Telecom International
Bringing Technology Full Circle

1st Quarter 2010 Number 15

Current Topics

- Happy New Year!
- Goodbye 2009, Hello 2010
- AT&T and the end of POTS
- Google GOOG-411

Contact Us:

US Corporate Offices:
PICS Telecom International
1920 Lyell Avenue
Rochester, NY 14606
Phone: (800) 521-7427
Fax: (585) 295-2020

United Kingdom:
PICS Telecom International Ltd, Dominic House, Blackfriars Road, Nailsea, North Somerset, BS48 4DJ, United Kingdom
Ph +44.127.585.3388
Fax +44.127.585.3599

www.picstelecom.co.uk

Happy New Year!

PICS Telecom International would like to take a moment and thank you, our customers, for their continued patronage and support. We launched PICS Telecom International over twenty (20) years ago and our partner and end user customer base has been growing steadily ever since.

Together we continue to build a valuable resource for the supply and sales of surplus communications gear.

As we begin 2010, please feel free to share your thoughts and suggestions with us by calling or emailing your account managers. What do you want us to do differently in 2010? Tell us what type of information really hits home and what doesn't? Share your ideas and feedback with us as we plan for the New Year.

Wishing you a prosperous New Year!

Goodbye 2009, Hello 2010

With 2009 barely in our rear view mirror and another New England winter storm on its way, I think now is as good a time as ever to take a look at what I think is in store for the wire line industry in 2010. Whether or not the economy does come back in 2010, or it stays relatively flat, I think 2010 will be a continuation of some trends that started to emerge throughout 2009:

Cable gets its business groove on: Cable continued to be opportunistic with its business service ambitions in 2009 over its HFC and fiber networks and I suspect 2010 will be more of the same. Standing out in the cable business crowd are three MSOs: Cox Business with a its $1 billion revenue goal for 2010; Charter's drive to add more resources to meet wireless backhaul demand and seek opportunities to connect more businesses on its national network; and finally Comcast which is in the process of purchasing Chicago-based CLEC Cimco.

Wholesale wireless backhaul bonanza: As we chronicled throughout 2009, the wireless operator's expansion of smart phones and advancement to LTE, is attracting a host of players to cash in on the wireless backhaul bonanza. In addition to the ILEC wholesale arms, which are currently expanding their fiber footprints to cell sites, cable operators, CLECs and even VNOs will also continue to ramp up their own wireless backhaul wholesale offerings in 2010.

Telecom International
Bringing Technology Full Circle

PICS Asset Management Services (PAMS):

North America:
Dan Brodie
Director, Asset Management
(978) 373-4538
Fax: (978) 373-4978
dbrodie@picstelecom.com

Robert Merrill, Jr.
Director, Asset Management
(800) 521-7427 ext.224
Fax: (585) 295-2020
rmerrill@picstelecom.com

United Kingdom:
Matthew Brodie
Director of Investment
Recovery EMEA/Asia
+44 (0) 1275 853 388
Fax: +44 (0) 1275 853 599
mbrodie@picstelecom.com

Qwest makes a sale: Qwest making a deal to sell or merge with another service provider in 2010 is probably my boldest prediction here. This could play out in two possible ways: maybe Qwest finally accepts a reasonable offer to sell off its long haul network or one of the ambitious tier 2 ILECs makes a run at the whole company. If I had to bet on one, I think a tier 2 ILEC, or a consortium, could buy Qwest to as one reader suggested to me recently as a way to effectively compete against AT&T and Verizon.

Carriers proceed to 100 Gbps: As far back as 2001-2002, I remember there was a lot of talk about how service providers would eventually migrate to 40 Gbps. After the Internet bubble burst, the 40 Gbps trend never really took off because there were no applications to fill it up that kind of a pipe. Fast forward to 2010 and it appears that service providers have plenty of bandwidth hungry applications, but instead of going to 40 Gbps, they are migrating to 100 Gbps optical transmission and 100 Gbps Ethernet.

Meet me at the middle mile: Taking a leverage and extend mentality, wholesalers and even state-run network providers believe they can extend their long-haul networks to serve other last mile broadband providers with a mix of wholesale IP/Ethernet, optical, voice and even traditional TDM-based (DS3s) middle mile services. And while there was the usual uproar to their bids for money under the president's broadband stimulus act, four states have already gotten money for their projects.

Source: FierceTelecom - January 3, 2010

AT&T and the end of POTS

When the FCC in early December put out a call for comments on the industry's move to an all-IP network, it shouldn't have come as a surprise that it would hear back that carriers are rapidly moving to evolve their circuit-switched networks to IP.

In our January cover story on the "State of IP," for instance, we tracked the industry's move to IP in great detail.

But for some reason, seeing it on paper — in the form of an AT&T filing, which, among other things, asked the FCC to help it put a "firm deadline for the sunset of the PSTN" — was still a bit of a shock.

AT&T summed up the problem it faces with its copper-based POTS network plainly: It is losing about 700,000 landlines per month; POTS revenue has fallen from $178.6 billion in 2000 to $130.8 billion in 2007; 22% of households have already made the move from wire line voice service to a mobile replacement; and the costs to maintain the copper POTS plant are rising, particularly because there are fewer customers to spread those costs across.

Said AT&T in its filing, "If broadband and IP-based services represent the future of telecommunications, the PSTN and POTS are now relics of an earlier era. The business model that sustained circuit-switched voice service over the last century is dying."

Besides the sentimental loss that the end of the circuit-switched POTS network represents, what is AT&T really saying in its filing? Two things:

One, IP is everywhere in the AT&T network: in the core, in the transport network and moving increasingly closer to the customer.

Two, as the industry evolves toward IP services and even more importantly to mobile (which is also increasingly IP-based), traditional regulations no longer make sense.

Both of these ideas have a grain of truth, especially in the context of a conversation with the FCC.

IP is going deeper into the network, yes. But it is progressing pragmatically, and neither AT&T nor any other carrier is going to "turn off" any portion of the existing network before it makes sense to do so. On the regulatory front, as always, the issues are more political than technical. The flow of subsidies to keep basic phone service running for every community and subscriber has always been mind-numbingly complex. Carriers, competitors and even the FCC are forever gaming the current and future state of things like the Universal Service Fund, for instance, for maximum advantage.

AT&T argued that an all-IP network makes such schemes largely irrelevant, claiming that "if voice service becomes just another application on a high-speed, packet-switched network, then switched access charges, reciprocal compensation, and any other forms of inter-carrier compensation will presumably disappear-along with the inefficiencies, regulatory disparities and arbitrage opportunities that currently accompany these charges."

That push and pull between the past and future of telecom technology — and the regulations that govern its deployment and use — is ultimately what the FCC and the industry will need to decide. Add those issues to questions of net neutrality, national broadband plans, and more and look for plenty of fireworks out of Washington, D.C, in 2010.

Source: TelephonyOnline - January 4, 2010

Google goog-411

http://www.google.com/goog411/

Google enters the 411 business!

You don't need a computer, an Internet connection, or even the keypad on your phone or mobile device. GOOG-411 is voice-activated, so you can access it from any phone (mobile or land line), in any location, at any time. For free. [1]

Dial (1-800) GOOG-411. Say where. Say what you're looking for. GOOG-411 will connect you with the business you choose.

If you are calling from a mobile device, GOOG-411 can even send you a text message with more details and a map. Simply say "Text message" or "Map it."

[1] Your telephone company may apply usual charges for making a phone call or receiving an SMS. You will not be charged any additional 411 fee.