

# fibertoday.com

Vol. 12, No. 149

August 13, 2009

## Dear Executive:

Washington, D.C.--There was near unanimous acclimation on both the wireline and wireless panels here yesterday at the FCC National Broadband Plan Workshop that optical fiber cable needs to be connecting the nation's cell towers as larger amounts of broadband come off these lines and such larger wireless brand services as LTE potentially loom in the near future.

Bringing fiber to cell towers is becoming a practical reality, said Hunter Newby, CEO of Allied Fiber. Microwave is going to have to work with fiber to help meet the future demand. Added Newby: "A lot of wireless simply can't be supported unless there is fiber."

Newby told us after the wireline portion of the workshop that a nationwide cell grid with fiber to high density cell towers supported by microwave to lower-density areas will be required in the future to handle all the wireless traffic.

"I am not sure it makes sense to even do a cost-benefit analysis on this," said Craig Moffett, a senior analyst at Sanford Bernstein. "It is a foregone conclusion that you have to bring fiber."

"We build a lot of fiber to our towers," said David Armentrout, president and CEO of FiberNet, based in West Virginia. "T1 lines are out."

There was surprising support on the wireless panel for fiber optics to cell towers also.

"There are economic forces at play that are making fiber or microwave to the cell tower of critical importance," said Neville Ray, senior vice president of T-Mobile USA. "We are moving to a backhaul that is going to need far more than 10 percent fiber. A key consideration is how much fiber there already is there. I strongly disagree that fiber accounts for 10 percent of the backhaul traffic. I believe it is becoming much larger."

"Wireless is a solution only where you can't get fiber," said Jake MacLeod, CTO for Bechtel Telecommunications. "Backhaul concerns are coming to the forefront with the advent of LTE. The ultimate solution is fiber to the cell site. Some of the foreign carriers we are dealing with are north of 90 percent in bringing fiber to the cell site already. Wireless is generally a wired solution and you want to get to fiber as soon as possible. The wireless part is the most unstable part of the system and what limits your bandwidth as well."

For Telstra, the goal is to get all of the traffic onto fiber as quickly as possible in rural areas, the only ones where the nation is not going directly to the home with fiber, according to Rowland Shaw, director of strategic planning for Ericsson.

"The T-Mobile plan is to get fiber everywhere we can because we believe that futureproofs our network," said Ray.

Added Tom Sawanobori, Verizon's vice president of network and technology strategy: "We are going to push to get fiber and microwave to the cell site."

\* \* \* \* \*

Missouri Gov. Jay Nixon said the state is partnering with Sho-Me Technologies to apply for \$142.3 million in federal funds to "significantly expand" the reach of broadband Internet service in the state.

The initiative, which Missouri calls a critical piece of the five-year MoBroadbandNow Project, would expand broadband accessibility to 91.5 percent of the total population. It currently is at 79.7

percent.

The state intends to use the funds to lay 2,500 miles of optical fiber cable and construct 200 new broadband towers. The state of Missouri is providing \$25.2 million in matching funds. The state's \$25.2 million in matching funds would help purchase the equipment to connect the new fiber across the state in what is being called a "middle-mile project."

The state says it is also partnering with a number of "last-mile," local Internet Service Providers to submit applications for recovery funds to extend broadband connections from the new MoBroadbandNow backbone to consumers in rural Missouri.

\* \* \* \* \*

TVC Communications has signed Alloptic to a distribution agreement for TVC to provide Alloptic equipment to cable and broadband customers in the United States and Canada. The agreement encompasses the entire Alloptic product portfolio, including EPON/GEAPON systems along with its industry-leading RFoG products, according to the vendor.

"Alloptic's market-leading RFoG technology is making fiber-to-the-home a reality for broadband service providers," according to Craig Hemperly, Director of Product Management for TVC. "Their time-proven equipment and services is affordable and makes it easy for an HFC network operator to deploy FTTH."

"TVC's experienced sales force, as well as their long-standing position within MSO and broadband networks, offers extended reach and representation of our product and services into the marketplace," says Shane Eleniak, Vice President of Marketing and Business Development at Alloptic.

\* \* \* \* \*

ADC says it is expanding the scope of a previously announced restructuring initiative in the Europe, Middle East, Africa region to include the United States, Latin America and the Asia-Pacific region.

The expanded initiative is intended to better align ADC's business with changing macro-economic and market conditions and enable the company to meet the needs of its global customer base more efficiently and effectively, the company said.

The initiative is designed to reduce ADC's operating cost structure and improve organizational efficiency through additional changes to the company's manufacturing operations, supply chain, Global Go-to-Market organization and general and administrative support areas, as well as taking further advantage of its presence in countries with lower costs of operations, ADC said.

"While not always easy, the efforts we have made over the past year to realign our business operations are expected to continue improving our near term financial performance and create the operational leverage to increase our long term earnings potential," said CEO Robert Switz.

The company anticipates GAAP diluted earnings per share of between five cents and 10 cents for the current quarter and revenue of about \$280 million. Results will formally be announced on Sept. 1.

**NOTES:** A fault in the **Asia Pacific Cable Network** line between China and Taiwan has disrupted Internet service in parts of Southeast Asia, according to reports. Causes have yet to be identified.

Sincerely,

C. David Chaffee

*Copyright is fully enforced. Penalties of up to \$20,000 per infraction.*