



**Session One: The Broadband of the Future –
issues for Infrastructures and Ultra Services**

GLOBAL FORUM 2008

“Collaborative Convergence”

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The World has Changed – and So have We

The Internet Generally

- ◆ Over 1 billion global users
- ◆ Daily email traffic
- ◆ U.S. Internet connections

(growing by 10 million a month)
(102 billion emails by 2009)
(handled 700mil. gb per month by 2006)



Verizon Wireless*

- ◆ U.S. wireless customers
- ◆ States w/wireless presence

68 million
49 with D.C.,
Puerto Rico



Verizon Telecom*

- ◆ U.S. wireline access lines
- ◆ Wireline broadband connections
- ◆ FiOS triple-play

38.3 million
8.3 million
2 million Internet
1.4 million Video



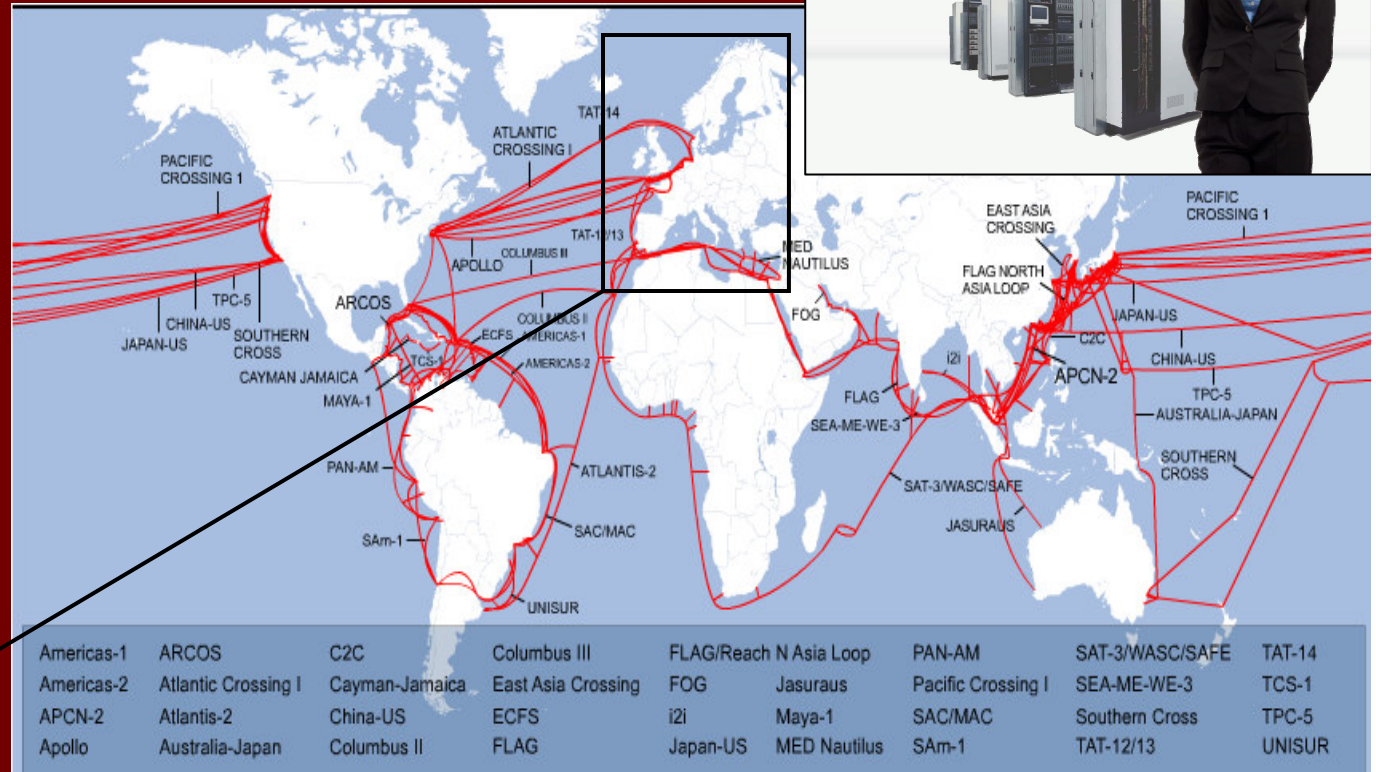
**Statistics as of 8/08*

Verizon's International Presence *

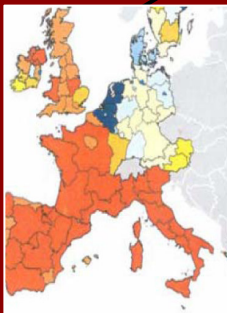
32,000 employees
servicing
100,000+ customers
(98% of the Fortune 500)

International IP Network

2,700 cities
150 countries
100,000+ miles of fibre
Over 6 continents
4,500 global PoPs



**Statistics as of 8/08*



Verizon Business in Europe:

- ◆ Offering services in 23 of the 27 Member States, with approximately 4,700 employees
- ◆ Including: Voice, GDL, PIP, Frame/ATM, IP, Dial
- ◆ VzB-International Headquarters located in Reading, U.K. (approximately 1,800 employees)

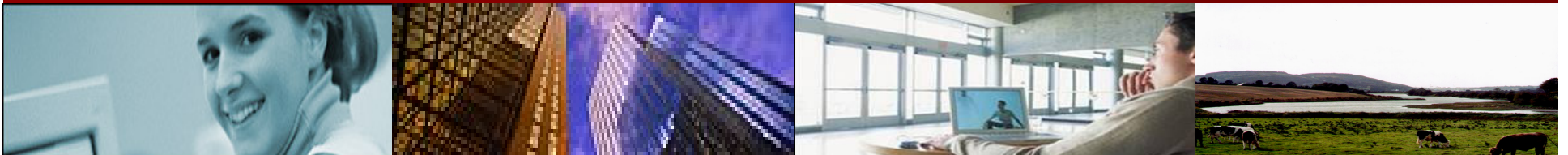


Delivering the most diverse NGN Services ...

- ⇒ FiOS FTTP – the most advanced triple-play in the U.S.
- ⇒ 4G Mobile – LTE and EV-DO
- ⇒ On a nearly all-fiber core



... Anywhere and Anytime ...



... And with the Speed and Capacity you Require ...

⇒ ***For instance*** – Verizon Wireless' decision to deploy 4G Mobile (LTE and EV-DO) will transform 'global mobile'

- ♦ Verizon recently purchased nationwide 700mhz spectrum to give us a seamless national platform for 4G wireless
- ♦ LTE (Long-Term Evolution) as our 4G technology, coupled with our EV-DO wireless broadband, will mean:
 - Seamless global access for our customers
 - Significant throughput (up to 75mbps downlink)
 - The ability to open up multiple applications at once

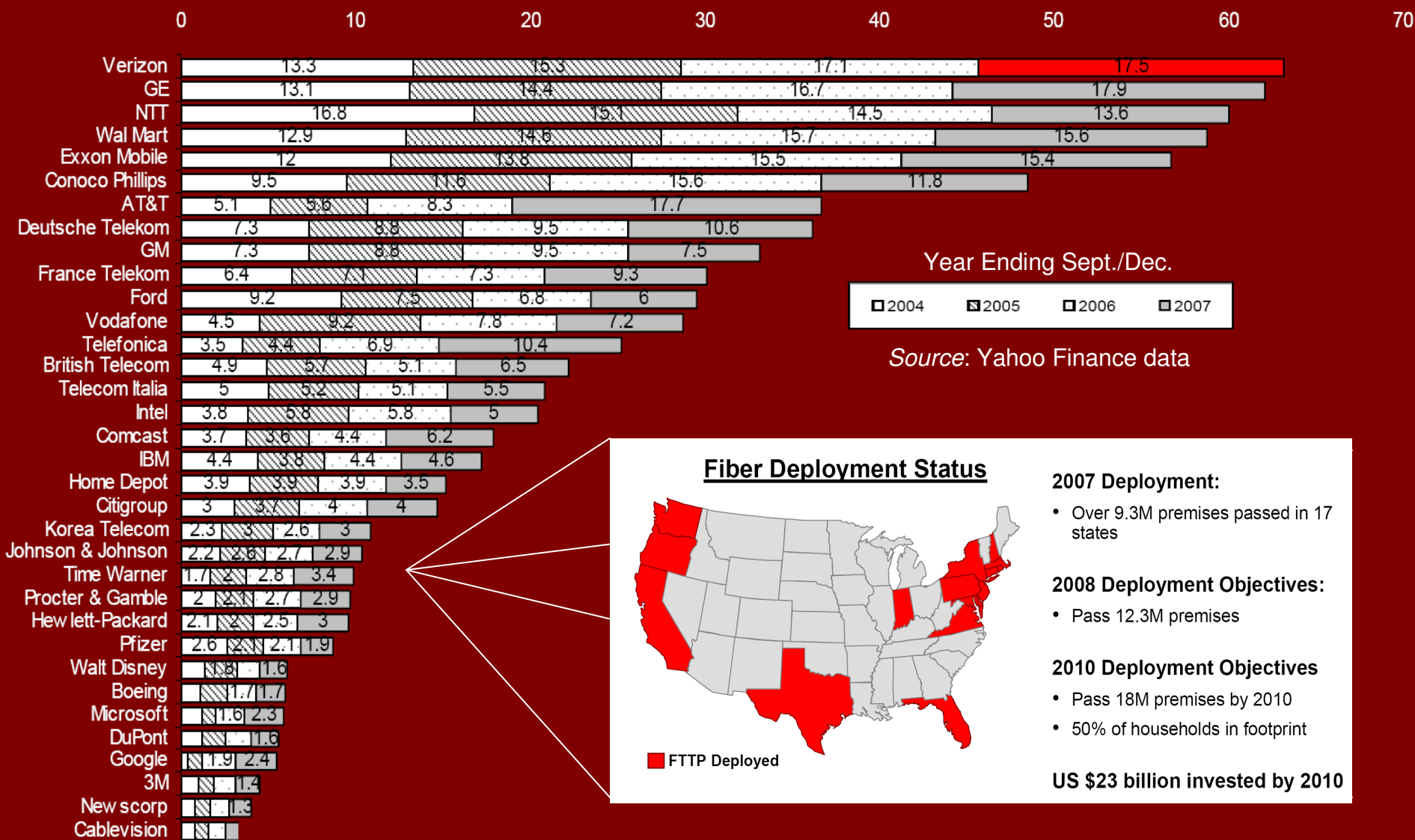


... Requires having the policy basics

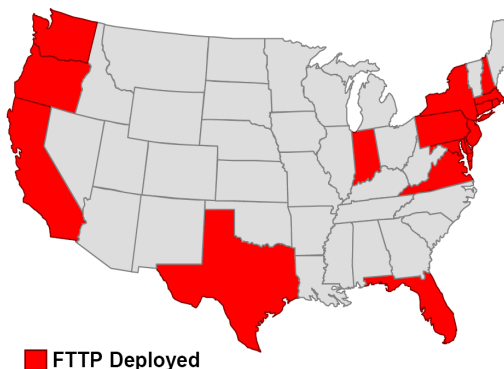
- ◆ **Encourage intermodal competition** – consumers will be best served by having multiple broadband platforms competing, with a wide range of business models and services to differentiate competitors.
- ◆ **Foster investments** – coupled with policies to bring more spectrum to the market for wireless broadband, the FCC has created an environment that encourages investment.
- ◆ **Anticipatory regulation will kill innovation** – *ex ante* regulation of innovation in the network (network management tools) will inhibit operator ability to enhance consumer welfare.
- ◆ **Recognize that you will need fiber** – new services and user habits will generate a volume of traffic hard to foresee.
 - Those services with the greatest capacity to impact social welfare (e.g., medical monitoring and real-time video communication) require a level of interactivity and reliability that copper simply won't provide

Expanding Broadband Deployment is a Key Social Policy Goal to which Verizon is Committed

Capital Expenditures (in US\$ billions)



Fiber Deployment Status



2007 Deployment:

- Over 9.3M premises passed in 17 states

2008 Deployment Objectives:

- Pass 12.3M premises

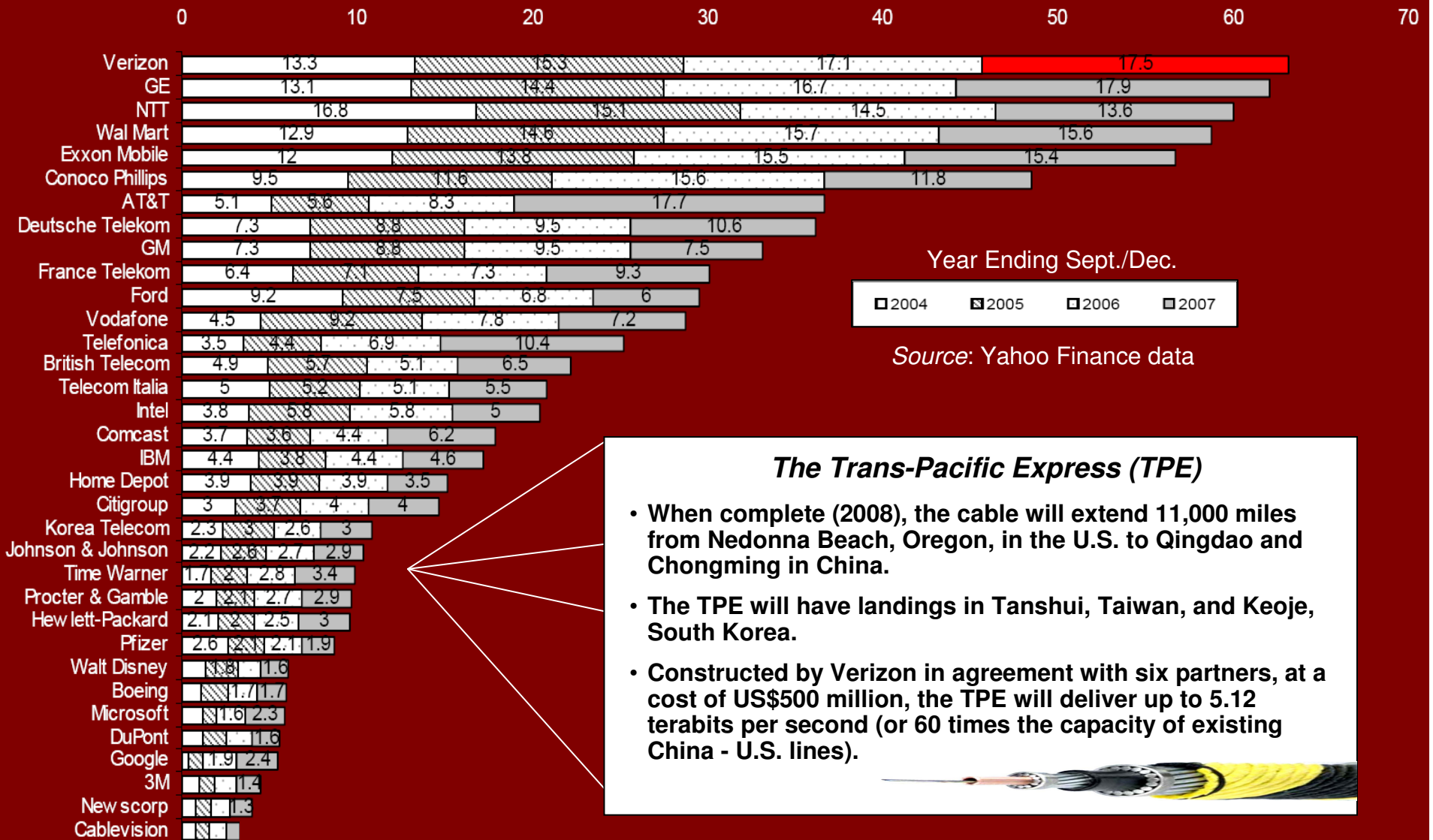
2010 Deployment Objectives

- Pass 18M premises by 2010
- 50% of households in footprint

US \$23 billion invested by 2010

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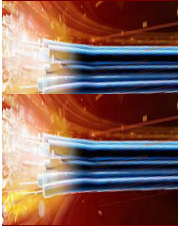
The Trans-Pacific Express (TPE)

- When complete (2008), the cable will extend 11,000 miles from Nedonna Beach, Oregon, in the U.S. to Qingdao and Chongming in China.
- The TPE will have landings in Tanshui, Taiwan, and Keoje, South Korea.
- Constructed by Verizon in agreement with six partners, at a cost of US\$500 million, the TPE will deliver up to 5.12 terabits per second (or 60 times the capacity of existing China - U.S. lines).



Convergence is Happening

- ◆ **U.S. consumers are benefitting enormously from convergence in our market**



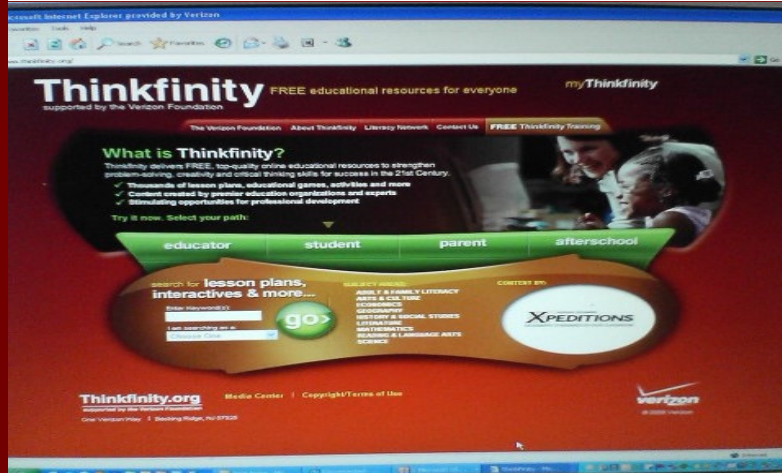
- **94% of the population has access to broadband (76% have access to at least two platforms)**
- **More of its market (58%) is served by competitive infrastructures than anywhere in the globe**
- **Its fiber deployment growth rate is second-to-none (213% growth in 2006) (99% in 2007)**

- ◆ **But ... there is more to come:**

- Countries – like the U.S. – that experience the greatest productivity and economic gains from ICT are those that successfully and deeply integrate it within the daily activities of diverse segments of society.
- **Each of us needs to:**
 - a) Develop means to reach those without access to broadband (for instance – in the U.S. – this means reaching the remaining 6%); and
 - b) Expand ways in which networks benefit society — the economy, security, energy, education, healthcare IT and the environment

Global Capability – Global Responsibility

ICTs for Education: www.Thinkfinity.org



Commitment to Community: Vijay Jestadi is a teaching volunteer in English, math and computer skills in Hyderabad, India



eICU: Better Health Care Delivered over Verizon Broadband in Virginia

Related Verizon 'green' initiatives:

- Energy Conservation
- Datacenter Initiatives
- Renewable Energy
- Fleet Environmental Initiatives
- Managing Resources Effectively

Action Agenda – Unlocking the Potential

- ◆ **What we know:** The Internet Economy, supported by information and communication technologies, will strengthen our capacity to improve the quality of life for all our citizens. *
- ◆ **What we need:**
 - **A stable, reliable and trusted infrastructure**, capable of addressing and responding to emerging risks and threats. *
 - **Foster innovation and ongoing expansion of the Internet** by avoiding regulation that could jeopardize “the open, decentralized and dynamic nature” of the Internet. **
 - **Stimulate investment and competition** in the development of high-capacity information and communication infrastructures. **



* From the “Declaration on the Future of the Internet Economy.”

** From “Internet 2018: a Business Vision paper for the OECD Ministerial.”