



Cisco Helps SureWest Deploy Integrated Data, Voice, and Video

Thanks to Cisco technology, SureWest has created a compelling value proposition bundling data, voice, and video over a single fiber to the home.

Background

SureWest Broadband, a subsidiary of SureWest Communications (NASDAQ: SURW), was established in 1999 to provide broadband services to residential and business customers in the Sacramento, California area. SureWest Communications, the holding company, has other major affiliates including Roseville Telephone Company, which has served the local community for over 90 years.

Since July 2002, SureWest Broadband has been expanding its fiber-to-the-home network to offer the integrated data, voice, and video “triple-play” services to its customers. “No other provider in the Sacramento area is offering the triple-play service,” says Bill DeMuth, vice president and chief technology officer with SureWest. “Ten megabit symmetrical Internet really gets us in the door. People love that. Then when they see that we offer over 260 channels of digital TV, video on demand, and pay per view, they take it.”

In Sacramento, SureWest Broadband currently has over 9000 subscribers, constituting the largest active fiber-to-the-home network in the United States, with a 20-percent market penetration rate. “Providing voice, high-speed Internet, and video over a single

network on a single bill with a single point of customer contact creates an unbeatable value proposition for our subscribers,” says DeMuth. “Over 50 percent of our subscribers take the Triple Play package and 80 percent take two of the three services. Most importantly, our churn rate is less than two percent. With approximately 800,000 residents in the Sacramento area, it’s a large opportunity for us. We get a lot of people asking when we are coming into their neighborhood, which is quite exciting for us.”

Building the Network

Expansion into the new areas in Sacramento County is already beginning with construction starting in Elk Grove, California in 2004. SureWest has a commitment to pass 150,000 Sacramento-area homes by 2006.

SureWest sought a network solution that would prove cost effective from the perspective of both capital and operating expenses. “We saw an opportunity to evolve the dual fiber/coax network technology of our existing infrastructure,” says DeMuth. We wanted to consolidate to a single fiber and deliver all services, including video, using IP.”

“We evaluated Fast Ethernet solutions from multiple vendors and chose the Cisco bi-directional solution. The Cisco solution was selected because it is standards-based and a reliable, secure, scalable, and affordable interface,” said Brian Strom, president and CEO, SureWest Communications. “The Cisco solution enables SureWest to maintain cost-effectiveness while delivering data, voice, and video services over a single infrastructure.”



“SureWest evaluated a number of suppliers, testing equipment in its lab by integrating various systems with the video headends. We made sure they would perform as expected,” says DeMuth. “From this we narrowed our search down to one vendor: Cisco.”

The solution from Cisco enables SureWest to build out the new network providing data, voice, and video services over a single strand of fiber to the home. The network leverages the Cisco Catalyst 4500 Series 48-port 100BASE-BX10-D Bi-Directional Fast Ethernet line card to provide the lowest total cost of ownership. The single strand of fiber eliminates a fiber, a splice, and space in conduit compared to a typical two-fiber solution. “When you consider the space and splicing savings of a single-fiber solution, it becomes obvious why we made this decision,” says Carl Murray, strategic technologies manager at SureWest Communications.

The new infrastructure will be far simpler to manage compared to the current network. Complexity has been reduced by having a single, Ethernet-based pipe for all services. Further simplification is provided through the Cisco Catalyst 6500 Series and 4500 Series switches that deliver control and performance for the IP-based services with a common user interface in the core and access. “We are delivering the same customer experience over a greatly simplified design that allows us to expand our network quickly,” says Murray.

An open, standards-based solution was another important benefit of this solution. Many of the fiber-to-the-home solutions are proprietary. “You have to buy all the components at the headend and distribution throughout the network from a single vendor,” says DeMuth. “We wanted the flexibility to combine best-of-breed solutions to create a more cost-effective, forward-looking network with a standards-based, open architecture. With Cisco, we could select from a variety of customer premise vendors for media converters and home gateways. We didn’t have to rely on one specific vendor.”

The Cisco solution will give SureWest the scalability it needs to cost-effectively build out the network. It will also provide the flexibility to meet whatever demands come along. “One-hundred Megabits to the home is a lot of bandwidth,” says Murray. “Ten megabit symmetrical Internet only uses ten percent of that bandwidth. Video only uses four Megabits. Add in future services such as HDTV and interactive gaming and there is still plenty of bandwidth. One hundred Megabits will allow us to offer new services without changing out infrastructure for a long time. And when we do need more, we can simply upgrade to Gigabit Ethernet without touching the plant.”

Conclusion

“SureWest has been widely recognized as an innovator,” says DeMuth. “We need a partner that’s just as innovative and progressive; one who will respond to customer demands. Even our investors expect us to establish strategic relationships with viable, progressive companies. On the operational side, it’s critical that we select a company that provides solutions that are reliable, scalable, secure, and affordable. Cisco is that partner. The single fiber solution from Cisco meets our business needs.”

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