

Nimble Entrepreneurs Celebrate Spectacular Fiber Growth

Small companies dominated the vastly expanded FTTH Council show this year

By Lawrence Kingsley ■ *Founder, Telepublishing Report*

Small entrepreneurs are leading the way to fiber in the home. They will, of course, depend on established corporations as suppliers and often on municipalities as clients. But the model of traditional utilities or of defense contracting, whereby large companies have the inside track and small business competes for subcontracts and set-asides, has not taken hold in the fiber market. There is enough business, at least now, for nimble, creative companies to earn a decent living while they build a track record to compete in the expanded broadband era.

These trends were in evidence at the third annual Fiber to the Home Council conference, held in Orlando in October. This year's conference drew 1,286 attendees and 112 exhibitors.

The floor space was three times the size of the exhibit hall at the previous show in New Orleans. Even with two overflow areas, there was no room for another 30 vendors who wanted to exhibit, reports Russ Gyurek, consultant in the office of Cisco's chief technology officer and board member of the FTTH Council. The floor space was sold out last January.

Despite the uptick at this year's show, companies like IBM Services, EDS, and even Gyurek's Cisco were not exhibitors. Giants like Corning, Scientific Atlanta, and Nortel were there, but cheek-by-jowl with them were up-and-coming companies like World Wide Packets, Wave7 Optics, and Atlantic Engineering.

FTTH Council President-Elect Leonard Ray noted that the conference



Left to right, FTTH Council President-elect Leonard Ray, Verizon's Paul Lacouture, and outgoing Council president, Michael DiMauro. The plaque honors Lacouture's leadership in FTTH deployment.

“went from one well-known keynoter last year to three this year”—namely, Congressman Rick Boucher (D-Va.), who emphasizes a laissez-faire approach to the Internet; Attorney James Baller, who has seen first-hand how incumbent telcos try to stifle competition; and Verizon's Paul Lacouture, who announced Verizon's plans for expanding next-generation fiber-to-the-home network services.

The FTTH Council added a half day to this year's show and expects to add another half or full day at next year's, which will be in Las Vegas. Current President Michael DiMauro finds the industry “growing by leaps and bounds.” The number of fiber-connected homes in the U.S. nearly doubled in

2004. The FTTH Council has grown from 13 founding members three years ago into an international organization with 100 members and two sister organizations, one in Europe and another in Asia. FTTH Council membership chairman John Spooner expects to broaden the membership beyond the current predominance of equipment vendors.

The Orlando crowds would have been even larger than they were, DiMauro said, except for the recent Florida hurricanes; the last one (Jeanne) was only a week before the show. “We were panic-stricken by the hurricanes,” DiMauro said, “but we met and exceeded our numbers.”

Said Ray: “The market is not just

growing, but accelerating at a break-neck pace. Although some people would argue that our market is still small compared to cable, we can be pleased with the growth rate.” Gyurek echoes: “FTTH is not a niche market anymore, but has now become a global deployment strategy. In [Japan and Korea] it has become the de facto standard.”

The FTTH Council started as a grassroots organization, Ray says. He wants to maintain the grassroots energy. The “challenge will be to find a balance between grassroots mentality” and five-year plans for the organization, he says. Among these plans will be an attempt “to find issue-specific partners, yet keep our agnosticism about carriers and network typology.” On the other hand, the organization will remain “religious about fiber.”

Gyurek said: “Broadband should be like electricity—you don’t worry about



View of the show floor; small booths and plenty of them.

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By the same token, “you shouldn’t worry about Grandma getting her picture. That’s where broadband has to go.”

If there is one undeniable conclusion from this conference, it is the fact that whole communities are now deploying

fiber to any household or business prepared to pay the subscription cost. The cost tends to be in the range of cable TV, yet can vary when VoIP and IP services are added. Here, too, “small” predominates over “big”—communities leading the way are not the largest in the U.S., but places like Keller, Texas; Provo, Utah; or the fourteen commu-

nities near Salt Lake City in the Utah Utopia project. Congressman Boucher told the FTTH conference that one way in which a rural community like his hometown Abington, Va. could attract investment is to have the fiber infrastructure that makes a distant headquarters, medical specialist, or training center as near as a computer screen.

For the average attendee at the FTTH Council conference, the cost-justification of fiber is no longer a hurdle, but rather a given. While new fiber deployments may have to overcome opposition from incumbent telephone companies, increasingly the companies themselves and CLECS are incorporating fiber into their planning, not just as replacement for copper strands, but as a necessary means of staying competitive. Verizon’s Paul Lacouture thus elaborated his intention of adopting fiber as rapidly as possible.

Intentions do not always translate into reality. Verizon announced in May 2003 that 1,000 Wi-Fi hotspots would be built throughout New York City. Some 18 months later, Verizon’s Web site lists 305 working hotspots in New York with another 52 planned. But so far, Verizon’s fiber deployments are on schedule.

In contrast, utility companies with fewer resources than Verizon’s are no longer just talking about fiber, but in some cases, already running triple-play systems. If Provo City Power (Provo, Utah) or Dalton Utilities (Dalton, Ga.) can implement broadband networks, so can “pure” telcos.

The same sense of destiny reinforces the belief, not hard to find at the Orlando show, that DSL and cable modems will be obsolete in five years. We may still be waiting for the remainder of Verizon’s hotspots, but who seriously can question destiny? ♦

About The Author

Lawrence Kingsley is founder and editor of Telepublishing Report. He can be reached at telepublishing-mail22@mailblocks.com.



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