

Success Story

ZyXEL builds FTTx Infrastructure

Chunghwa Telecom (CHT) is the ILEC in Taiwan with over 24,500 employees. CHT provides a wide range of telecommunication services such as innovation, effectiveness and quality over advanced networks. They never stop seeking for better services to deliver value and improve productivity.

Company/Operator

Background: CHT has more than 500,000 subscribers for high-speed Internet services (10Mbps/2Mbps) including IPTV set-top boxes, and will increase to 1,000,000 subscribers this year.

Existing network structure: Using video streaming technology through a set-top box which connects the FTTx and asymmetrical digital subscriber line data connections, the company's customers can access television programs along with other services.

IT management: In the service metro network, carrier Layer2 managed Gigabit Ethernet switches support the fibre interface to connect to the fibre ring. The

signals are distributed remotely using Active Ethernet Switches DSLAM VDSL2 switches. For areas with a lower number of subscribers, a temperature-hardened VDSL2 switch is installed by hanging from the pole, outside of the street cabinet or outside of the wall. High-speed broadband services, such as IPTV, can be delivered to the MDU building, successfully combined with the VDSL2 gateway to the user.

Benefits

Profitability: By the end of December 2008, CHT attained 670,000 MOD (Media-on-Demand) subscriptions, double the amount of 2007. It usually takes about four years to achieve this number and at current subscription rates the 2009 number is surpassing that of 2008. CHT

is therefore planning for 2.1 million this year although it had forecast 1.8 million for 2009. The broadband subscription of CHT has reached 4.3 million and 25% of it was FTTx with 99% annual growth rate of 10Mbps averaging bandwidth. CHT achieved consolidated revenue of USD 57.6 billion, with mobile business contributing 35.9%, Internet and data 24.8%, and fixed-line 28.3%. In addition, their net profit was USD1.3 billion, representing a net margin of 22.3%. (CHT 2008 Annual Report)

Productivity: By adapting ZyXEL's FTTx solution, CHT not only reduced efforts in the Telco's IOT (Interoperability Testing) issue by providing end-to-end access equipment, such as Carrier Metro Ethernet Switches, CO MSAN and remote DSLAM to VDSL2 CPEs. Follow-up maintenance will simply be provided by a single vendor and will also introduce the ZyXEL Powerline series to eliminate annoying wiring problems and LAN settings in the customer's home by simply plugging into the wall power outlet.

Customer satisfaction: CHT had plans to both encourage customers to switch from the competition with a better price package to existing DSL service subscribers and to segment for advanced users by providing more bandwidth of up to 20-50Mbps and beyond and with pay services, such as billboard music listening online (KKBOX Air) and Karaoke-on-Demand (KOD). Another proof of customer satisfaction is IPTV service booming at the double subscription rate of up to 1 million.



Ho Chen Tan

Former CEO, Chunghwa Telecom

"The ZyXEL access solution enables CHT to solve the last-mile bandwidth bottleneck and to deliver service more smoothly."

Future prospects

Digital Convergence: CHT is pleased with the achievements in 2008 and is excited about new opportunities within the evolving telecommunications area despite the current difficult global economic environment. CHT's plan in Next Generation Network (NGN) is the evolution toward digital convergence. Customer demands and expectations in mobility, seamless interconnectivity and high performance levels mean that an advanced and reliable network is now more critical than ever. ZyXEL is continuing to lead the development in a comprehensive IP-based NGN, focusing on DSL end-to-end, Metro Ethernet, FTTx and WIMAX to provide cost-effective solutions, products and services to CHT. IPTV services, video communication and fixed mobile convergence to home or business customers will continue to enhance users' satisfaction and drive the demand for unique and high-quality offerings. ■

