

NTT's efforts and prospects for FTTH deployment

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Summary

In Japan, the number of subscribers to the Internet access service, including that for mobile phones, already exceeds 120 million. Among those, the number of users of broadband access has reached about 31 million, which is equivalent to more than 60% of the number of subscribers to PSTN or ISDN. Particularly noteworthy is the fact that while the number of subscribers to DSL has been decreasing since the second quarter of 2006 in comparison to the previous quarter, the number of subscribers to FTTH overtook that to DSL in the second quarter of 2008, and exceeded 15 million by March 2008. At the end of June this year, the number of FTTH users reached about 16 million, accounting for more than 50% of the total number of broadband access users for the first time. More than 70% of these 16 million users are subscribers to FTTH provided by NTT. NTT thus plays an important role in driving the penetration of FTTH in Japan.

This presentation reviews the path NTT has taken to introduce FTTH and looks at where NTT is heading. It first describes the broadband service market and the rising demand for FTTH in Japan. It next looks at several recent business trends of the NTT Group. Specifically, the presentation indicates the changes in the number of subscribers to FTTH and in profitability over the years, and discusses the inevitable need for NTT to expand broadband business from its business management perspective. It also touches on NTT's efforts to create new services on the next generation network (NGN), which NTT has introduced ahead of other carriers in the world, and on its strategy for future service expansion.

The lesson NTT has learned through the provision of optical access to more than 12 million users is that it is essential to seek economical construction of the network and reinforce the functions that facilitate network operation. For example, it is important to speed up the optical fiber installation work. Considering the fact that about 45% of families in Japan reside in multi-dwelling units (MDUs), one of the keys to further increasing the number of subscribers to optical access is to install optical fibers to individual households even in MDUs. This presentation discusses NTT's strategy for introducing optical fibers to MDUs. Specifically, it analyzes advantages of using FTTH in MDUs in terms of workability, maintainability, and environmental aspects. It also refers to optical cabling technology, which is vital for installing optical fibers in MDUs. Finally, the presentation describes technical trends for future optical access, including the next-generation PON system.