certified in math, science and foreign languages.

SERVICES

Germany’s Internet subscriber base increases 42.2 million

According to the yearly (N)ONLINER Atlas 2008 study, the German Internet subscriber base has increased 5 percent to reach about 42.2 million. Around 3 million people have started to access Internet services since the previous year’s edition.

The number of Germans without any access to the Internet has fallen to 29.9 percent. Berlin has the highest number of Internet users in Germany (70.3 percent), followed by

Hamburg (69 percent), Schleswig-Holstein, Baden-Wuerttemberg, and Bavaria. However, the penetration rate remains low in former Eastern states and Saarland.

The study disclosed that the ratio between male/female Internet subscribers was 53.8:46.2, compared to 53.5:46.5 in 2007. Germany’s broadband user base also grew 6 percent year-over-year to account for 65.4 percent of all Internet users. Currently, DSL is the most popular broadband technology in the country with 61.8 percent.

France’s broadband user base increases to 16.225 million

According to French regulator Arcep, the country added nearly 675,000 new broadband users in the first quarter of 2008, increasing the total user base to 16.225 million by the end of March from 15.551 million in December 2007. This represents a 19 percent increase from 13.676 million a year back.

The regulator said that nearly 15.475 million subscribers use ADSL, while the remaining people use fiber optics, cable, or satellite. Arcep also said that the total number of wholesale access lines rose by 338,000 in the first quarter to 7.825 million. Of these, nearly 5.521 million were accounted for by unbundled local loops.

IPRIMUS unveils new ADSL2+ service offering 200Gb in Australia

Australian broadband operator iPRIMUS, which was the first player to launch high-speed broadband plans in 1999, has launched its “Big Kahuna,” an ADSL2+ service that is capable of providing 200 gigabytes of data.

The company has stated that no other service offers this magnitude of data to the residential users in the country, adding that Big Kahuna will cater to the heavy Internet users who frequently download large files, music, and videos. Ravi Bhatia, chief executive officer of Primus Australia, said that the launch of Big

Kahuna is an important achievement for iPRIMUS and reflects the company's unparalleled leadership in the broadband segment. He added that the service will be particularly attractive to people and families who are frequent users of the Internet. According to Andrew Sims, iPRIMUS marketing manager, the 200-gig ADSL2+ service will cost \$79.95 per month.

Telefonica's Brazilian division to invest \$384 million to expand broadband services

Spain-based Telefonica has said that its Brazil-based telecom division will spend \$384 million in 2008 for expanding its broadband networks and services. The telecom giant plans to set aside about \$306.84 million of this amount to enhance the division's ADSL network, while the remaining \$75.48 million will be invested to boost its optical fiber infrastructure. According to BNamericas, this capital expenditure is a tenfold hike from the \$312.98 million set aside for Telefonica Brazil's broadband pilot projects last year. The unit is planning to expand broadband coverage to an additional 400,000 homes this year. Currently, around 2.2 million subscribers use its services in 407 Brazilian municipalities.

Numericable to launch ADSL services using the infrastructure of Completel

France-based cable operator Numericable will unveil its ADSL service on the network infrastructure of its sister company Completel, according to Telecompaper. The cable player's new 20Mbps broadband service will be available for EUR29.90 (US\$46.60) per month in unbundled regions. It comes with free modem rental and enables users to make unlimited calls to other numbers in France and also to 45 international destinations. This broadband service would cost \$54.47 per month bundled and offers peak speeds of 10Mbps. Numericable's new ADSL service also provides 39 TV channels.

Google Apps coming to DSL Extreme

DSL Extreme, a provider of high-speed DSL and business-related Internet services, announced that it is bringing Google Apps to its customers. With Google Apps, DSL Extreme subscribers will now have access to Google's popular email and communications tools such as Gmail with antispam and antivirus protection, Google Docs collaboration, Google Calendar shared calendaring, Google Talk instant messaging, and a new customizable DSL Extreme home page.

Customers will have the added benefit of accessing their DSL Extreme email, powered by Google, from any Internet-connected computer and most mobile devices — including BlackBerry and Windows Mobile devices. Google Apps has also been released for the iPhone and will be available to DSL Extreme customers, giving them increased mobility and productivity while on the go.

"We are excited to bring Google Apps services to our subscribers," said George Mitsopoulos, vice president and general manager of DSL Extreme.

"Google Apps will deliver a better email experience due to improved webmail functionality and features. Customers will also enjoy productivity and collaboration tools. Documents and calendars can also be shared with co-workers, family and friends. Google Apps makes the user experience more fun and social."

IKANO Communications Inc., parent company of DSL Extreme, has partnered with Google to offer Google Apps migration and support services to Internet service providers seeking to upgrade and outsource mail and related communication services.

"IKANO's partnership with Google is an important milestone in the transformation of IKANO to a full service provider of best-of-breed hosted services for businesses and consumers," said George Naspo, CEO of IKANO. "We handle all the infrastructure, IT management and end

user support, so our customers can focus on what they do best.”

For more information, please visit <http://www.dslextreme.com>.

BUSINESS

Covad obtains key legal victory over confidential VoIP customer lead information

A federal judge has denied an attempt by Revonet Inc. to terminate a lawsuit filed by Covad Communications Company contending that Revonet misappropriated Covad's VoIP customer lead information and sold this information to other customers. The case will now continue on its merits.

“We are very pleased that the Court has allowed us to continue pursuing our objective of holding Revonet accountable for its actions,” said Doug Carlen, Covad's senior vice president and general counsel. “Revonet apparently sold VoIP customer leads that we generated on our own to other companies, including our competitors. Because we made a considerable investment in the development of these leads, we felt compelled to take action.”

According to its Web site, Revonet is an “industry-leading provider of sales information products and services” located in New Canaan, Connecticut, with call center facilities in Sioux Falls, South Dakota.

Covad filed its lawsuit in the US District Court located in Washington, D.C., in November 2006. No trial date has been set.

MERGERS AND ACQUISITIONS

Freenet invites declarations of interests for its broadband division

The board of Germany-based telecom Freenet has invited expressions of interest (Eols) for its broadband division from interested buyers. Freenet is being assisted by M&A consultants Arma Partners LLP in its endeavor. The first phase is likely to witness an initially

nonbinding business sale. Freenet's decision to sell its broadband division is in line with its plan to become the biggest mobile operator of Germany by acquiring Garman cellular operator Debitel. The total mobile user base of the two firms is 19 million. Freenet had 1.19 million DSL users by the end of March 2008, in addition to 2.56 million narrowband users.

Belgacom buys Tele2 Luxembourg and Liechtenstein for \$325.24 million

Belgium-based Belgacom announced that it has bought Tele2 Luxembourg, which operates as Tango. Tele2 Luxembourg currently provides fixed-voice, cellular, and DSL services in Luxembourg. It has 26,000 landline users, 238,000 mobile customers, and 10,000 broadband subscribers. Its EBITDA had reached \$48.71 million in 2007. Under the agreement, Belgacom would also take over Tele2's Liechtenstein mobile and landline operations. The firm has decided to buy 100 percent shares of Tele2 Luxembourg for around \$325.24 million. Owing to its strong presence in Luxembourg, Belgacom expects to get synergies of close to \$39.28 million. The deal awaits clearance from appropriate antitrust authorities.

Comstar acquires Ural Telephone Company

Comstar — United TeleSystems JSC, an integrated telecommunications operator in Russia and the CIS, announced the acquisition of a 100 percent stake in LLC Strategy, the owner of 100 percent of the share capital of CJSC Ural Telephone Company (UTC), the No. 1 alternative telecommunications operator in Ekaterinburg and the Sverdlovsk region, for a total cash consideration of RUB 1.015 billion (approximately US\$43.4 million). The company was acquired from individuals.

UTC is a leading player in the alternative fixed-line communications market in Ekaterinburg and the Sverdlovsk region. The operator provides local and zonal connection services, as well as broadband Internet access

based on the ADSL and Ethernet technologies, for residential and corporate subscribers. The services are supported by the fully digital connection network.

UTC owns 800 kilometers of its own fiber-optic connection network, which currently covers most of the territory of Ekaterinburg as well as the largest towns of the Sverdlovsk region. The company has over 4,000 points of presence in the Sverdlovsk region.

UTC has a numbering capacity of 150,000 telephone numbers in Ekaterinburg, of which 61,000 are installed numbers. The company also has 13,000 telephone numbers in the other towns of the Sverdlovsk region, of which 5,500 are installed numbers. The company has a modern technical infrastructure and allows for expanding the operations without significant additional investments. UTC services more than 50,000 telephone numbers, with about half of these numbers being provided to corporate subscribers.

The company reported revenues of US\$20.7 million, up by 43 percent year-on-year, with EBITDA of US\$4.7 million and an EBITDA margin of 23 percent as at December 31, 2007. The company's net debt amounted to US\$ 5.1 million at the time of signing the contract.

Sergey Pridantsev, president and chief executive officer of Comstar UTS, commented, "We have acquired one of the leading alternative operators in Russia in line with the Group's regional development strategy. The acquisition of UTC allowed us to significantly expand our presence in the telecommunications market of the Ural Federal District, where we are already operating in the Tyumen region, the Khanty-Mansi and the Yamalo-Nenets Autonomous Areas. Ekaterinburg is one of the largest and most economically developed cities in Russia, and we are entering this market as a leading player among alternative telecommunications operators."

Viktor Koresh, vice president for the development of the group's operations, added,

"Ural Telephone Company will be focused on providing broadband Internet access services and increasing sales in the highly profitable corporate segment.

The Company also plans to launch IP-TV services and provide long-distance connection. We expect to have a significant increase in revenues from providing broadband Internet services to residential subscribers in the Sverdlovsk region due to the low Internet penetration among local households which accounts to around 8 percent."

For further information, please visit www.comstar-uts.com.

MARKET INTELLIGENCE

New Edge wins 'Service Of The Year Award' for MPLS over DSL

New Edge Networks, the business communications unit of EarthLink Inc., says it received the 2008 North American Telecommunications Service of the Year Award for its breakthrough development of a service that allows businesses to prioritize their network data traffic over standard DSL access.

Frost & Sullivan, a global research and growth consulting firm, presented the award to New Edge, noting that the new service offering "radically changes the network landscape" by allowing the bidirectional use of multiprotocol label switching (MPLS) classes of service over DSL and eliminating a "major impediment" to the adoption of new IP-based services.

"As applications like SAP filter down to smaller businesses and technologies like VoIP become more attractive, it is necessary for enterprise that wish to use these tools effectively to strengthen their network infrastructure to support them," said Roopa Shree, research analyst for Frost & Sullivan.

"Before the advent of MPLS over DSL, this meant that it was necessary to have, at minimum, a T1 line at every location. As T1 lines cost roughly four to five times the cost of a DSL

connection, this was a major impediment to the adoption of these new tools.”

Shree said, “New Edge has drastically lowered the price point at which a small enterprise can enter the MPLS world.”

Each year, Frost & Sullivan presents its annual telecommunications service of the year award to one company that demonstrates excellence in service leadership while focusing on its customers’ needs and profitability goals. New Edge will receive its award during a banquet in its honor on September 15 in San Francisco.

A copy of the Frost & Sullivan’s award description, measurement, and selection criteria is available here. More information about Frost & Sullivan’s best practices awards program is available at www.awards.frost.com.

“New Edge developed MPLS over DSL in response to customer demand for a service that fills a large gap between DSL and T1 pricing,” said Greg Griffiths, vice president of marketing for New Edge Networks. “We are proud of Frost & Sullivan’s special recognition.”

To introduce MPLS over DSL, New Edge installed carrier-class gateway switches at various regional aggregation points around the country. The multimillion-dollar network infrastructure investment also helps New Edge expand network capacity, improve service, and add traffic routing diversity.

MPLS over DSL allows businesses to mix and match access technologies (DSL, T1, private lines) to meet the needs of each location without compromising the key values of MPLS networks: data traffic prioritization with classes of services and any-to-many communications.

It allows businesses to accelerate deployment of additional applications over less-expensive DSL-based networks without the risk of creating network bottlenecks that compromise overall network performance.

Businesses now also can use DSL-based networks as backup for primary MPLS T1 networks in the event of network disasters

or outages while retaining true MPLS classes of service tags on data traffic in the switchover.

More information about New Edge Networks’ MPLS networks with class of service over DSL is available at www.newedgenetworks.com/products/mps.

BT announcement represents first major step towards next-generation access in the UK, says Analysys Mason

At last, BT has decided to invest in fiber on a large scale. This is great news for the UK, and will remove some of the awkward questions about why the UK is languishing behind many other nations in the provision of high-speed broadband. BT’s announcement is primarily about VDSL/FTTC, with some limited FTTH. Financially, this is a sensible step for BT, and should not preclude a move to more widespread FTTH in the longer term.

In Analysys’s view, the total investment of £1.5 billion for 10 million homes looks reasonable, although the press release states rollout “to as many as 10 million homes by 2012,” so actual coverage may be lower. The Broadband Stakeholder Group (BSG) is currently investigating the costs of FTTC and FTTH on a national basis, and importantly, how costs vary with geography.

There are two other aspects of the announcement that are worth mentioning.

First, it is not yet clear what BT’s statement on the role of regulation and fair return on investment will mean in practice. BT appears to be asking for more symmetric regulation, whereby other fiber operators will also be required to wholesale their services. Ofcom is expected to provide details of its proposals for regulating NGA in September this year. It will be fascinating to see to what extent, if any, Viviane Reding’s recent comments on a “risk premium” for NGA investments factor into Ofcom’s thinking.

Second, Analysys expects there will be greater emphasis than envisaged on the issues

associated with subloop unbundling (SLU). This will now be a very important consideration for alternative operators' future strategies.

To date, SLU charges have not been the subject of as much regulatory scrutiny as LLU charges.

This is now likely to change. However, it is not clear to what extent BT will be promoting a generic Ethernet access product (as being developed for the Ebbsfleet FTTH deployment) over VDSL/FTTC.

The reference to iPlayer is also interesting, especially as many of the issues around delivery of video services relate to backhaul, not access networks.

Lower charges from exchanges to core network will be good news for local loop unbundlers, but it is far from clear how bitstream-based ISPs, which still support a large part of the broadband user base in the UK, will be affected. It is possible that the gap between the LLU and bitstream cost bases will get wider.

Finally, BT's announcement suggests both urban and rural areas will benefit.

This may be true in the long term, although it seems unlikely that there will be significant rural deployment for the £1.5 billion figure indicated. This raises a wider public policy question: What about the remaining 60 percent of homes?

BT states that it wants to work with local and regional bodies to focus investment, which makes sense.

It is also consistent with recommendations in Analysys's report for the BSG on public-sector intervention in next-generation broadband. However, there may be an even greater role for the public sector in stimulating investment beyond the initial 40 percent coverage, and almost certainly a larger role for the public sector, compared with what happened with the initial rollout of first-generation broadband.

Comment by Matt Yardley, partner at Analysys Mason.

Broadband subs in Asia-Pacific to cross 170 million this year

Asia-Pacific's broadband subscriber base is expected to reach 171 million by the end of 2008, representing a year-on-year growth of 31.5 percent and a household broadband penetration rate of only 19.7 percent.

The surge in demand for broadband is driven by the growing popularity of video-on-demand, multiplayer online games, video content sharing and social networking services such as YouTube and Facebook, and the aggressive push by operators to offer innovative bundled triple- and quadruple-play services.

New analysis from Frost & Sullivan (<http://www.communicationservices.frost.com>), "Asia Pacific Broadband Access Technology and Market Comparison," reveals that the broadband subscriber base in the region — covering 13 Asia-Pacific countries — reached 129.7 million in 2007 and estimates this to reach 321.8 million by end-2013, at a CAGR (compound annual growth rate) of 19.9 percent (2008-2013).

The total broadband revenues in Asia-Pacific stood at US\$28.1 billion in 2007. This is projected to reach a market size of US\$42 billion by end-2013, growing at CAGR of 7.1 percent (2008-2013).

If you are interested in a virtual brochure, which provides service providers, vendors/manufacturers, end users, and other industry participants with an overview of the Asia-Pacific broadband access technology market, then send an email to Sarah Lourdes at sarah.lourdes@frost.com, with your full name, company name, title, telephone number, fax number, and email address. Upon receipt of the above information, an overview will be sent to you by email.

The total number of broadband subscribers grew 19.2 percent in 2007, and household penetration rate stood at 15.2 percent. By 2013, the household broadband penetration rate is forecasted to hit 33.7 percent.

The top five Asia-Pac countries with the highest household broadband penetration rates in 2007 are South Korea (90.8 percent), Hong Kong (83.8 percent), Taiwan (76.8 percent), Singapore (73.1 percent), and Australia (63.2 percent).

Japan has a 57.8 percent penetration rate, while the remaining seven markets have household broadband penetration rates of less than 50 percent. India and Indonesia registered the lowest penetration rates, at 1.4 percent and 0.57 percent, respectively.

“As fixed-line substitution and voice migration to mobile continues, broadband value-added services (VAS) become critical drivers for fixed-line service providers,” noted Frost & Sullivan senior industry analyst Yong Lih Khoo.

“Operators are as such aggressively promoting attractive bundled and discounted price plans, encouraging migration from narrowband, introducing local content and innovative services such as IPTV, as well as overall improving service levels and affordability,” he added.

The various government nationwide broadband master plan initiatives, particularly in the more-developed nations, are also providing the impetus for the deployment of wider network infrastructure and coverage, and the development of local broadband content and applications, thus driving broadband uptake.

In terms of broadband access technology, Khoo believes that a wide range of access technologies — FTTH (fiber-to-the-home), FTTN (fiber-to-the-node), FTTB (fiber-to-the-building), DSL (digital subscriber line), WiMAX and other wireless technologies — would continue to co-exist depending on the strategic outlook of the operators, existing infrastructure and price points in a given country.

He said, “FTTx in its various forms — FTTH, FTTB, FTTN — would play a significant role in the next three to four years due to its

potential of providing greater bandwidth to the premise, compared to copper wires. Some countries like Hong Kong are already providing speeds up to 1Gbps, while other countries like Singapore are following suit.

“Deploying fiber as close to the home as possible enables operators to be future-ready for the bandwidth explosion that new services like multi-screen IPTV with recording and the concurrent high speed Internet needs,” Khoo added.

“Although service providers are rolling-out FTTx, the profitability of new services like IPTV remains questionable as these deployments would typically have a long payback period,” Khoo said, adding that in a credit crunch environment, most operators are likely to be cautious before deploying full-fledged FTTH although it is a future-proof technology. “Hence FTTN would still be a more preferred option for low- to medium-density geographies like Australia and Malaysia,” said Khoo.

In most of the developing markets, however, Khoo believes that basic DSL-based services would continue to drive the bulk of deployments, but are expected to face some competition from the various forms of wireless broadband technologies.

The “Asia Pacific Broadband Access Technology and Market Comparison” study is part of the Communication Services Growth Partnership Service program, which also includes research in the following markets: WAN services, enterprise mobility, IPTV, user-generated content (UGC), social networking, online and mobile content, telecom services, managed and hosted services, and network transformation case studies.

All research services included in subscriptions provide detailed market opportunities and industry trends that have been evaluated following extensive interviews with market participants. Analyst interviews are available to the press.

Bundled communication services in the United States 2008

Research and Markets announced the addition of the “Bundled Communication Services in the United States 2008” report to their offering.

Consumers are responding positively to bundled carriers because they find managing multiple media bills frustrating, and as a result of substantial price promotion. Double-, triple-, and quadruple-play offerings are becoming the rule rather than the exception for communication services. This is a growth market, but one ruled by cost, with companies competing to win over consumers through price wars and promotions, with all segments (subscription television, cellular telephony, home telephony, and broadband Internet) largely mature.

This report provides a comparative examination of market leaders as well as competitive alternatives in home media service such as online video and VoIP. The report also examines how bundled offerings vary among competitors and which ones stand a better chance of capturing and retaining customers. Market innovation is reviewed, exploring why

and how innovations are pushing this market forward in regard to content, technology, and service.

The report also provides the information necessary to identify and target receptive demographics, offer new products and services that take advantage of growth trends, and reach underserved groups quickly and effectively. This report addresses a number of issues and developments that will change the shape of the communications industry in the next few years, such as the following:

- The rise of promotion-based bundled offers, and the consumer response;
- Remaining growth areas for cellular service;
- Prevalent trends in communications advertising, and how to make marketing distinct;
- In-depth analysis of consumer attitudes and behavior;
- Product segment analysis;
- Building brand loyalty among younger communications consumers;
- Forecast of sales and subscriptions for cable/satellite TV, and copper-wire and cellular telephony.

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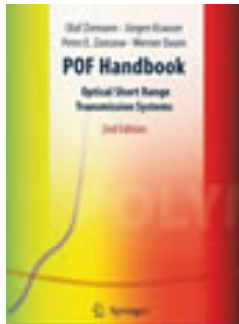
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Day 1: Active Components and Fibers

Wednesday - August 20, 2008

Transmitter and Receiver for POF Systems

Olaf Ziemann, POF-AC Germany

- LED and laser for data communication
- Large area photo detectors
- Comparison of different wavelengths for POF transmission
- Coupling technologies for active components

Wed. AM Tutorial 9:00 a.m. - 1:00 p.m.

Large Core Diameter Optical Fibers

Olaf Ziemann, POF-AC Germany

- Polymer Optical Fibers, hybrid and glass fibers
- Standards for POF
- Optical and mechanical properties of POF
- Measurement techniques for large core diameter fibers

Wed. PM Tutorial 2:00 p.m. - 6:00 p.m.

Day 2: Passive Components and System Design

Thursday - August 21, 2008 Thu. AM Tutorial

Design of POF Systems

Olaf Ziemann, POF-AC Germany

- Review of published transmission systems
- Power budget calculation for POF systems
- Commercial available systems

9:00 a.m. - 1:00 p.m.

Passive Components for POF

Karl-Friedrich Klein, FH Gießen/Friedberg, Germany

- Connectors
- Attenuators, filters and mode converters
- POF surface preparation
- Measurement and calculation of connector losses

Thu. PM Tutorial 2:00 p.m. - 6:00 p.m.

Day 3: Test and Measurement, Environmental Tests and Status

Friday - August 22, 2008

Measurements on POF

Olaf Ziemann, POF-AC Germany

- Attenuation and bandwidth measurements
- POF-OTDR
- Climatic behavior and lifetime measurements

Fri. AM Tutorial 9:00 a.m. - 1:00 p.m.

Specialty Optical Fibers

Karl-Friedrich Klein, FH Gießen/Friedberg, Germany

- Microstructured POF
- Silica glass and conventional glass fibers
- Fibers and light guides for power transmission
- UV fibers
- Specialty POF

Fri. PM Tutorial 2:00 p.m. - 6:00 p.m.

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