

New World Applications For The First Mile

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Envisioning the Subscriber User Year 2004



Historically, WG supplements to 802.3 take at least 24 mos

Multiple services apps already enabled & driven by diverse economic interests & legislation

Subscriber access already has several vested players with existing infrastructure

Transports are undergoing major B/W upgrades

Let's develop a solution that is Ethernet AND future-proof

Application Bandwidth Considerations

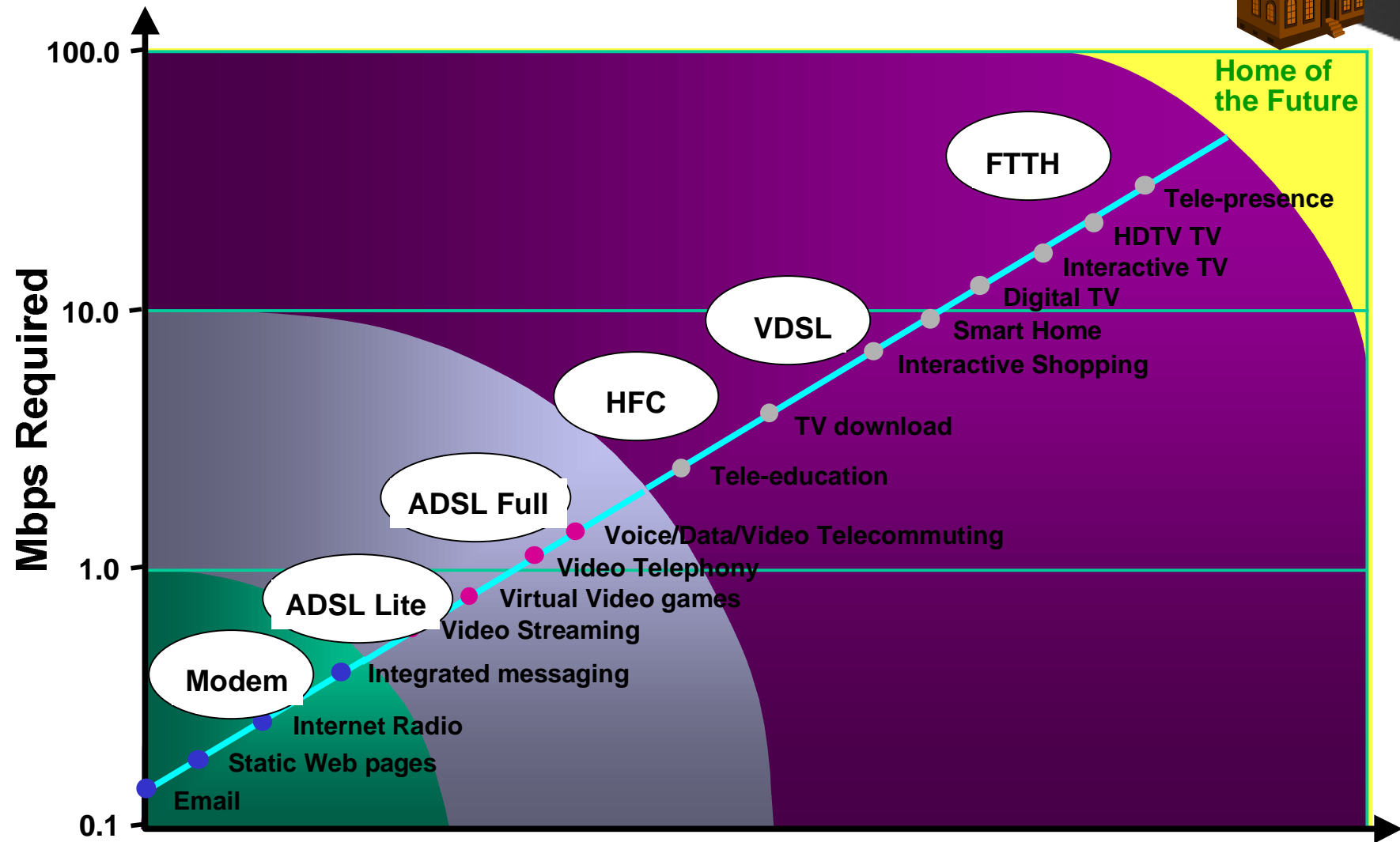
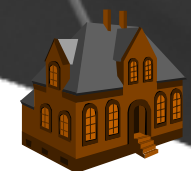
Internet, Videophones, and Phones: 10 Mb/s (total)

At least 4 concurrent telephone conversations at 0.064 Mb/s each

Internet, e.g., for Web surfing, home pages, email, games, and etc. 6Mb/s

At least 4 concurrent videophone conversations at up to 768 kb/s each

Applications Enabled by Bandwidth



Home of the Future

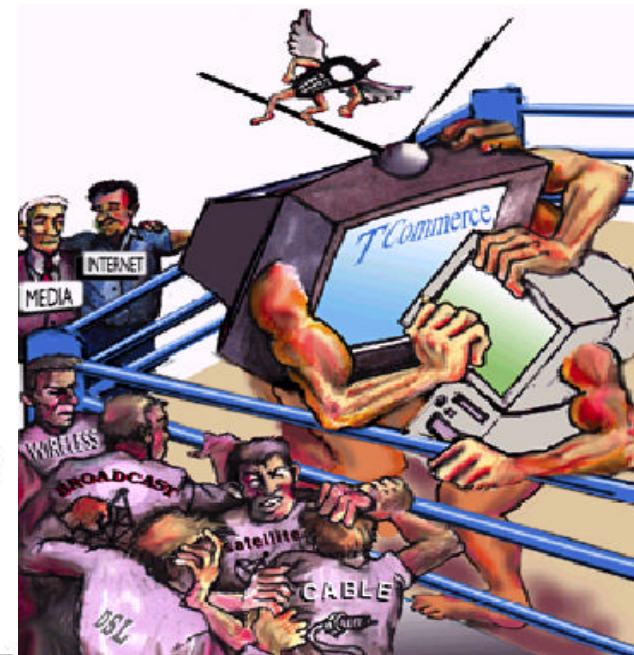
Subscriber Access Market Forces

Enhanced TV represents the next major bandwidth wave of Internet applications



..Penetration	99%-plus	45%
..Usage	7.4 hours/day/household	Less than 1 hour/day
..Crashes	No (not yet)	Yes
..Brain State of User	Open, ready for suggestion	Purposeful, searching, less open to impulse
..Emotional Content	Laugh, cry	Yawn (except streaming)
..Primary Use	Entertainment, Information	Productivity, Information
..Units sold per year	25 million	10 million

Source: Deutsche Banc Alex. Brown, Nielsen Media Research



Application Bandwidth Considerations

Video streams: 8-200 Mb/s (total)



Standard Definition TV (SDTV) video: 2-6 Mb/s per channel
(quality comparable to that of CATV)

High Definition TV (HDTV) video: 20-50Mb/s per channel
19.28 Mb/s HDTV (ASTC) for terrestrial mode (RF
broadcast) and 38.57 Mb/s for high data rate mode
(Cable TV)

At least 4 concurrent channels per access link (any
combination of SDTV and HDTV channels)

Note: Indicated video rates are for MPEG transport only.
Ethernet/IP encapsulation will add overhead.

PAR for the Future Subscriber Application

- ✓ Broad Market and Applications Potential
- ✓ Compatibility. Part of our Responsibility
- ✓ Technical Feasibility. The Experts are Here
- ✓ Economic Feasibility. Strike a Balance-again
- ✓ Distinct Identity – Begs for a Future-proof Solution

**Project Authorization To Vision The Future For
The Subscriber Environment**



NORTEL NETWORKS

Ethernet Reliability Built In