# Delivering Fiber's Promise

**An Interview with Lea Ann Champion, Senior Executive Vice President, IP Operations & Services (Mass Market), SBC Communications Inc., San Antonio, Texas**

*Lea Ann Champion*

**EDITORS' NOTE** *Prior to assuming her current position in May 2004, Lea Ann Champion served as SBC's chief marketing officer for three years, and before that, as president of SBC Telecom. Since launching her career in 1980, she has held numerous senior executive positions within the telecommunications industry, including president of business communication services for Pacific Bell and president and CEO of Southwestern Bell Telecom. Champion is a graduate of Oklahoma's East Central University.*

**COMPANY BRIEF** *A* Fortune *50 company, SBC Communications Inc. is one of the world's leading providers of data, voice, e-business, networking, and Internet services, serving 54 million access lines in 13 U.S. states. Internationally, it has telecommunications investments in 26 countries, and it owns 60 percent of Cingular Wireless, which serves more than 25 million subscribers in 38 states. Traded on the NYSE as SBC, and with some 168,000 employees, the company reported net income of $8.5 billion on total revenues of $40.8 billion in 2003.*

**What is your strategy for fiber?**

Over the next five years, we will bring a new, fiber-rich network to millions of residential and small-business customers. Through this network, our customers will have access to integrated digital TV, super-high-speed broadband Internet access, and Voice over Internet protocol [IP] services. We are tapping into a range of new, integrated communications features and functionality made possible by IP. For example, we will introduce an enhanced TV-viewing experience. Plus, customers will access and share their video, voice, and electronic communications via any number of IP-enabled devices, such as phones, PCs, TVs, or personal digital assistants. The new project will expand the available bandwidth, producing download speeds of 15 to 25 megabits per second [mbps] and upload speeds of 1 to 3 mbps for each customer.

Pending successful completion of market trials and additional clarity on regulatory conditions, we will soon begin rolling out this fiber-based network and new IP-based service to existing neighborhoods and newly constructed areas. In existing neighborhoods, SBC companies will use "fiber to the neighborhood" [FTTN] technology to run fiber to nodes that serve 300 to 500 homes each. SBC companies will continue to use their existing network connections to deliver services from the nodes to each home or small business. As for developing subdivisions, SBC companies will deploy "fiber to the premises" [FTTP] technology for new network builds.

In short, our fiber strategy provides a highly efficient means of delivering next-generation broadband over a relatively short time frame. This plan will accelerate our evolution from a copper-driven telephone company to a fiber-driven provider.

**Why did SBC choose FTTN/FTTP solutions?**

We're confident that our FTTN/FTTP strategy will evolve our network to meet customers' communications needs for decades to come. For overbuilds, FTTN allows us to deliver more than enough bandwidth to provide digital video, super-high-speed data services, and multiple voice lines to existing neighborhoods quickly and efficiently, avoiding costly, time-consuming trenching on customers' property. In most new construction areas, we plan to use FTTP strategies, which are well suited to new construction.

**What is the importance of video in your service bundle?**

As cable companies begin to include voice in their packages, customers will be able to receive telecommunication services from cable that will directly compete with SBC. So SBC needs to provide that same customer with a more robust bundle of services at a competitive price. With wireless and video in our bundle, SBC will offer a package that cannot be replicated by the cable companies without a wireless acquisition or joint venture.

**What do you hope to gain from your new fiber network?**

First, we will deliver new services via the enhanced network, thereby creating new revenue streams. Second, our network build creates capital efficiencies, allowing for future savings and decreased maintenance costs. This strategy builds upon our already fiber-rich network, creating an adaptable, scalable network, while at the same time maintaining the highest levels of discipline and responsibility with regard to our capital investments.

**When will SBC deploy fiber?**

We're already conducting trials of FTTP, and trials of FTTN will follow soon. Assuming a successful completion of these tests, we plan to begin field trials of the Microsoft Internet protocol television platform late this year. Further deployment plans will be determined based on the results of these trials. We're also awaiting final clarity on regulatory issues that might impact such a network investment, although recent movement on that front has been very positive.

**Why will SBC, in particular, succeed in this area?**

We're the right company to bring this technology to customers. We will provide a viable, content-rich alternative to cable. SBC companies have provided outstanding service and the latest technologies for nearly 125 years. We have already set the standard in offering bundles, and thereby, the best value and cost savings in communications. With our new fiber network, we'll extend this concept to ensure our valued customers receive the latest in technology at affordable prices. ●