



ISC Newsletter

Date: November 25, 2002

Volume 1, Issue 1

Message From The Chairman

Dear ISC Members,

I want to take this opportunity to thank you for your continued support and participation in the International Softswitch Consortium (ISC). The ISC is the premiere forum for the worldwide advancement of next generation networks and you, our members, is the reason that we have been so successful.

As you already know, the ISC establishes a common terminology for the next generation network architecture. It promotes interoperability, conducts research, and liaises with governmental and industry organizations to address industry issues that service providers and vendors face. By providing a variety of educational seminars and by fostering Open Network and Standard Interfaces, the Consortium accelerates the advancement and usage of next generation networks. To this end we are planning some activities that are sure to interest you and assist the industry to move forward. Some of those activities include:

1. Release of an International and Wireless Service Provider Study conducted by the Yankee Group. More than 80 operators from around the world were interviewed on the expectation of new revenue opportunities, cost saving, technology preferences, deployment timelines, etc. The study is due out in December/January 2002, and is available to ISC members only.
2. Completion in December 2002 of an Interactive ROI Tool for our members to demonstrate return on investment for deployment of next generation network products & services.
3. Reference Architecture (Release 2.0) in December 2002 to clearly identify how all the elements of the next generation network fit together.
4. Applications Notes for Tandem replacement, CLASS 5, Internet Off-Load, IP Centrex, IP PBX, etc., to educate the market on the benefits that the softswitch architecture provides.
5. Addressing the needs of the Service Provider by holding Service Provider Forums to educate them on most recent developments in the industry and to collect feedback on what the vendor community needs to address.
6. Promotion of case studies and success stories to further showcase the number and types of next generation network deployments at various industry conferences and shows.

Some key benefits of membership in the ISC are:

1. Networking opportunities, especially the sharing of service provider concerns to vendors and technology updates to service providers.
2. Networking with the largest industry organization in the next generation network space.
3. Annual Membership meetings with prominent speakers from FCC, service providers, etc.
4. Opportunity to participate in various speaking opportunities at key industry conferences on behalf of the ISC.
5. Participation in SUPERDemo (SUPERCOMM) and other industry shows for a discounted price.
6. No limit to the number of employees who participate in the organization.

As you can see, we have quite a few activities planned for the next few months and we welcome your participation. If you think you can assist in any way, please contact me or Lily Sun (925-275-6674/Lsun@inventures.com). We're already working on our SUPERCOMM and CommunicaAsia participation for next year and welcome your participation to organize these events.

Thank you again for your participation and continued support of the ISC. Please remember to vote for the new ISC Corporate Bylaws and IPR Policy. Information can be found on www.softswitch.org.

Regards,

Michael Khalilian

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Verizon announces "Enterprise Advance"

Earlier in the month, Verizon announced a new initiative, Enterprise Advance, to interconnect its powerful local networks and provide large business and government customers with advanced communications services that go well beyond the company's existing offerings.

Verizon will offer its new services to the Fortune 1000 corporations, governments, and finance, education and healthcare entities.

With a string of recent long-distance regulatory approvals, Verizon can offer enterprise customers the nationwide, regional or intercity networks



and services they require. Verizon expects to receive long-distance approval for the rest of its service area by the end of the first quarter of 2003.

At the same time, Verizon Wireless is continuing a nationwide network expansion to support the Express Network, its high-speed wireless data service. Verizon Wireless was the first carrier to provide enterprise cus-

tomers with third generation (3G) technological options for the wireless transmission of mission-critical data and remote access to their intranets.

Enterprise Advance will be based on an optical and IP backbone offering customers "any-to-any" transmission, a network that is indifferent to the protocols used in systems at either end of a transmission, allowing firms to communicate seamlessly across the Verizon network, and helping Verizon become a one-stop, single point-of-contact provider for enterprise customers coast-to-coast.

NTT Communications Deploys Sonus



Sonus Networks announced that NTT

Communications is using Sonus' Open Services Architecture and packet voice infrastructure solutions to offload modem-generated Internet traffic from its circuit-switched network.

NTT has also begun a field trial of

enterprise VoIP services using the Sonus platform. NTT Com's service offers business users services such as voice VPN and private numbering plans. The service provider has implemented Sonus' solutions, which support Japanese SS7 variants such as NTT ISUP and TTC ISUP, in addition to INS 1500, the Japanese version of ISDN PRI. The Sonus-based network augments NTT's existing circuit switches, diverting Internet

traffic from its local voice network to relieve network pressure points and free up expensive network resources.

With the new packet infrastructure in place, NTT can make an easy transition from the initial Internet offload application and enterprise VoIP services to offer enhanced services on the same packet platform.

WorldCom Talks SIP

With a year of basic services and trials with Session Initiation Protocol (SIP) under its belt, WorldCom this month will take the wraps off a major suite of SIP services for business, a suite the company says is just the beginning of its exploitation of the potential of SIP.



WorldCom, which has not deployed an H.323 product, has been offering limited IP voice services using SIP for the last year, under the name of IP Communications (IP Comms).

The new package, will feature IP Centrex deployed in the WorldCom network, a SIP voicemail application and SIP phones. WorldCom will begin to take orders for service beginning this month.

Telecom Italia Pushes VoIP

Telecom Italia has made the most aggressive push into VoIP of any PTT. 50% of the PTT's international calls and all of its subscriber calls between Rome, and its industrial capital, Milan, are transported on an IP network based on Cisco products. This represents 3 billion minutes in annual voice traffic. A key motivating factor in Telecom Italia's move to IP was the extreme age of its legacy network, which has become virtually unmanageable. The VoIP move has enabled Telecom Italia to reduce the operating expenses of tandem transport. The PTT's IP network carries both voice and data traffic with MPLS being used to give priority to voice traffic and guarantee bandwidth at each router node. Telecom Italia forecasts that 80% of its voice traffic will migrate to VoIP by the end of 2003.

Cisco Announces New IP Telephony products

Cisco announces enhancements to its IP communications system. Cisco announced new products ranging from unified messaging and IP PBX features to audio/video conferencing and IP phone.

The products are in five categories: unified messaging, IP PBX calling features, audio and video conferencing, customer contact centers and network infrastructure. Cisco CallManager 3.3 call processing software available in De-

ember, allows IT-telecom staff to manage fewer IP-PBX clusters and support 30,000 IP phones per IP-PBX cluster



and 10 clusters in a single system.

In the category of network infrastructure, Cisco is introducing the CiscoWorks IP telephony environment Monitor (ITEM) 1.3 allows IT personnel to assess the operational health of

Cisco IP telephony environments in real-time to respond to issues that could affect the availability of IP telephony service.

Cisco IP phone messenger users will be able to receive and send instant messages from their phone display while talking on their phone. The Cisco IP manager has features such as call filtering, call diversion and line state monitoring to administrative assistants and managers/executives.

Telstra selects Broadsoft for voice services

BROADSOFT Telstra will use Broadsoft's BroadWorks to offer large enterprise customers alternative to PBXs in the Australian and New Zealand corporate market.

Telstra will use BroadWorks to expand its data network so-

lutions portfolio by offering its corporate and government customers new services including hosted PBX and voice VPN. Telstra will launch the service later this year.

The system of voice applications and servers enable ser-

vice providers to deliver voice services to enterprises such as call forwarding, simultaneous ringing and unified messaging.

BroadSoft will partner with Dimension Data Australia to deliver and support the BroadWorks solution.

News From Around the Industry

- Oki Electric has integrated Audio Codes' VoIP modules into its KT5000 Center-Stage media gateway, a product that Oki plans to market to Japanese telecom carriers.
- Enterprise Telecom, a carrier for the Lao People's Republic, has deployed Verso Technologies' VoIP-based prepaid switching platform.
- CableLabs plan to consolidate its certification testing for cable modems (DOCSIS), VoCable (PacketCable), and home networking (CableHome) products into a single set of testing waves that will address all product areas.
- ChinaWeal to resell and support Clarent VoIP Gear to China's Telecom Service Providers (China Telecom, China Unicom, and the Data Communications Bureau of the Ministry of Information Industry (MII))
- Tiscali UK is using Nortel's Succession softswitches to offer corporate VoIP services over its 2.5 Gigabit network. The network includes 18 PoPs throughout the UK.
- ZTV (Japanese Cable Provider) deploys Syndeo's Softswitch for Vo-Cable Service
- Singapore Telecommunications (SingTel) is using Mind CTI's iPhonEX mediation solution for its VoicePlus VoIP service
- BredBandsbolaget to Launch Residential VoIP in Sweden
- Primus to Launch VoIP Service to MSN (Microsoft ISP) Customers
- Cinergy (CLEC) to Launch IP Centrex

Service providers have to start using incremental technologies to try out services and find out what customers want before rolling out long-anticipated offerings such as IP Centrex, VoDSL, VoB, 3G mobile telephony and other new technology.

VoIP Market Study

Voice over IP is in the plans of 46 percent of IT managers in enterprise network, according to a yearly survey by CMP analysts.

The survey asked IT managers what kinds of new services they are implementing or planning, with IP voice ranking highest with respondents at 46 percent. Also 17.85 percent of respondents said they are currently voice-over-IP customers. Behind IP voice, site-to-site VPNs and remote access VPNs, they are planning or being implemented by 36 percent of respondents, while storage was third overall with 31 percent having it in their plans.

The survey results, while showing that many IT managers are aware of IP voice, does not automatically mean a big jump in deployments. The challenge for VoIP has always been in converting those pro-

spective customers into real customers. Here the numbers are less promising. Just 6.27 percent of respondents indicated definite plans to implement the voice over data.

However, does that mean that VoIP is all fizzle and no taste? Hardly. Nearly 20 percent of respondents, 17.85 percent to be exact, of respondents said that they were current customers of VoIP. To put that another way, we don't think any of the VoIP companies would mind having 6.27 percent of the revenues of the traditional corporate voice-market.

When the survey asked what type of VoIP respondents are expecting to implement, more than 79 percent said that they were considering voice over IP. Voice over frame relay was second at 12 percent. The survey questions on voice over IP gave the following choices:

- 1 - Not in the ballpark,
- 2 - Under consideration,
- 3 - Definite plans to implement,
- 4 - In the process of implementing,
- 5 - Current Customer

The yearly survey ranks 12 leading carriers and ISPs on key service categories. Respondents, rating seven services: leased line, frame relay, ATM, VPNs, Ethernet services, Internet access, and content hosting services.

For carriers, Sprint Corp. won top honors, as well as AT&T for the second consecutive year. Sprint had the highest rating for frame relay, and AT&T for its ATM services. ISPs were ranked for reliability, performance, security, breadth of services, pricing, support, and installation and repairs, with reliability given the most weight in determining the rankings.



Packet-based Comms—Market Research

Frost & Sullivan study "World VoP Equipment Market Analysis," revealed that VoIP equipment generated \$1.9 billion in 2001 and projects the market will reach \$11.9 billion in 2006.

Infonetics Research's quarterly study "Next Gen Voice Products" finds that worldwide revenue for VoIP products totaled \$233.6 million in Q'2 of this year, down 18% from Q'1. Revenues for 2002 are projected to be \$1.1 billion. In Asia Pacific, revenues for VoIP products totaled \$40 million in Q'2.

Revenue projects for this area are expected to reach \$237 million for 2002. Infonetics finds the softswitch market grew 14% in Q'2, with notable increases in EMEA and Asia Pacific. Worldwide revenues for media servers, a new product area tracked by the firm, totaled \$6.7 million in Q'2, an 83% increase over the previous quarter.

eMarketer, a research firm believes that broadband could reach 117 million Internet users worldwide by 2004, up from 15 million in 2000. Broadband is growing fastest

in Asia, which could surpass North America in broadband households within 2 years.

Frost & Sullivan, in its World Voice-over-Packet (VoP) Equipment Market Analysis says that US Telecom carriers are showing a strong interest in packet voice, even if they are not writing large checks for the technology. Nevertheless, the total VoP equipment market generated revenues totaling \$1.9 billion in 2001. Frost estimates that total market revenues will reach \$11.9 billion in 2006.



ISC Industry Newsletter
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About ISC

“The International Softswitch Consortium (ISC) is the premiere forum for the worldwide advancement of the next generation networks through products, services, applications, and solutions utilizing packet-based voice, data and video communications technologies available today via any transport medium including but not limited to copper, broadband and fiber optics.

The ISC establishes a common terminology for the softswitch-based architecture, and it promotes interoperability, conducts research, and liaises with governmental and industry organizations to address industry issues that service providers and vendors face. By providing a variety of educational seminars and by fostering the Open Network and Standard Interfaces, the Consortium accelerates the advancement and usage of softswitch-based networks.

The ISC membership includes wireline and wireless service providers and carriers, governmental agencies, standards bodies, and equipment and software vendors representing all network elements involved in the softswitch-based and next generation network.”

Upcoming Technology Documents

Over the course of next few weeks, ISC will release a number of Technology White Papers to its consortium members. A brief overview of these documents is as follows:

- **Softswitch Reference Architecture:**

Various Research, Development and Strategic Technology teams are partnering to develop a softswitch reference architecture model. The document will define the many functional elements that constitute a “softswitch” and will serve an important role in promoting interoperability and clarifying the confusion that now exists among the providers and consumers of Voice over IP (VoIP) products and services.

- **PRI Offload Using Packet-based Communications:**

With the growing demand of access (T1/E1/PRI) lines for ISP Internet access services, carriers are facing severe congestion problems in their voice networks. Capacity problems have been a major issue for carriers. For ILECs, the most immediate reason for Internet offload is to avoid the costs associated with carrying dialup Internet traffic on the PSTN. This white paper will assess the market drivers, technology and network approaches associated with a number of Packet-based Internet offload architectures.