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Consumers getting cozy with fibre to the home

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SAN JOSE, Calif. — Early findings suggest consumers are tending to adopt and enjoy fibre-to-the-home (FTTH) [video](#) services at rates higher than for competing services based on satellite, [cable](#) and fibre to the neighborhood node, according to an executive at fibre optic supplier Corning Inc.

In a recent survey of customer satisfaction, respondents ranked Verizon's FiOS FTTH network highest in satisfaction with 96 percent of respondents satisfied with the service. By contrast, satellite-based services for DirecTV and Dish Network ranked at 89 and 82 percent respectively, and AT&T's fibre-to-the node (FTTN) service was in line with several cable TV services that ranged from 70 to 73 percent.

Separately, among consumers who said they were not satisfied with their new FTTN service from AT&T, about 70 percent said the reason was it offered inferior video service to their previous supplier, presumably a satellite or cable TV carrier.

In addition, adoption rates of the AT&T service slumped recently, while those of Verizon are on the rise. The percentage of homes passed by the AT&T network that chose the service has gone from about ten to about six percent recently. By contrast figures for Verizon are trending up from about four to about 15 percent.

"We are early in the process and FTTN is still new, but right now consumers seem to be saying FTTN is not quite as good" as FTTH, said Bob Whitman, a program manager responsible for strategy and business development for fibre [networking](#) at Corning.

Whitman compiled the statistics from a number of sources as part of [a forum](#) on [broadband](#) access trends at the [Photonics West](#)

event here Wednesday (Jan. 23). "This is the first look at which technologies users want," he said.

Verizon currently aims to make its network available to as many as 18 million users and currently serves most of the estimated two million FTTH customers in the U.S. AT&T said in December it aims to pass as many as 30 million homes with its FTTN network and has not been deploying its service as long as competitor Verizon.

Cable companies represent the biggest competition for both fibre nets. Comcast chief executive Brian Roberts said at the Consumer Electronics Show this month that his company [aims to roll out](#) a 160 Mbit/second service this year based on its hybrid fibre-coax (HFC) network moving to the [Docsis 3.0](#) standard. The Comcast HFC net currently has more than 50 subscribers on many of its nodes, said Whitman.

"To get that [160 Mbits/s] rate they will have to get down to less than 50 subscribers per node," said Whitman. "The cable plant is very robust, but trying to keep up with Verizon is not something you can do with HFC," he added.

Whitman was generally bullish on FTTH, noting the [architecture](#) now has about 15 million subscribers worldwide. About 10.5 million of them are in Japan where carriers are still adding as many as 300,000 new customers each month.

In Japan, [DSL](#) uptake started to decline in early 2006 and the technology now loses about 300,000 customers per quarter, mainly to FTTH architectures which are growing by nearly 900,000 customers per quarter, he said. "This is a preview of what the U.S. will look like," Whitman said.

FTTH deployments in the U.S. only started in earnest in early 2004 when Verizon began work on FiOS. At the time fewer than 200,000 U.S. homes were passed by a FTTH network, but today more than ten million U.S. homes are passed by such networks, Whitman said. Meanwhile the cost to deploy such nets has dropped from \$4,500 per home passed to just \$1,500 to not only pass but connect the home as well, he added.

Deployment costs are falling in part thanks to fibre optic cables that are more tolerant of being bent and new connectors that can be more readily installed to splice fibre lines in the field. Today as many as 47 percent of worldwide carriers say they are in trials or are deploying FTTH nets, Whitman said.

The growth is giving Corning execs occasion to ponder their long term horizon. "Until recently we haven't even considered an in-home market for fibre, but we are beginning to think about it now," he said.

Indeed the next-generation of systems that terminate a FTTH network will be integrated with residential gateways, [according to chip makers](#). However, those systems expect to [link](#) to copper and [wireless](#) networks in the home.