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Views on the News

British Telecom recently launched its new Etherflow service, targeting UK business customers. Running from 10 Mbps to 1 Gbps, the service is a **private line** offering that transports native Ethernet over **IP/MPLS based** on the carrier's 21 Century Network. Etherflow's value-adds include granular bandwidth scalability, Layer 2 VPN support, faster service provisioning and last mile access over copper and fiber. BT ensures redundancy by deploying two separate **national MPLS backbones**, one based on Cisco gear and the other running Juniper equipment. However, the service does not offer multiple Class of Service at Layer 2 (standard or premium traffic classes only), though it is delivered using the Alcatel-Lucent 7750 Service Router that supports 3-level Hierarchical-QoS. E-LAN services, are still on plan, with no set launch date. The MEF has yet to certify BT's carrier Ethernet portfolio with either MEF 9 and 14-approved status, signifying industry-level performance metrics and conformity with standard Ethernet service definitions, unlike regional competitors COLT and ntl: Telewest Business. And Etherflow does not provide any client-side online monitoring of performance metrics, leaving users unable to fully track their SLA, although the carrier offers a **portal** for quotes, orders, order tracking and trouble tickets

Alcatel-Lucent completed its acquisition of Motive, locking in the supply of remote management software solutions used to deploy, configure and support home networking devices. Having had a 3-year relationship, ALU has had plenty of time to "kick the tires" on this one...and Motive has the validation of 70 customers with it.

Ciena won some key validation as a backhaul vendor with Sprint, which is deploying its Carrier Ethernet solutions as part of the backhaul network for Sprint's XOHM mobile WiMAX network. WiMAX networks are proving to be a key proving ground for Carrier Ethernet platforms in mobile backhaul, given that they are natively using IP and frequently being deployed where backhaul requirements for legacy traffic are less likely to complicate backhaul design and migration.

Ciena recently launched two new Service Delivery Switch, the CN 3920 (evolution of the WWP LE311) focused to business applications, and the CN 3911 focused to 4G backhaul. Those devices work well when deployed with the CN 3960 and in particular with the 5305 SAS (the old WWP LE-3300)

They support Ethernet services such as EPL, E-LAN, all the standard Ethernet OEM, and store performance parameters for ingoing and outgoing traffic that the SP can use to check the SLA. They and are going trough certification for MEF 9/14. Ciena is still a strong supporter of PBB-TE, but underlines its capability to interwork with MPLS networks. Ciena is proud of the plug and play capabilities of those devices, that are able to automatically download their software (automated service provision capabilities) from a server when installed, without requiring manual intervention on site.

Sony Ericsson reported its Q3 results, and notably its gross margins have fallen from 31% in Q3 2007 to 22% in Q3 2008.

Ericsson is now coming up with a *wind-powered TowerTube*. Is there a market?

China Mobile has already deployed over 250 sites using either wind or solar power.

This could be a better alternative than diesel generators where the wind patterns will support it.

Ericsson continues to invest in emerging markets - most recently with its mobile innovation center in Africa, in joining the UN initiatives to provide digital health services in Africa, and by opening a *new Global Service Delivery center* in Pakistan. A

lot of the focus has been on mobile, but this creates transport opportunities over time as well. Ericsson boldly takes Marconi where no Marconi personnel ever went before.

Nokia Siemens Networks is driving strong innovation in the enterprise market too with the new A-2200 switch also targeted at Enterprise requirements, that is deployed in collector rings and in MTU basements in conjunction with access platforms in the solution like the A-100 and A-210. Like all Atrica-developed hardware it is supported by the ASPEN management platform, and in the future it will support the emerging MPLS-TP of which NSN is a major supporter.

Infinera announced 100 million hours of fault free operation for its PICs last month. Any doubts about the reliability of this technology evaporated long ago, so that was hardly necessary. Infinera has promised native 40G capabilities by YE 2009, and we think the lack of it has been a constraint to date limiting its wins in more Tier 1 operators' business. But the transition to 100G may increase the importance of Nx10G and its viability and desirability to operators. We expect a number of Tier 1 vendors to take this approach; if so, that will potentially help Infinera.

RAD introduced the LA-210 EFM DSL NTU, featuring Ethernet OAM, MEF 9 and 14 certifications, and offering Ethernet access at up to 22 Mbps using bonded SHDSL.bis.

Xtera gave **StrataLight** a nice quote in support of its 40G L-band DPSK Muxponder, Transponder, and Regenerator...which give operators a means to extend distance and capacity on Long Haul or subsea links. Xtera has already deployed it in a live network.

Ceragon just announced its preliminary Q3 results - and expects \$58 million in revenues, up 30% over Q3 2007. Microwave is hot, and **will be**. There are more competing access technologies today than ever before, but the reliability of properly engineered microwave shots, growth in access requirements, and the compelling

advantages of packet microwave when it comes to aggregation efficiency are going to keep microwave opportunities strong.

Harris-Stratex is leveraging its recent partnership with Telsima, filling out its mobile WiMAX solutions and ecosystem and continuing its quest to extend revenues beyond microwave.

Nortel releases a flurry of announcements in October, with a strong focus on unified communications and VoIP. Advantech was announced as a customer for new contact center and unified communications.

ADVA announces THUS as a customer for the FSP 150; the FSP 150 will provide an intelligent Ethernet demarc with remote OAM capabilities and SLA support. Ethernet demarc's are hot, and ADVA's early investment has paid off - though the competition for such products is heating up. ADVA also released its Optojack, an SFP-based intelligent optical demarc that provides service monitoring capabilities at the customer premise or MDU, or at the handoff between two operators in a multivendor network. This will be nice from an operations standpoint, as it provides some much needed loopback functionality and performance monitoring.

Recent developments

- **Packet microwave is hot.** The ease of enabling efficient aggregation, ability to leverage adaptive modulation, oversubscription, and retransmission of packets as needed, and the smaller antenna sizes that this enables is making this migration faster than even the microwave vendors themselves had anticipated.
- **Expect plenty of microwave development (and business development) in 2009.** The announcement by NSN that it was integrating microwave indoor unit functionality into an Ethernet switch is just the start. There will be a lot more innovation and integration of packet technologies and microwave coming in the next 18 months.

- MPLS-TP we expect will take until YE 2010 to get standardized. One vendor recently speculated that this was a cover-up for the failure of T-MPLS. We disagree; there really are benefits in OAM, particularly in compatibility with MPLS in the core. But we will be surprised if a lot of operators lining up in the short-term to deploy T-MPLS as a stepping stone to deploying MPLS-TP, as some of the market's MPLS proponents have positioned they will.

Questions / comments /

Want to schedule a meeting in Paris, Research Triangle Park, or an upcoming conference?

Contact us by email at: info.telstratpartners.com