

# Fiber-to-the-Home Council North America

TAP INTO THE MOST VALUABLE BROADBAND RESOURCE AVAILABLE



## Who Will Build The Rest of America?

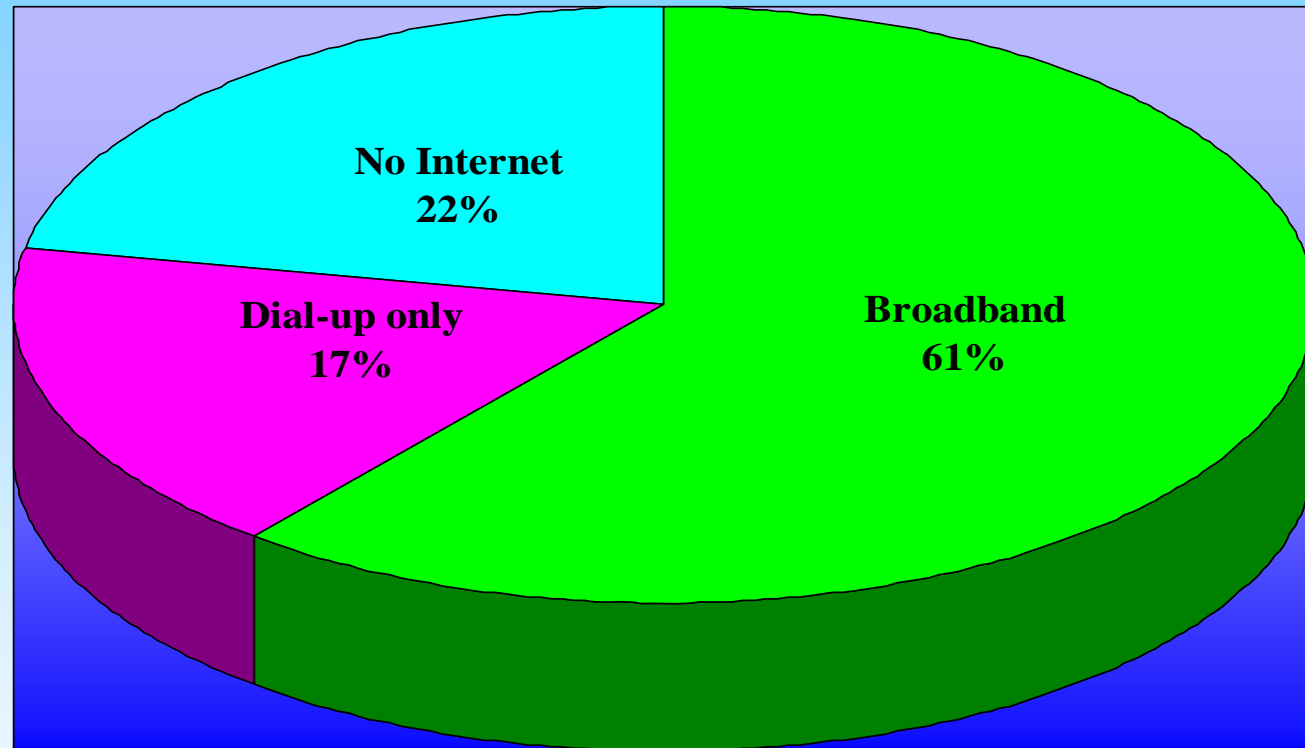
*Presented by:*  
*Michael C. Render*

**RVA LLC**  
Market Research & Consulting



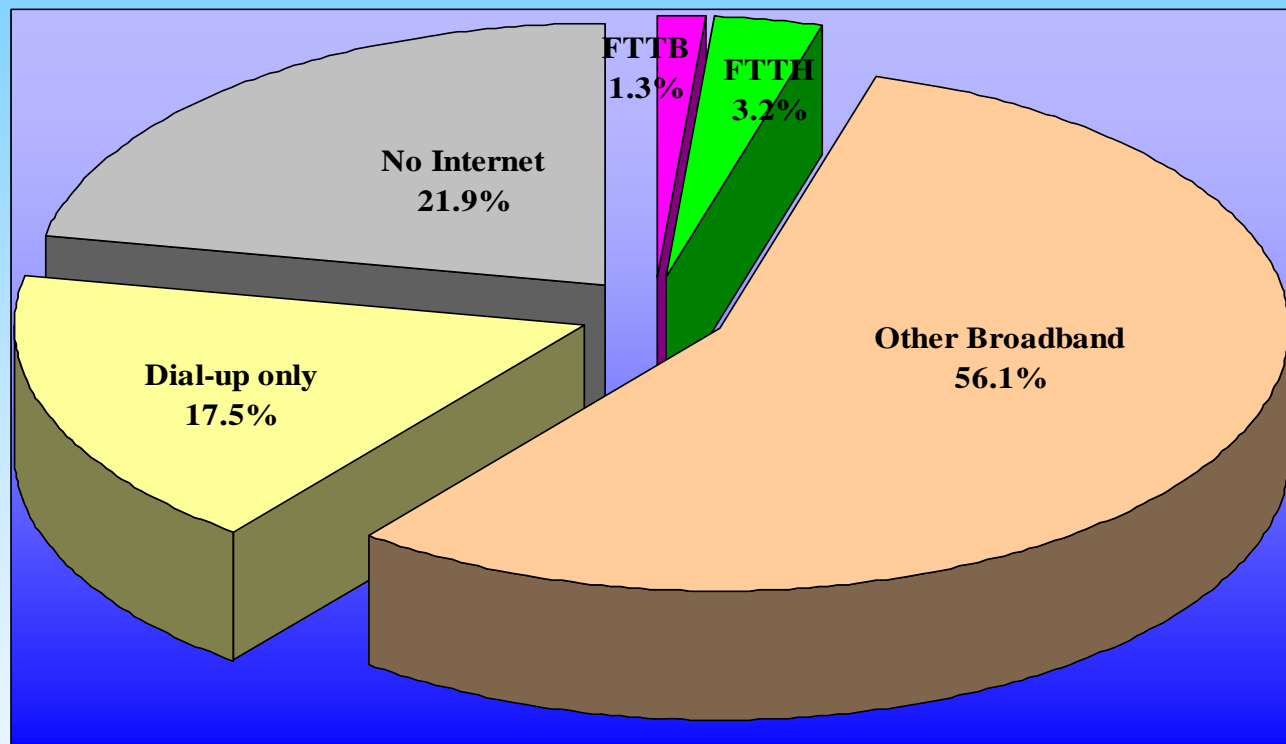
# Background

# Current Status Of U.S. Internet Use



*RVALLC 2009*

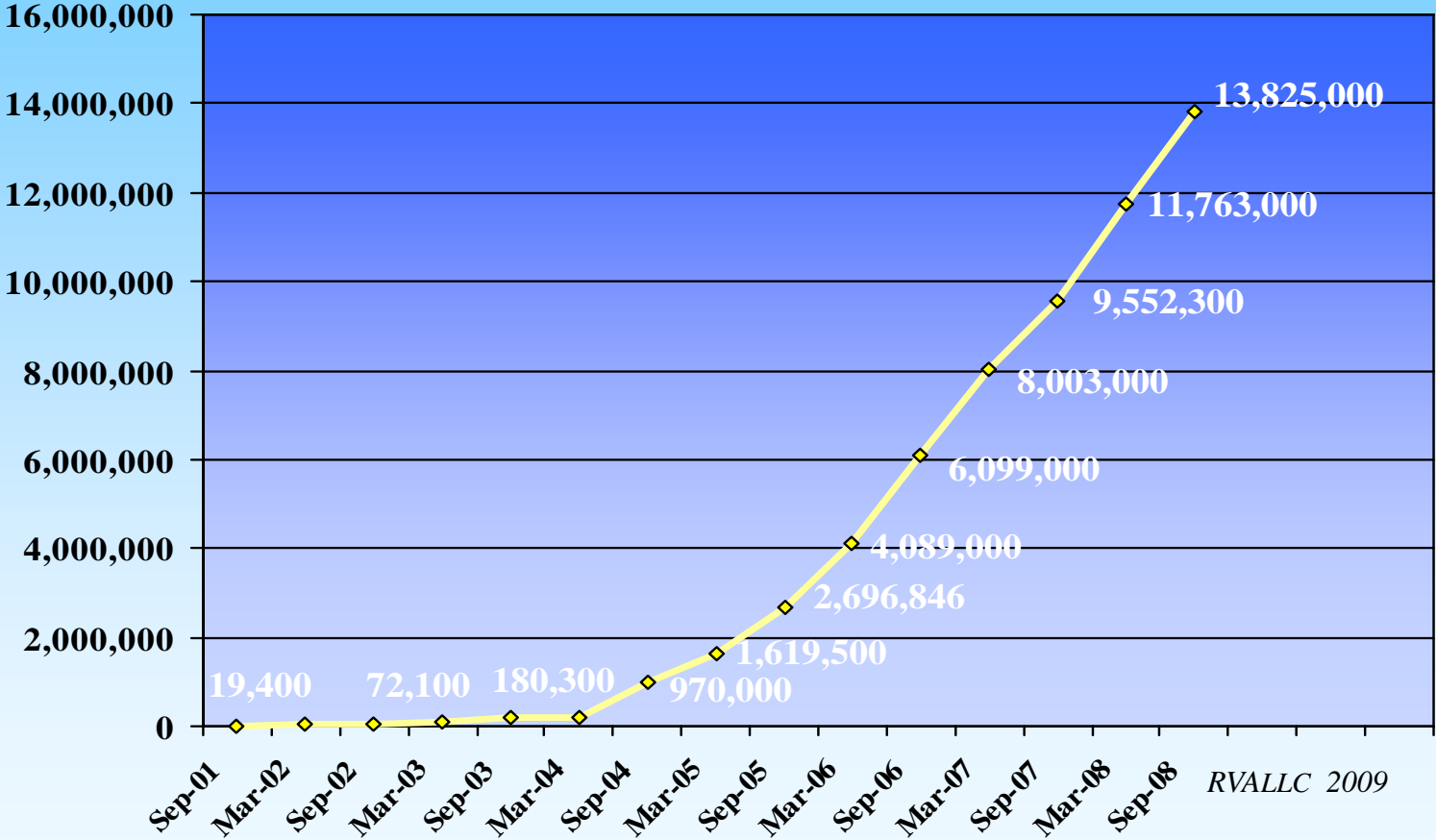
# Current Status Of U.S. Internet Use Via FTTH/FTTB



*RVALLC 2009*

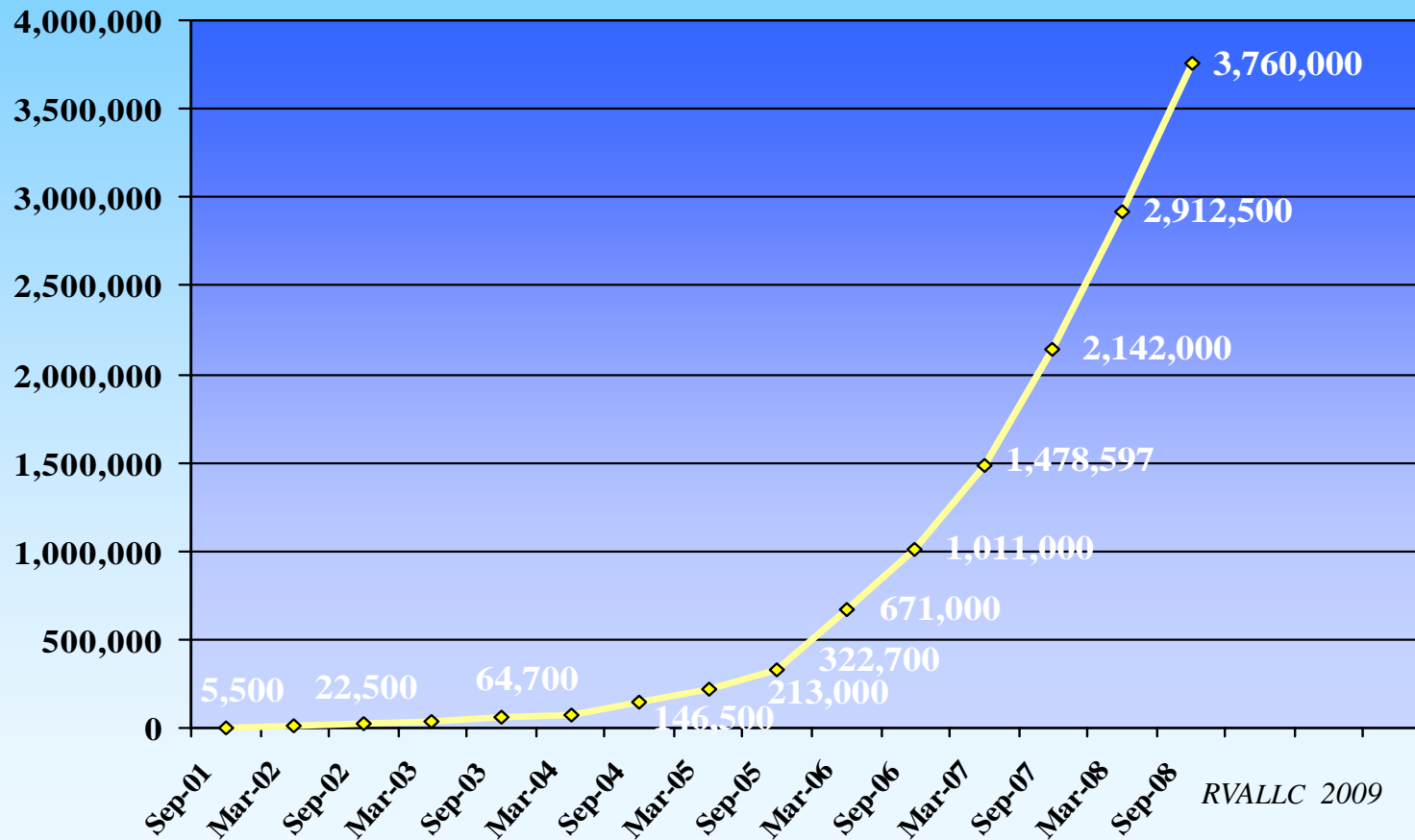
# FTTH Homes Passed

## Cumulative – North America

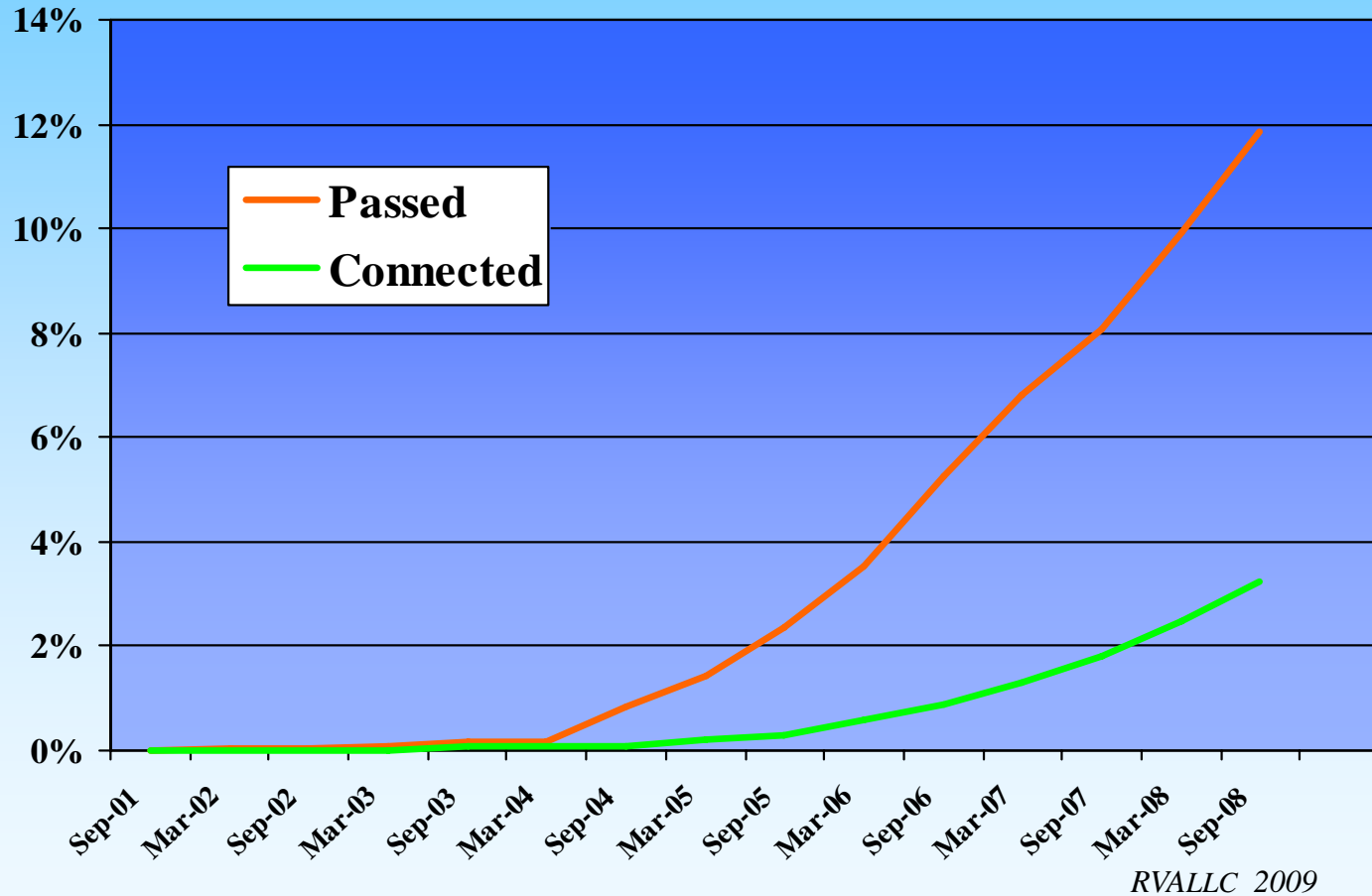


# FTTH Homes Connected

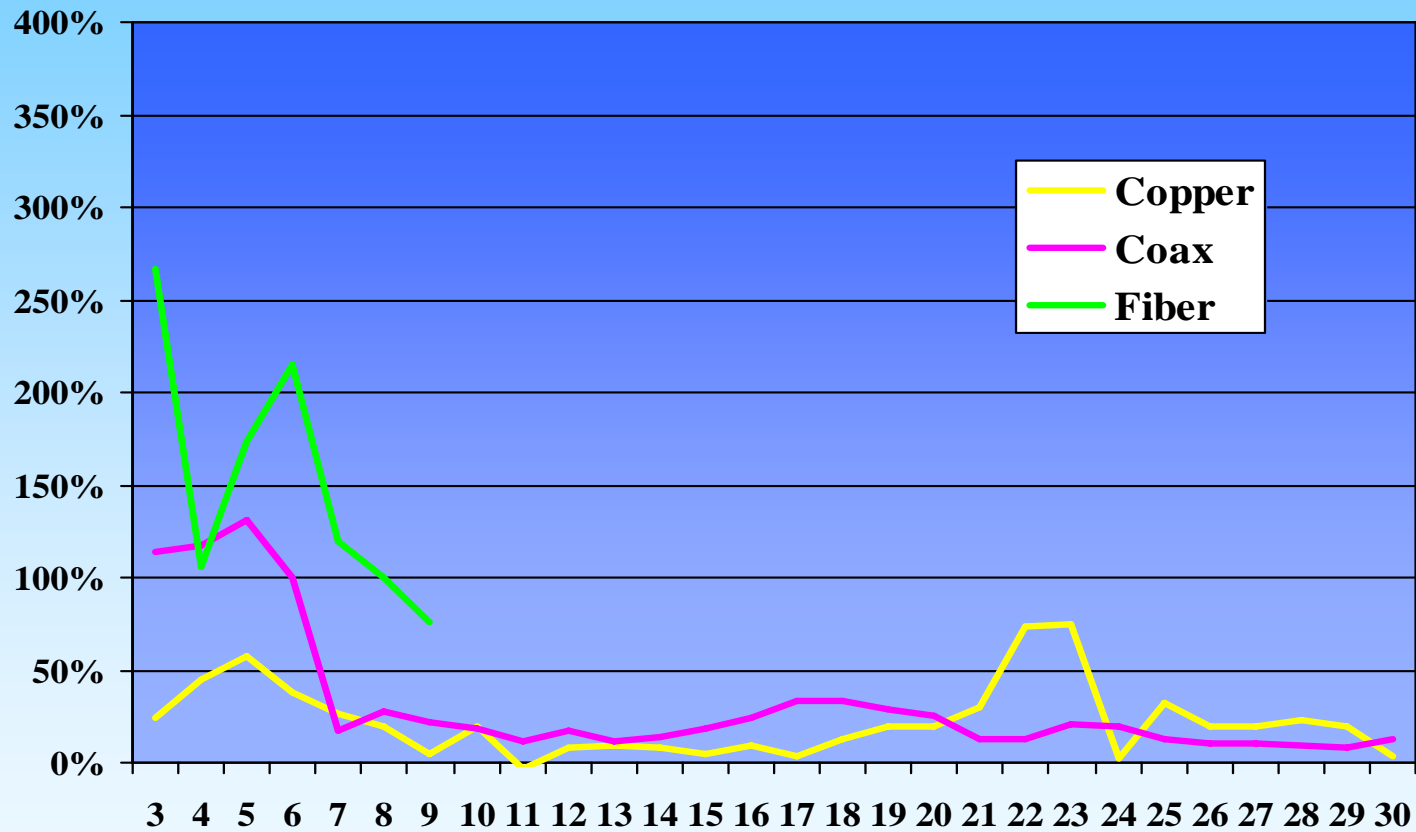
## Cumulative – North America



# FTTH Penetration Cumulative – United States



# Year-To-Year Growth In Homes Connected (12 month averages)



Note: Years since start of installations

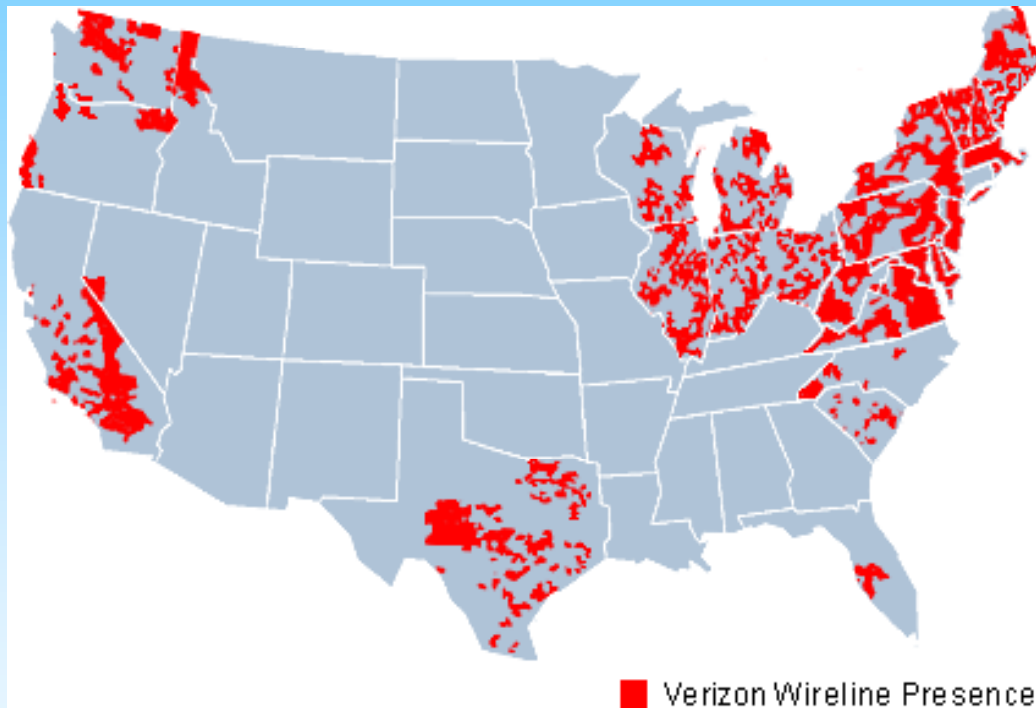
*RVALLC 2009*

# Majority Of Growth Is In 1/3 Of The US – By Aggressive ILECs

# Review Of Aggressive ILECs

# Verizon

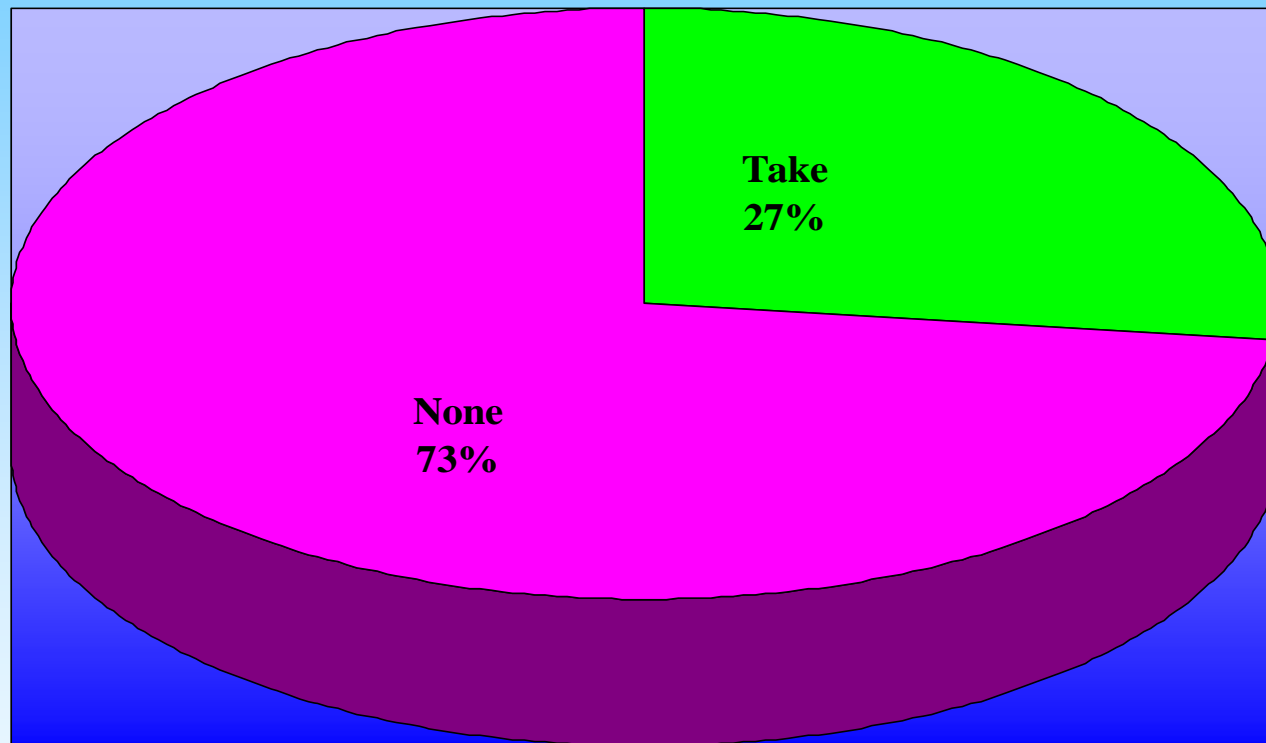
(9% of their 32 million customers connected with fiber)



## Drivers:

- Need for new model
- FTTH Council member
- Visionary view
- Outside plant setup
- Regulation changes

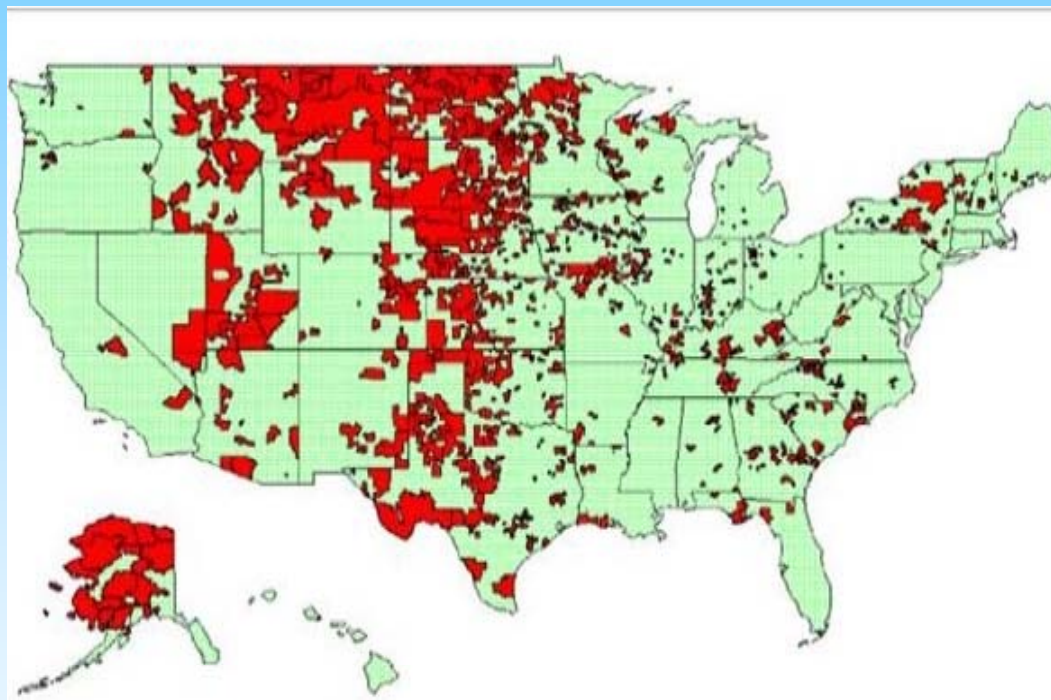
# Current Net Take Rates



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# Small Rural Telephone Companies

(7% of their 8 million customers connected with fiber)



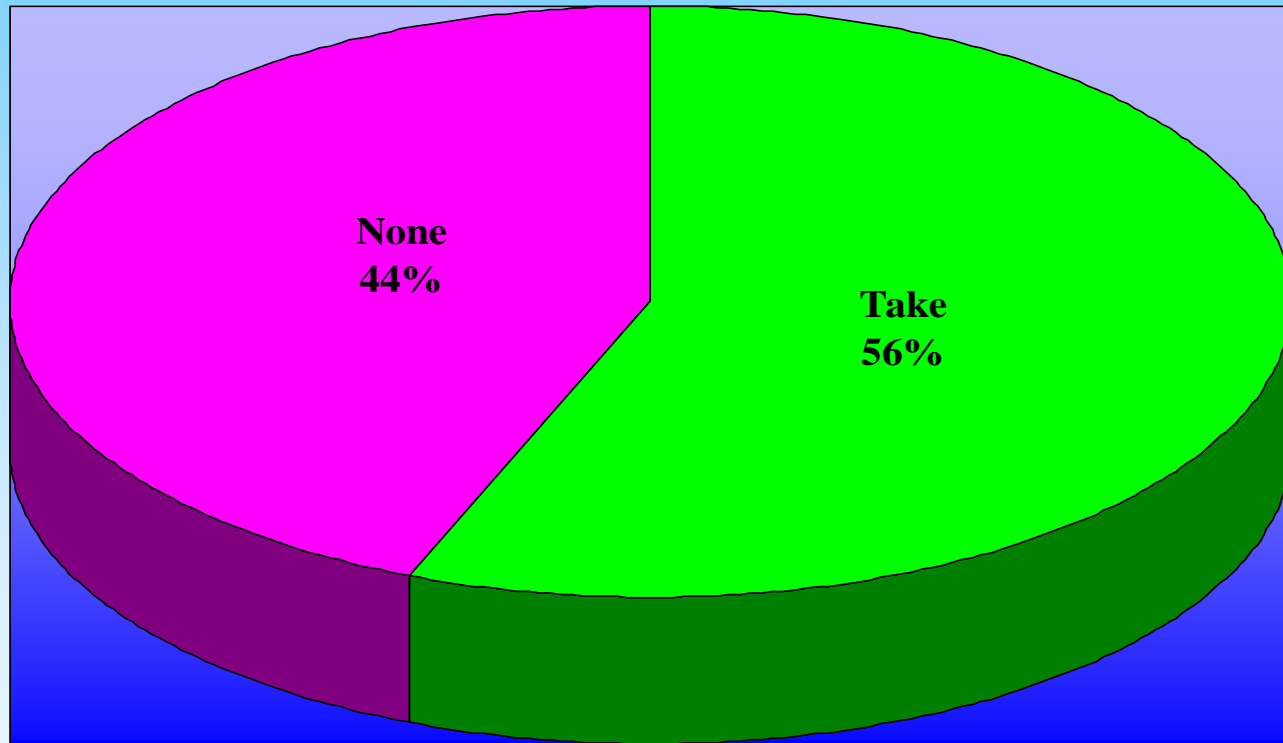
## Drivers:

- Aging copper lines
- Television opportunity
- Pioneering tradition
- Subsidies

Note: This map from an Association shows some but not all Tier 3 ILECs!

# Current Tier 3 ILEC Net Take Rates

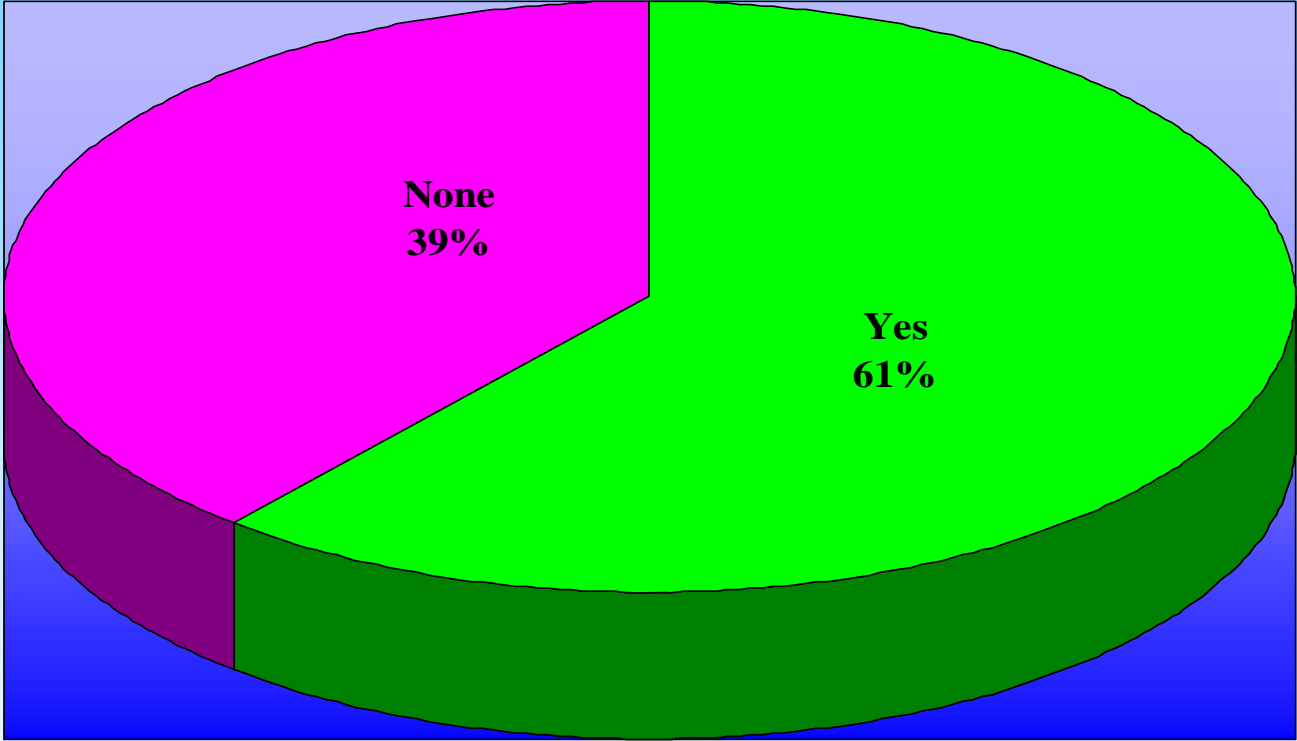
As of March 2009



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# Video Offered By Tier 3 ILECs

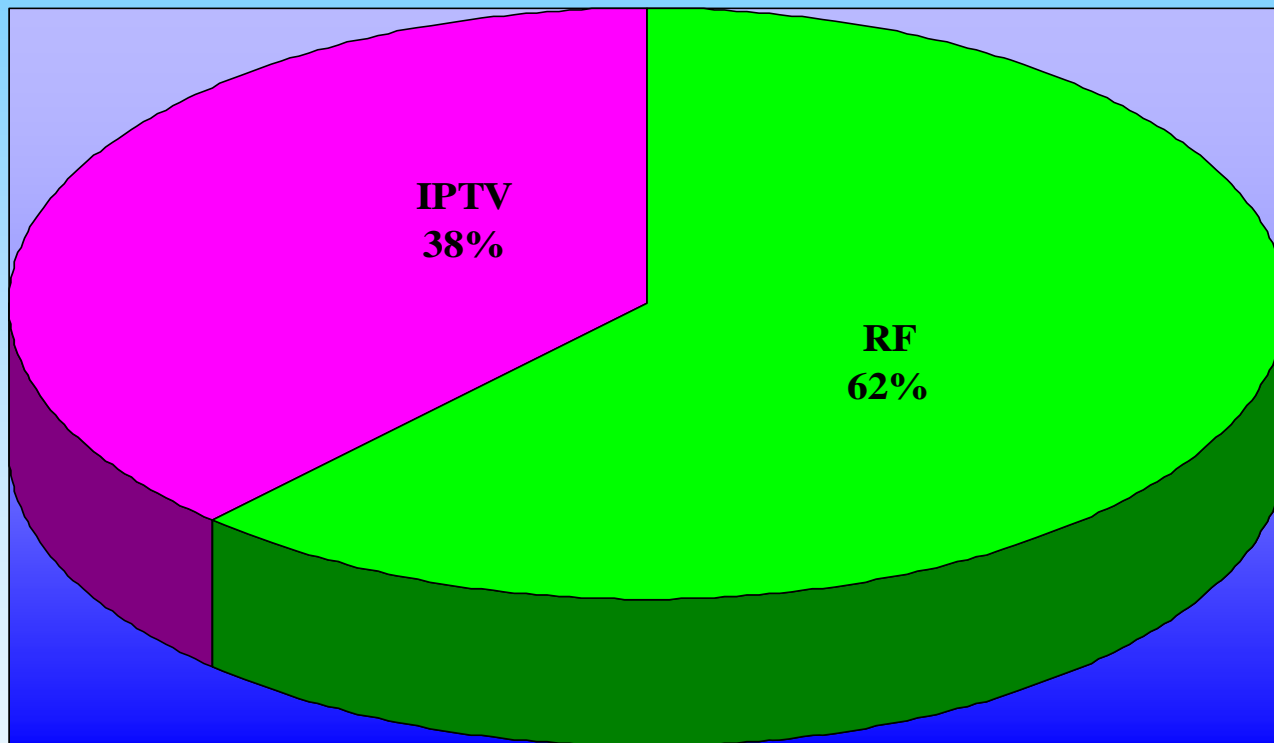
Among Connected Customers  
As of March 2009



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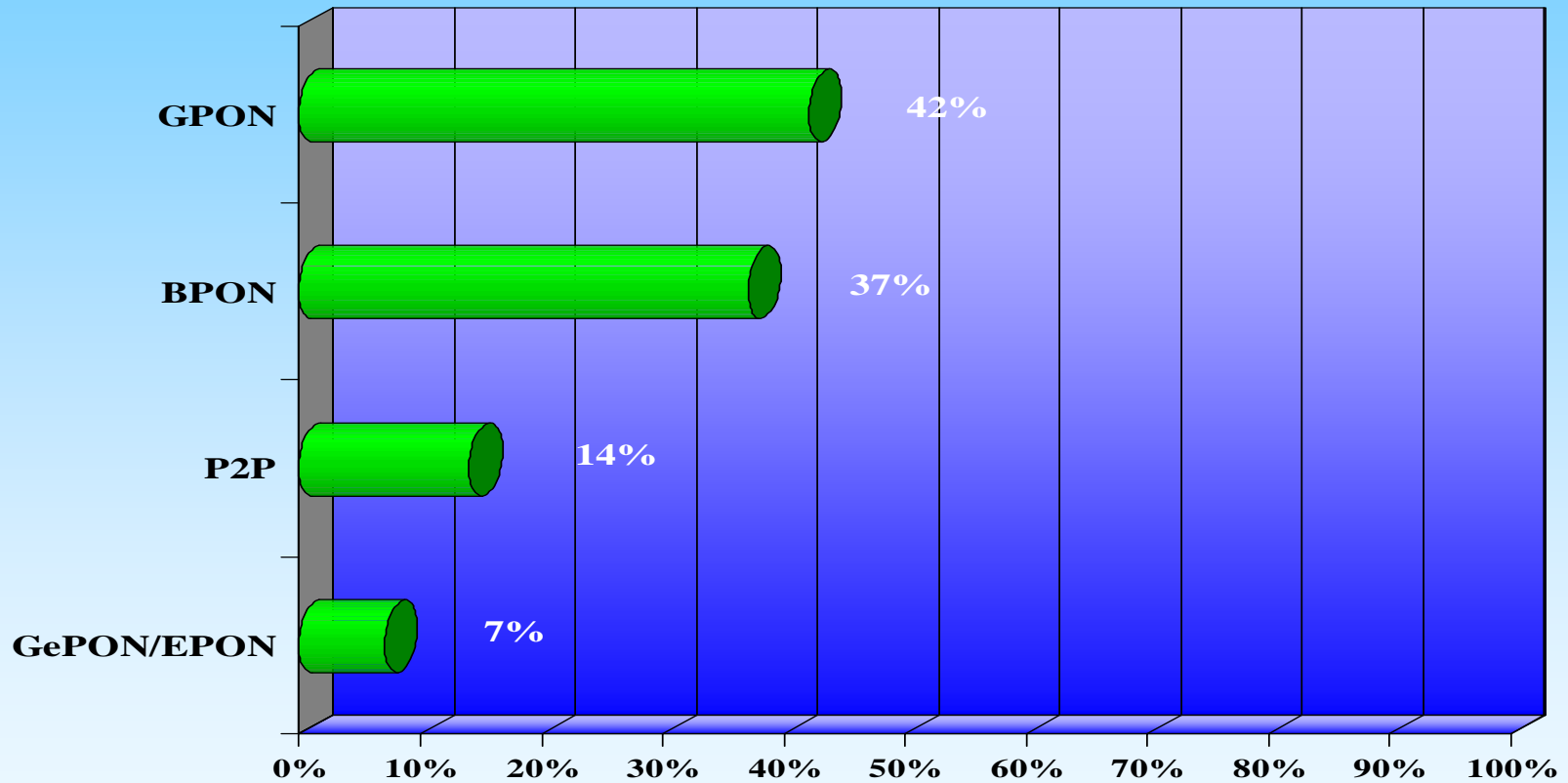
# Type of Video Offered By Tier 3 ILECs

Among Connected Customers Offered Video  
As of March 2009



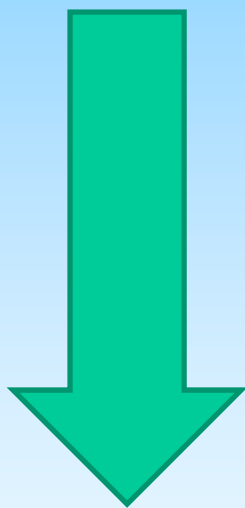
*RVALLC 2009*

# Percent Of Tier 3 ILEC Homes Connected By Architecture As of March 2009

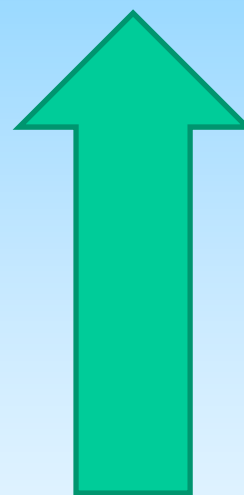


*RVALLC 2009*

# Average Highest Internet Speeds Offered By Tier 3 ILECs As of March 2009



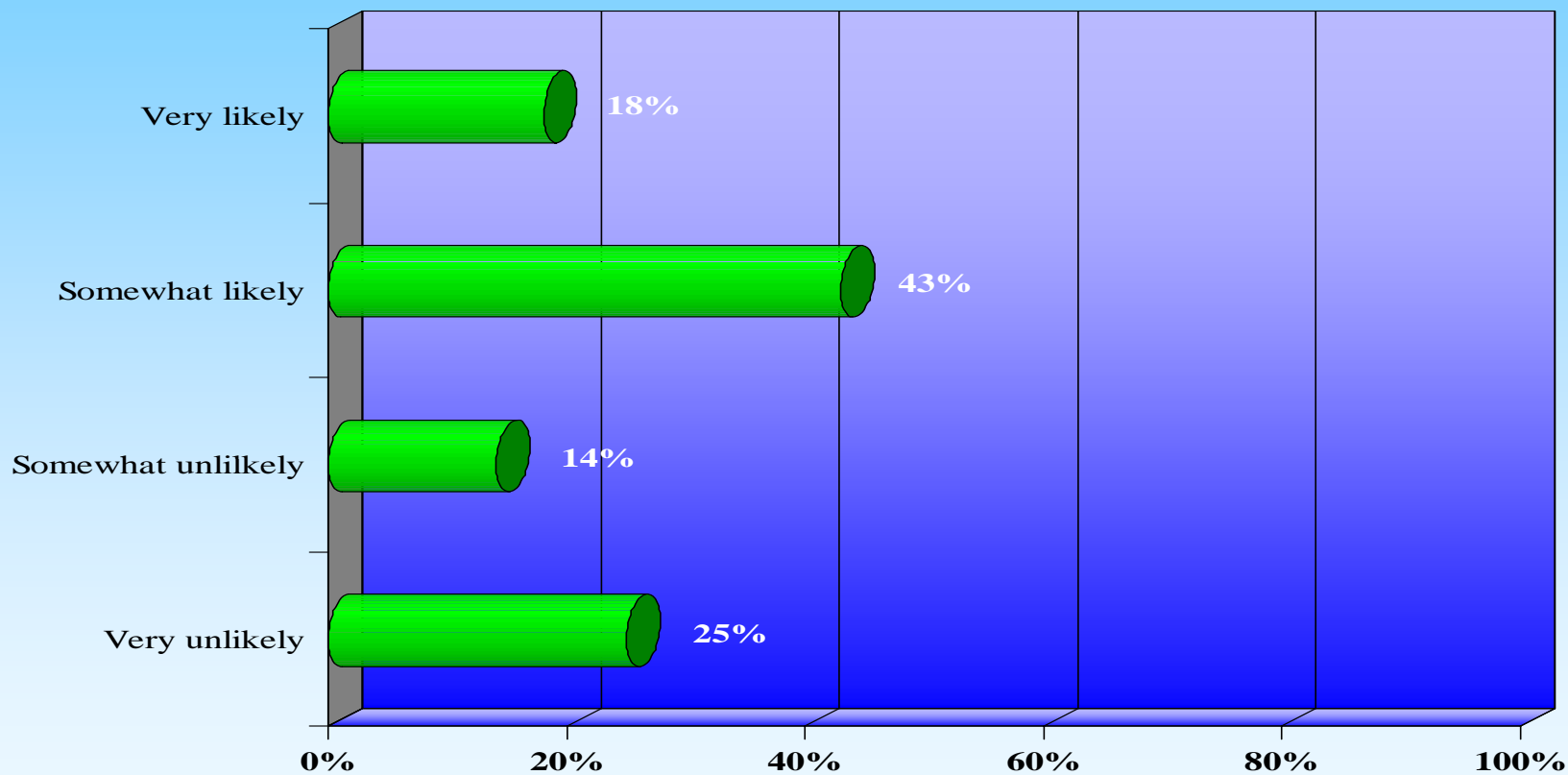
11.8 Mbps down



5.7 Mbps up

# Likelihood Of Deploying FTTH Within 3 Years

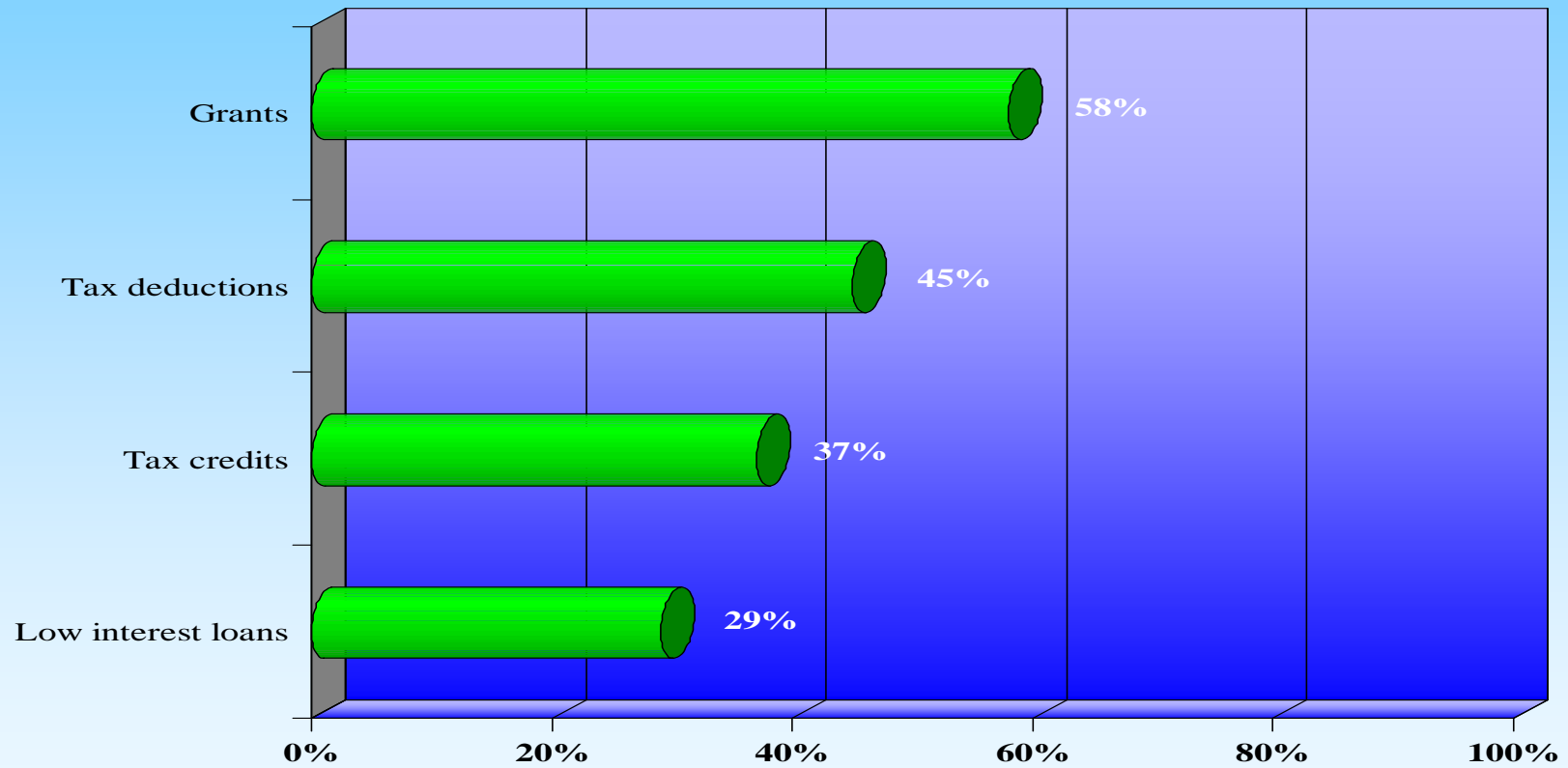
## Tier 3 ILECs Currently Not Deploying FTTH



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# Likelihood Of Deploying More By Incentive

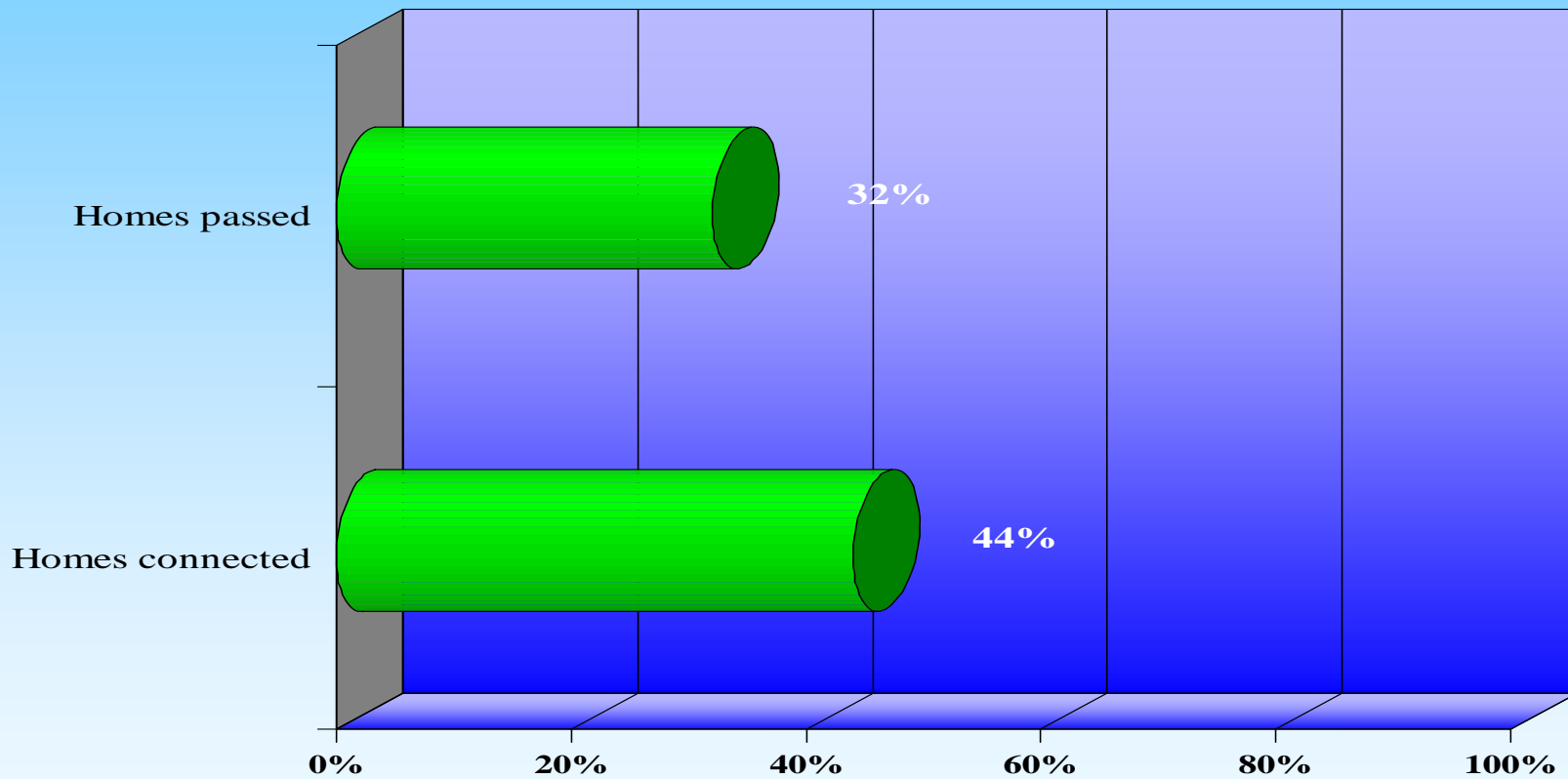
Tier 3 ILECS Currently Not Deploying FTTH  
(Percent rating somewhat or much more likely)



*RVALLC 2009*

# Additional 2009 Growth Anticipated

## Tier 3 ILECs Currently Deploying FTTH

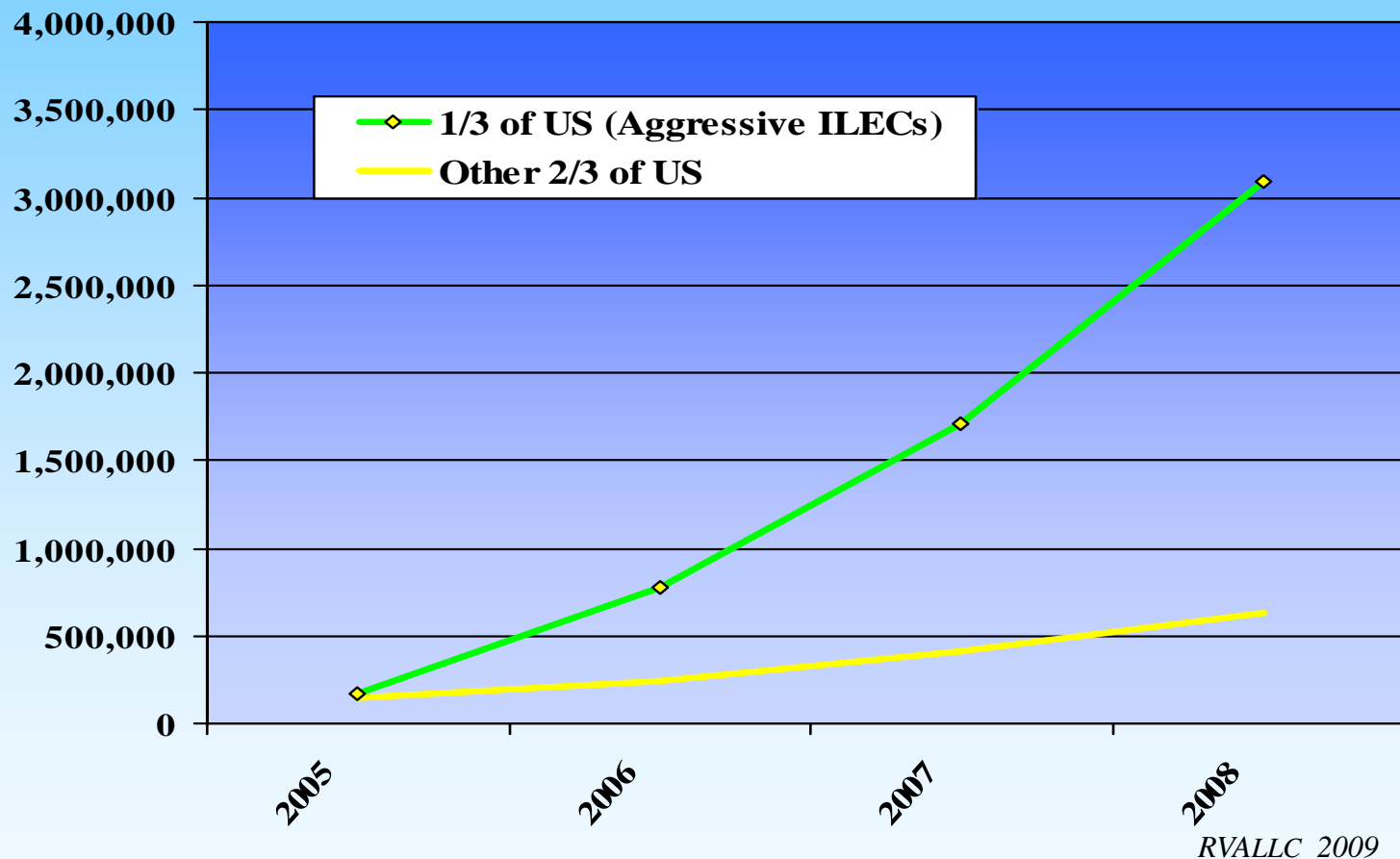


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# Who Will Build The Rest Of America?

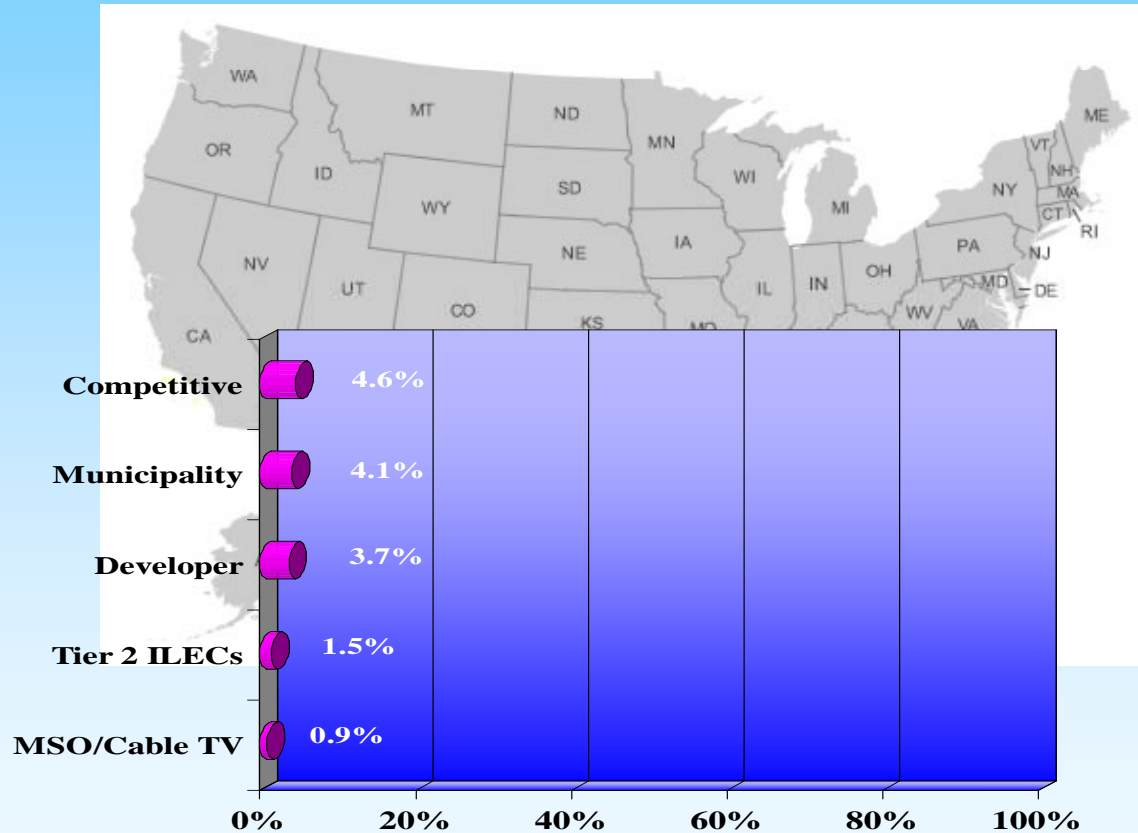
# FTTH Homes Connected By Segment

## Cumulative – North America



# The Rest Of The U.S.

(Less than 1% of the other 75 million US customers connected with fiber)



## Drivers:

- Economic development
- Public good
- Business opportunity
- Low cost in new homes
- Consumer pressure

# Who Can And Will Get In The Ring?



- Other RBOCs (AT&T, Qwest)
- Competitive/CLECs
- MSOs
- Municipalities
- Large CLECs (aka Verizon)

## **The Opportunity:**

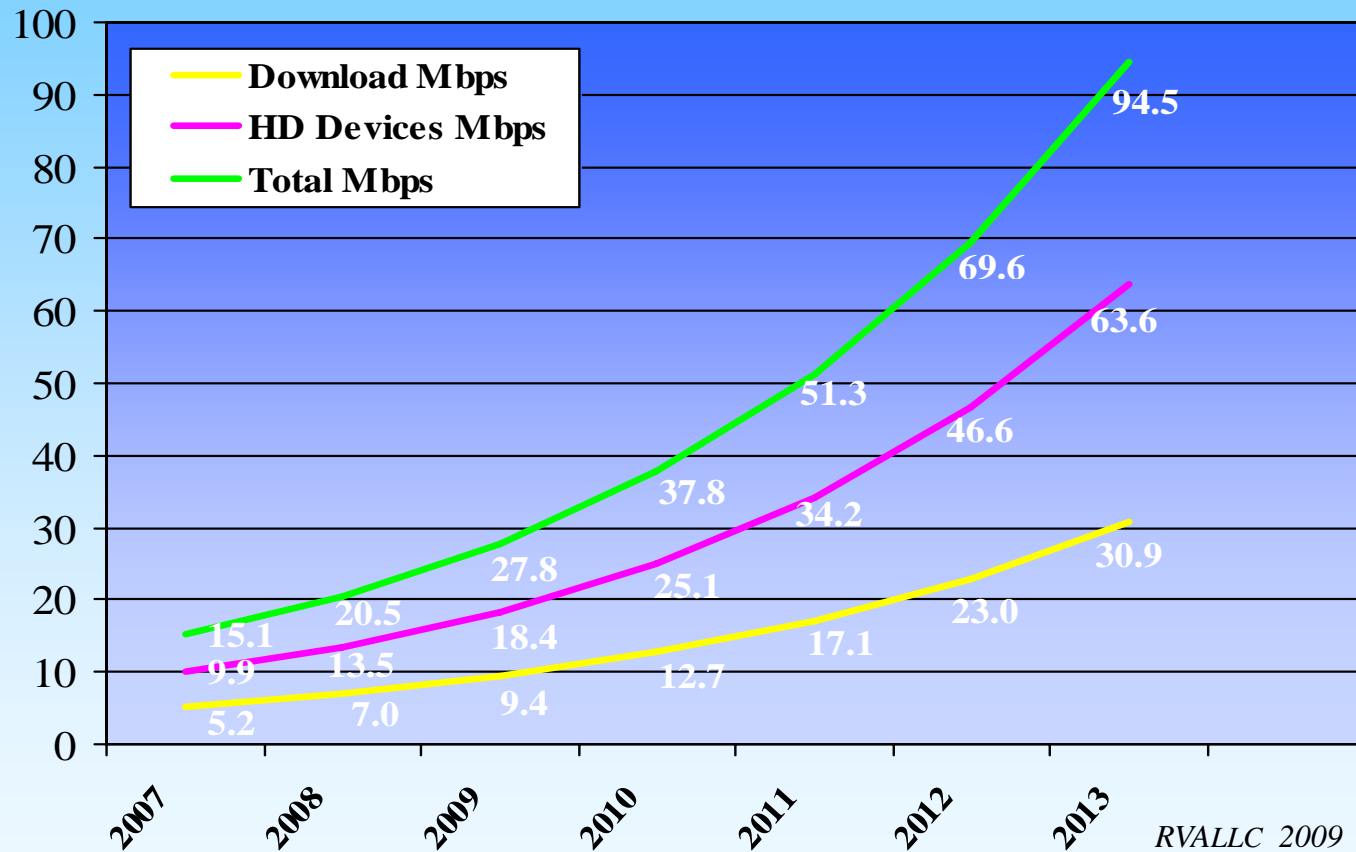
- The first advanced broadband pipe to 75 million households

## **The Challenges:**

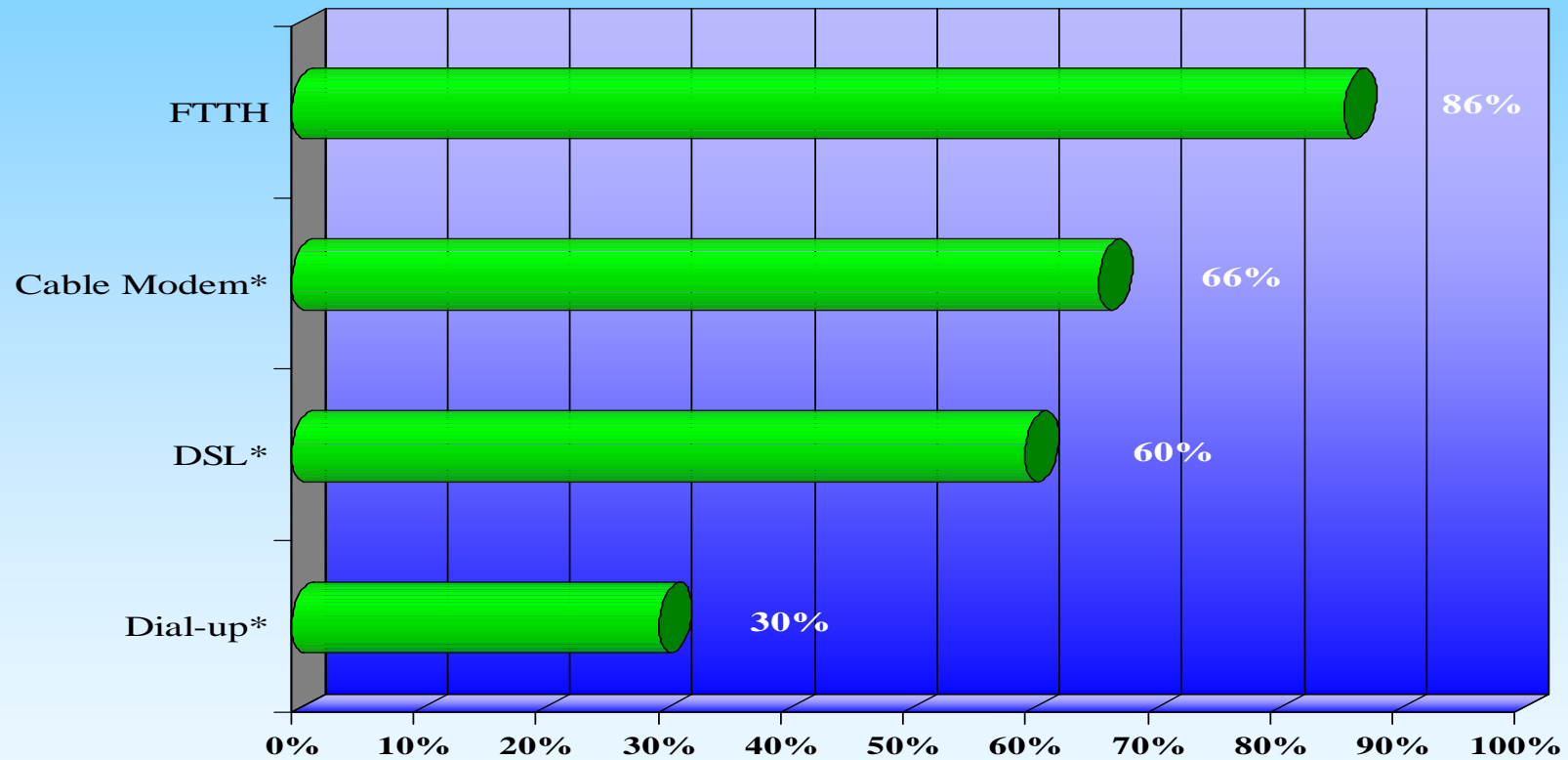
- Creating urgency
  - Provider need
  - Consumer demand
- Reduce non financial encumbrances
- Increase financing availability

# Peak Bandwidth Demand Per Average FTTH User

Including Internet Download And IPTV HD Devices



# Internet Customer Satisfaction Comparison With Other Services (Those somewhat or very satisfied)



\* From 2006 data

RVALLC 2009

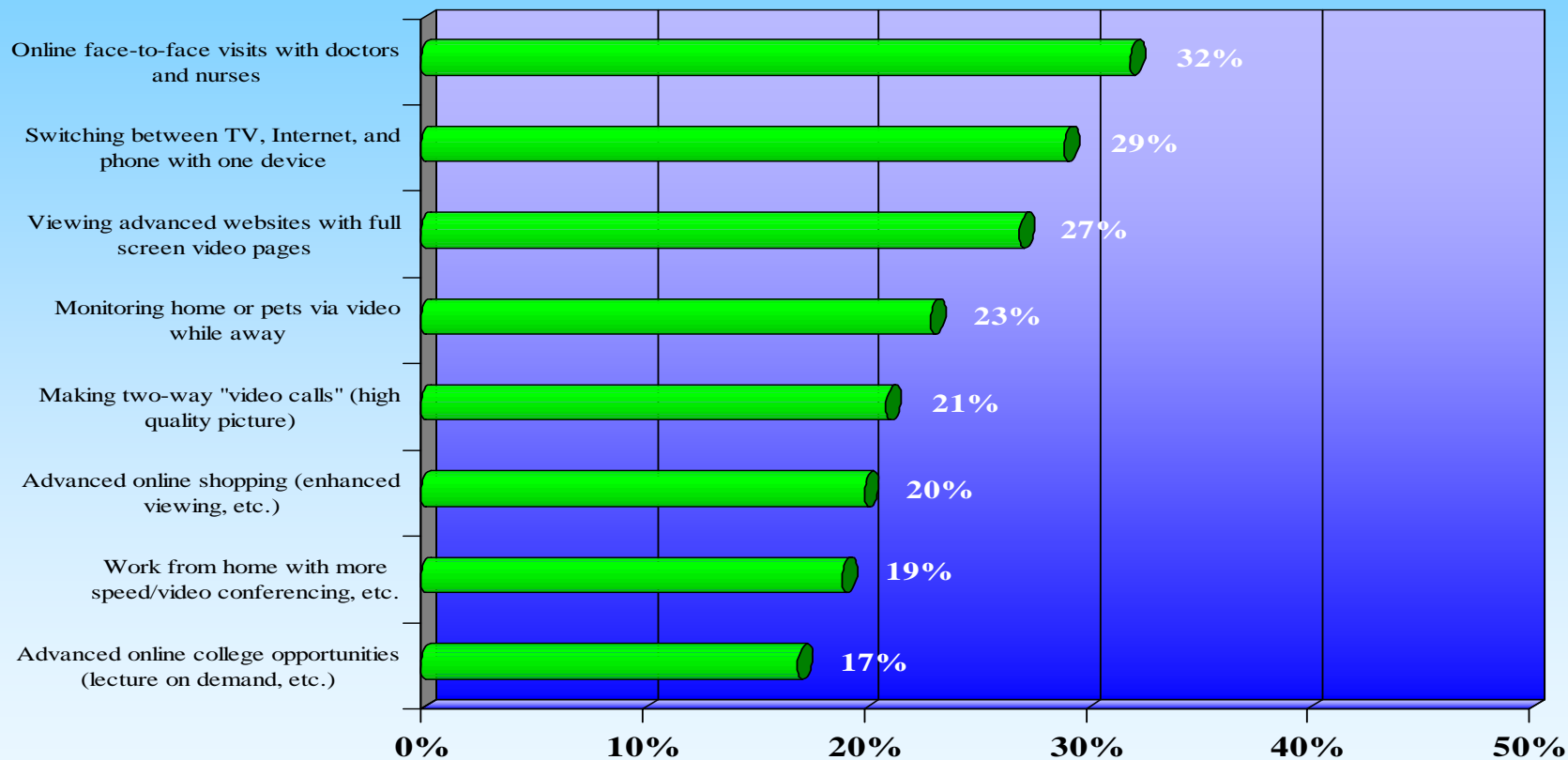
# 2008 Research Continues To Show FTTH Users Work One Additional Day Per Month At Home Due To FTTH



Days worked from home increased:

- Nearly 9% work more from home directly because of FTTH – an average of 11 days more

# Percent Believing Future Non Entertainment FTTH Applications Are Important Among Those 55 And Over



*RVALLC 2008*

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