Information Gatekeepers, Inc.

Press Release
SBC Re-joins the Fiber Game

On June 24, 2004, SBC announced a multi-billion dollar program to extend fiber much deeper into their network. This project will build on SBC's abandoned Project Pronto from the late 1990s. Pronto was designed to bring fiber to remote terminals, but not as deep in to the network as the new program. SBC indicates that they will be using fiber-to-the-premise (FTTP) in new build areas, but will use fiber-to-the-node (FTTN) for existing customer locations.

Commenting on this announcement, Dr. Polishuk, President of Information Gatekeepers said, "SBC is the latest RBOC to succumb to the reality of telecommunications market competition. Its announcement of a $6B program to push fiber close to its customers is the manifestation of this recognition of reality. The RBOCs were already squeezed by the CLECs and the cable companies; however the introduction of a feasible network VoIP service has made the squeeze even tighter. All of the RBOCs must devise strategies to deal with this pressure before their competitors gain critical mass.

SBC's latest fiber announcement is their answer. Their intention is to be able to provide very high-speed data (around 10 times faster than cable modems), extensive TV (including many HDTV channels), and voice – all over the same interface. The stated SBC approach is going to be a hybrid architecture consisting of both FTTP and FTTN. This is a very different approach compared to the other RBOCs and it brings its own challenges." Elaborating on the architecture issue, Clif Holliday, author of IGI's Lightwave Series, explained, "FTTP, of course, is the architecture that the three major RBOCs embraced with their joint RFP last year. FTTP involves the use of a passive network to extend fiber to every customer's premise. FTTN is very different. It extends fiber to a node that is within 5000 feet of the served customers. Each node serves up to 500 customers, and contains significant electronic and optical equipment. The node provides switching functions for the various services, and establishes sophisticated maintenance and operations functions. The facility from the node to the customer premise is the existing copper pairs using a high-speed version of ADSL.

One of the major challenges to SBC will be to integrate these two very different architectures. Integration is needed from both a services and an operations viewpoint."

Dr. Polishuk concluded, "This is a most interesting, and a complicating development in our industry. It now appears that we are going to see different access strategies from each of the RBOCs. For our customers we have produced a number of reports from the Lightwave Series that address these approaches. Our latest, "Voice on the Lightwave – VoIP," explains the network VoIP market; "FTTP – A 2004 Perspective," is the definitive report on the RBOCs and their FTTP initiative; an older report, "Bringing the Lightwave Home," describes in great detail all of the various access architectures. Because of the renewed interest in every phase of access, we are now offering a special price to our customers for all three reports. The offer is available on our web site www.igigroup.com "