

# TIA: Broadband Will Drive Foreign Telecommunications Market

*From BBP Wires*

**Arlington, VA** – The telecommunications market outside the United States is expected to continue its double-digit growth from 2004 to reach over \$2 trillion by 2008, according to TIA’s 2005 Telecommunications Market Review and Forecast. The forecast is an annual publication produced by the Telecommunications Industry Association (TIA).

Overall spending on telecommunications in the five regions covered in the report – Canada, Western Europe, Eastern Europe, Latin America and Asia/Pacific – will grow at an estimated 10.6 percent compound annual growth rate. The principal drivers for this growth are improving economic conditions throughout the world, a growth in infrastructure equipment investment, demand for mobile devices and wireless services.

The number of wireless subscribers is

growing faster than the number of landlines in each region and is expected to reach 1.9 billion in 2008, outnumbering landline subscribers by 69.1 percent. As wireless penetration grows, the average penetration rate for all regions is expected to reach 44 percent by 2008.

The report states that high-speed broadband access will be a principal driver of equipment revenue in the next four years, helped by increased government support and a stronger economic environment. Broadband access revenue will triple between 2004 and 2008, from \$33 billion to \$101 billion. As the broadband market expands, the need for infrastructure to support the traffic will revitalize the network infrastructure equipment market, according to the report. The TIA expects equipment spending to increase at an annual com-

pounded rate of 8.1 percent, rising from \$238 billion in 2004 to \$325 billion in 2008.

Major international findings in the report include:

As the migration to wireless, VoIP, and cable telephony continues, the landline market will increase from \$391 billion in 2004 to \$422 billion in 2008, averaging only a 1.9 percent compound annual growth rate.

Europe is expected to be the largest region in support services spending, reaching \$354 billion by 2008 as the demand for equipment increases demand for services to support that equipment.

International wireless revenue will expand at an 11.6 annual rate from 2005-08, reaching \$466 billion in 2008.

For more information visit them on the web at [www.tiaonline.org](http://www.tiaonline.org). **BBP**

# Value-Added Managed Home Network Services Critical in Pushing Home Networks beyond Early Adopters

*From BBP Wires*

**Dallas, TX** – New research from The Diffusion Group, a well-known new media research consultancy, suggests that tying home networking to value-added services could help home networks “cross the chasm” between early adopters and mainstream consumers. TDG’s latest report on home networking and managed home network services, *Consumer Interest in Value-Added Home Network Services - Volume II*, identifies numerous specific value-added services that could help service providers ex-

tend their revenue and profit reach “beyond the modem.”

“Broadband service providers are in an ideal position to push home networking into broadband households,” said Rachel Avery, analyst and author of the report. “By emphasizing the value of network-enabled services instead of selling hardware, service providers can leverage their unique position in the broadband value chain to push networking solutions and services into consumer homes.”

TDG’s research continues to suggest that demand among U.S. consumers for home networks is declining. In fact, members of less than 15 percent of non-networked broadband households are interested in purchasing a home network in the next 12 months. While home networking continues to enjoy strong demand (especially among wireless solutions), the data suggests that without significant push efforts – either by the outreach of broadband service providers or massive digi-



tal home marketing campaigns on the part of leaders such as Intel or Microsoft – demand will begin to soften.

“While broadband service has become a relatively simple proposition for most households, the same cannot be said for home networking,” said Avery. “The perception of complexity is still very real, despite notable improvements in the ease of set-up and use. But mass-market consumers want to know that installing and using a home network will be a hassle-free experience, and that if something goes wrong, they have the support to address their problems. Their interest in many value-added home networking services reflects that concern.”

The report examines consumer interest in a number of specific managed home networking services, including:

- Whole-home networking protection
- Network alert services
- Plug-and-play services
- Remote network access
- Automatic software and firmware updates
- Automatic anti-virus and anti-spyware upgrades
- Virus and spyware alerts
- Parental control services
- Home network diagnostic and repair services

The report also offers insight into consumer price sensitivity regarding these managed network services both in general, at \$5 per month, and when bundled together at various price points. The report also identifies key market segments for home networks and managed home network services and offers strategic recommendations regarding the structure and price of potential service offerings.

For more information visit TDG’s website at [www.tdgresearch.com](http://www.tdgresearch.com). **BBP**

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# GEPON FTTH for Continuing Care Retirement Communities

*From BBP Wires*

**Livermore** – Officials at GEPON specialist Alloptic say Givens Estates, a retirement community located in Asheville, NC, has deployed its GEPON network technology. The system was designed by FreemanWhite, a consulting and design firm.

“Deploying the Alloptic access solution provides our communities with a truly future-proof communications network. Working with Charter Communications for video content and data services and BellSouth for voice services provides our residents access to proven, name-brand technology” said Alan Baldwin, CEO of FreemanWhite. “The

concept of senior living is radically different from a decade ago. As the baby boomers enter their ‘golden years’ they expect to have access to both branded services as well as the most innovative technology available.”

Toy Belcher, Associate Project Manager, added, “With a broadband, optical infrastructure the residents can enjoy ultra high-speed data communications for video conferencing with friends and family around the globe or for sharing pictures and videos of their grandchildren. The network also allows us the ability to move residents to a different dwell-

ing with a few quick PC keystrokes, which simplifies the overall process. Further simplifying the process, the owner no longer has to coordinate voice, data or video vendor schedules. In addition, it allows our facilities, physicians and residents the ability to communicate and fully leverage the benefits that a broadband infrastructure provides for telemedicine applications. For our communities, a broadband infrastructure is a key component for quality of life.”

Alloptic is privately held and based in Livermore, California.

For more information, visit them at [www.alloptic.com](http://www.alloptic.com). **BBP**

# Cisco Silences Security Researcher on Router Flaws

*A BBP Staff Report*

**Las Vegas** – How are broadband system operators going to protect themselves when the industry’s equipment and software vendors can’t seem to get their act together? Cisco Systems won an injunction in late July against a security expert who exposed flaws in Cisco’s routers at the annual Black Hat USA security conference in Las Vegas. Cisco claimed the expert had obtained the information illegally in the first place. But only after the presentation was made did Cisco publicly admit to the flaw; it released an advisory the next day. It had quietly issued a patch for its firmware when the flaw was first discovered, in April, but not all users keep track of every security patch, and users of older versions are still at risk.

Cisco had sought the injunction “to stop continued irresponsible public disclosure of illegally obtained proprietary information,” it said in a statement released at the show. But a company spokesman reading from a statement insisted that “Cisco’s actions with Mr. Lynn and Black Hat were not based on the fact that a flaw was identified, rather that they chose to address the issue outside of established industry practices and procedures for responsible disclosure.”

Cisco and ISS (Internet Security Systems) obtained the injunction from Judge Jeffrey White of the U.S. District Court for the Northern District of California, in San Francisco against Michael Lynn, who gave presentation, and Black Hat. As an ISS employee, Lynn had prepared a presentation titled “The Holy Grail: Cisco IOS Shellcode and Remote Execution.” But ISS pulled it after the conference materials had been printed; the pages containing them had been crudely ripped out.

Lynn quit his job at ISS and gave the presentation anyway. At a news conference the next day, Lynn admitted that he had decompiled Cisco code but said "It's generally speaking not illegal to reverse engineer for security reasons."

Lynn said the case would force Cisco to improve router security. "I think I did the right thing," he said. "I didn't think the nation's interests were served by waiting until another year, until a router worm would be a serious threat," he said.

Lynn is looking for another job, and ISS is looking for a replacement. **BBP**

# Cable VoIP Subscribers Jump 900% from 2003 to 2004

*From BBP Wires*

**Boston** – The number of cable VoIP subscribers in North America jumped 900 percent between 2003 and 2004, from less than 50,000 to close to half a million, while cable broadband subscribers grew 26 percent, from 17.7 million to 22.4 million. The data are in Infonetics Research's latest report, Cable VoIP Equipment Market Outlook, which includes subscriber and VoIP equipment revenue forecasts through 2007.

North American cable companies increased their investments in VoIP equipment to keep up with surging subscriber growth, nearly doubling their spending between 2003 and 2004, from \$63 million to \$123 million. Infonetics' forecasts indicate strong growth will continue.

"MSO investments were up sharply in 2004 as more MSOs either began trials or introduced commercial offerings to a wider market," said Kevin Mitchell, directing analyst for Infonetics and author of the report. "Although the number of cable VoIP subscribers is still fairly small and two MSOs made up over 90 percent of that subscriber total in 2004, we expect the penetration of VoIP service delivered directly from MSOs among cable broadband subscribers to increase from 2 percent in 2004 to 15 percent in 2007."

"We forecast ample growth for the cable VoIP equipment market, especially as PacketCable Multimedia matures, because it promises to further unite the communication and entertainment realms and blur the line between PC and TV," Mitchell continued.

For the table of contents and methodology notes, log on to Infonetics Research at [www.info.infonetics.com](http://www.info.infonetics.com). **BBP**

# Worldwide Enterprise Telecom/Datacom Equipment to Grow 39% 2004-2008

*From BBP Wires*

**SAN JOSE, CA** – Worldwide enterprise telecom and datacom equipment revenue totaled \$57.5 billion in 2004 and will grow to \$79.8 billion in 2008, according to a new Infonetics Research report, Telecom/Datacom Equipment Market Outlook.

While enterprise switches and routers make up the largest portion of revenue today, growth in the next

few years is fueled by huge increases in service provider next generation voice. Strong growth is also expected in broadband CPE, wireless LAN equipment, and network security, with enterprise telephony equipment making a strong surge as well.

"The increases in overall telecom and datacom revenue are a reflection of a generally healthy world economy," said Jeff Wilson, principal ana-

lyst at Infonetics Research. "Two major market trends in the telecom/datacom sector independently sustain some amount of growth as well: First, people around the world are communicating over networks and the Internet via broadband, and second, service providers are migrating to a single converged data network that incorporates voice. Both of these trends come with security

concerns.” Some sample data from the report:

- Cisco is the leading vendor by far with 34 percent of the worldwide telecom/datacom product market share, due in large part to its over-

whelming strength in enterprise switches and routers.

- Nortel and Alcatel are a distant second and third, with strong optical, voice, and broadband offerings.
- Many vendors have 2 to 3 percent

market share. Of these, Huawei and Juniper are expected to make the strongest gains in total telecom/datacom market share.

For more sample data, visit them at [www.info.infonetics.com](http://www.info.infonetics.com). **BBP**

# ConFocus, Coaxsys to Produce TVnet-Ready IP Set-Top Boxes

*From BBP Wires*

**Los Gatos, CA** – Coaxsys, Inc., makers of multimedia-over-coax solutions, says it has reached an agreement with ConFocus Technologies to provide set-top box reference designs with integrated TVnet. TVnet, the standard for Ethernet-over-Coax, is already deployed by more than fifty telcos, cable operators, and service providers to deliver IPTV and in-home multimedia networking. TVnet has, to date, been available in adapter form; this announcement marks the first publicly announced set-top box (STB) client integrations, in effect the first board level reference design for IP set-top boxes (STBs).

Atlanta-based ConFocus works with industry heavyweights such as: Scientific Atlanta, Motorola, Sigma Designs, TI and Broadcom. It specializes in STB software products and services and has produced set-top client software and custom drivers

for leading manufacturers and chip providers. ConFocus’ FocusWare™ client with TVnet enabled reference software will make it easy for market-leading set-top box manufacturers to incorporate Coaxsys’ new OEM TVnet components into their set-top boxes.

The agreement between the two companies is a step forward in IPTV and in-home IP networking. Licensing TVnet permits set-top box manufacturers to deliver integrated Ethernet-over-Coax, which in turn will enable operators and service providers to deliver IPTV and in-home device networking without rewiring homes or adding additional devices to a home’s network.

Gary Hoffman, Coaxsys VP of Business Development, said, “Operators will have set-top boxes that enable 100 Mbps IPTV, multi-room PVR, and other Ethernet device net-

working over the same coax that delivers cable television.”

The two companies noted that ConFocus’ reference designs will integrate advanced functionality featuring Coaxsys’ CATV-compatible TVnet/C technology. The technology delivers a true 100 Mbps high-speed network capable of delivering multiple HD video streams throughout a premise, networking PVRs and other devices, and providing high-speed data and VoIP networking. The companies said that the first TVnet reference implementations will be available this year.

Coaxsys also licenses its TVnet technology to partners, such as set-top box and semiconductor companies, that wish to make their products TVnet-Ready. For more information on Coaxsys, visit [www.coaxsys.com](http://www.coaxsys.com). For more information on ConFocus, see [www.confocus.com](http://www.confocus.com). **BBP**

# Extreme Broadband Engineering Publishes Broadband Installation Manual

*From BBP Wires*

**Englishtown, NJ** – Component vendor Extreme Broadband Engineering, LLC has announced the availability of a free 12-page training guide on the installation and application of broadband drop passive devices. In-home subscriber devices, both active and passive, have evolved from simple devices used exclusively for feeding video services, to multiple locations, to complex devices that have the capability to deliver multi-media services. The new guide will help the specifier and installer understand how and where to use specific devices to best meet the needs of both the subscriber and cable operator.

The guide is divided into four major areas, each of which serves as a building block in order to train the user in a logical sequence:

- Understanding the basic system design
- Types and system design
- Electrical characteristics
- Product applications

The *Application Manual and Training Guide* includes descriptions and instructions on directional couplers, splitters, amplifiers, cable modem installations, and multiple output directional couplers. For more information, see [www.extreme-broadband.com](http://www.extreme-broadband.com) **BBP**

## TIA Amends Bylaws to Admit Service Providers to Association's Growth Strategy and Global Event Portfolio

*BBP Staff Report*

**Arlington, VA** – The Telecommunications Industry Association (TIA) Board has voted to amend the association's bylaws to streamline and simplify the membership structure of the organization and to encourage continued and expanded involvement in the association of ICT service providers and manufacturers. The move strengthens prospects for its new trade show GLOBALCOM, which replaces SUPERCOMM as TIA's principal event; the final SUPERCOMM was held in June. The Next-Generation Communications Marketplace and Summit will take place June 4-8, 2006, at Chicago's McCormick Place. See [www.globalcomm2006.com](http://www.globalcomm2006.com) for details.

TIA serves global service provider and enterprise customers through standards development, domestic and international policy advocacy, and facilitating member business opportunities. It represents the communications sector of the Electronic Industries Alliance (EIA). See [www.tiaonline.org](http://www.tiaonline.org). **BBP**

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