

# New Study Reflects Continued Growth Of Fiber To Homes

Jeff Griffin, Senior Editor

The number of internet customers in the United States directly connected to fiber optic networks with fiber service lines continues to increase at a rapid pace, and expansion of fiber networks continues to make it possible for a growing number of households to subscribe to services that bring fiber connections to their premises.

A study released in late September by the Fiber-To-The-Home (FTTH) Council placed the annual growth rate for fiber connections to homes at 76 percent, the highest of any country or region in the world.

The study, prepared by RVA Market Research, documented that more than 1.6 million households were connected to fiber networks with fiber services, bringing the total fiber-to-the-premises (FTTP) connections in the U.S. to 3.76 million. In addition, the number of homes "passed" by fiber networks – the industry term describing property that can be physically connected to a FTTP system – rose from 9.55 million to 13.8 million.

The study also found that "take rate" (the percentage of customers offered FTTP services who choose to subscribe) increased for the fifth consecutive six-month period to reach 30 percent, and that the number of subscribers for FTTP television services continues to grow.

## Leader

Much of the growth continues to come from Verizon's expansion of its FiOS (fiber optic service) network which signed on its 2 millionth customer in July 2008. Verizon said the number of premises passed by the end of June 2008 was 11 million.

Verizon is the only major carrier offering FTTP services – with few exceptions, the fiber systems of AT&T and others bring fiber to a node or other point from which customers are connected by twisted copper or coaxial cables. Other carriers do now bring FTTP to some greenfield developments.

The sustained high growth rate of fiber connections to homes is disproving claims skeptics made a few years ago, said RVA's Mike Render, whose firm conducted the FTTH Council study.

"They said FTTH would never work for overbuilds, in rural areas, in multi-tenant buildings or in places where there was already competition to provide these services," said Render. "They said no one would ever need or pay for 7 mg of download speed. And now we are finding that those concerns are not panning out."

Comparing Verizon FTTP figures with those in the FTTH Council study reveals a difference of 1.76 million subscribers and 2.8 million homes passed that could be connected by fiber services to fiber networks, and those customers are in rural areas and many non-urban markets already served by conventional internet services.

**Patience running out**

In many of these markets, customers are no longer willing to wait for conventional carriers to provide their broadband needs, and independent telephone companies, municipal utility providers, fiber network development specialists and other organizations are building fiber systems to serve their needs.

## Patience running out

Often overlooked are the "private" fiber networks linking buildings in municipalities, large school districts, universities, government installations and large corporate complexes. Demand for fiber in rural areas and for private networks services has grown rapidly over the past five years with hundreds of thousands of route miles of fiber – most of it underground – put in place for these networks.

For example, in North Dakota, Dakota Central Telecommunications is constructing a state-of-the-art fiber network and 5,200 of its 8,500 customers in the company's 18-community service area are connected to FTTP service that provides high-speed internet connections, digital television and digital telephone service. The network is 100 percent underground to be storm and wind proof and more eye friendly than an aerial system would be.

And in Texas, GVTC Communications, the state's largest telephone cooperative company with 43,000 customers, is constructing a fiber system that offers FTTP internet download speeds and other services still unavailable in much of the country, including large cities.

"The continued growth in the number of connections and in the take rate is evidence of what consumers think about fiber to the home - it is fast becoming the technology of choice for receiving high-bandwidth in-

ternet and superior video services," said Joe Savage, FTTH Council president. "In addition, we are continuing to see enormously high customer satisfaction rates for FTTH services when compared to other types of broadband and video providers."

The FTTH Council is a non-profit association with a membership composed of companies and organizations that plan, construct, and deliver video, internet and voice services over high-bandwidth systems with direct fiber optic connections. Its mission is to share knowledge and build industry consensus on key issues to promote accelerated deployment of fiber to the home.

## FOR MORE INFORMATION:

- FTTH Council, (503) 635-3114, [ftthcouncil.org](http://ftthcouncil.org)