



U.S. SIP Trunk Services 1H 2009

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Background

- New firm, but long history focusing on emerging enterprise-class services.
- Current focus is on enterprise class:
 - VPLS
 - 3G/4G
 - UC/FMC
- Current SIP Trunk research builds on earlier competitive assessments
- Planned research in next 2 months includes UC systems vs. services
- This research- invited 12 providers who offer services in the US to participate, 10 provided responses in time for today's webinar

The Good and Bad News on U.S. SIP Trunks

- 38% of providers report rapid growth rates in last 12 months (250+% on small installed bases)
- Expanding pool of providers - at least 4 providers will introduce their initial GA SIP Trunk offers in 2H 2009
- Providers' view of future diverges - some providers' PSTN cap/VOIP grow strategies on PSTN have been in place since 2000-2001
- But since last major study, the state of SIP Trunk maturation has moved at a glacial pace

U.S. SIP Trunk Access

- 75% require DS-1-Ethernet access
- 50% will support sub-T1 SIP trunk bandwidth on T1 interface
- 25% offer Broadband or Fractional T1 access for SIP trunks
- 13% providers 'push' Ethernet access now.
 - Customers who implement traditional DS-1/3 now will face another upgrade several years from now to EVPL access
- 25% providers extend their local geographic footprint via VOIP FX service

U.S. SIP Trunk Services and Features (1)

- Services—
 - MPLS- 88% now; DIA 63% now; 0% Ethernet services (now/future)
 - PSTN handoffs – 100%; local calls – 100% (100% w/geographic restrictions), extended local reach- 38%; IP Toll Free - 50% now; 0%
- 25% explicitly mentioned SIP Trunk interfaces to VOIP IVR, VOIP conferencing services
- 25% explicitly mentioned they are working on SIP Trunk interfaces to MS OCS R2/R3
- 50% have/will have international offers; 13% will have same service and prices globally
- Call transfer using SIP refer – 1 provider now, another by end of year

U.S. SIP Trunk Services and Features (2)

- 88% support Load Balancing between IP addresses (multiple trunks or sites)
- 88% support Inbound call overflow to alternate IP address (provisioned feature); only one explicitly stated it supports overflow to PSTN trunks
- 88% cap calls or voice bandwidth (local & LD, inbound and outbound)
 - 13% can create caps based on call type
 - Depending on the provider, on-net calls may or may not be part of the cap
- Only one provider supplied an explicit list of features that are designed to support mobile users
- 0% offer advanced (interactive, programmable) toll free features

U.S. SIP Trunk Reliability

- CPE Compatibility –
 - 100% have their own compatibility testing process
 - 13% has an extensive list of certified vendors
 - 13% SIPconnect Compliant (SIP Forum)
- 13% currently supports standard, pre-built configurations, all others are ICB
- 25% confidently quote a standard installation interval (10-12 days), all others were ICB
- Portals/automation – 13% provide relatively strong customer portal today
 - 25% allow some MAC functions via portal- 13% can quote a standard change interval (5 days)
 - 38% support SIP Trunk trouble reporting via portal
 - 13% quotes standard MTTR
- Many providers' OSS are home grown to a significant degree-
 - Unsustainable for most providers over the mid-term
 - Expect significant process change with these providers 2011-2012
- Trouble resolution can depend on insight into history -- range of retention of performance data is from 3 to 14 months
- Number of nodes with VOIP assets varies by provider - low of 3, high of 20.
- VOIP NOCs - no more than 2 in US, 38% have one.
- Security- Standard data network capabilities and toll fraud

U.S. SIP Trunk SLAs and Pricing

- SLAs-vast majority can be charitably characterized as embryonic
 - Even SLOs may not be disclosed by providers
 - 25% offer installation SLAs,13% offer MTTR SLA
 - 38% support some voice-specific SLAs – another provider plans to offer in future
- Pricing- what a mess!
 - 100% charge for concurrent calls - but the price range is a factor of 3X
 - 100% have fees for blocks of DIDs, hunt groups and feature packs
 - Offnet LD can be either MOU or tiered
 - Local calls can be free, MOU or tiered
 - 13% provide free SIP-PSTN on-net calls
 - 13% plan a single global service (same features, price)
 - 25% extend reach via VoIP FX
 - 50% now offer IP Toll Free, price is typically same as PSTN toll free
 - 25% IP Toll Free price is lower than PSTN equivalent (very large customers)

U.S. SIP Trunks - Due Diligence is Essential

- Today, the most overall advanced provider has and will continue to have a limited US footprint
- U.S. SIP Trunk offers and availability now entering a period of heightened change
 - Wide offer variability between providers will continue for next 3+ years
 - Providers have limited capex budgets, so enhancements will be staggered
- Important for enterprises to know what you need and want *in detail*
 - For many customers, most SIP Trunks features are often (still too) simple
 - But pricing is complex, so price the network and its related services, not the SIP Trunk port/feature in isolation. If economics are your primary motivation, you'll need a 20%+ overall savings to make the migration worthwhile.
 - While awaiting greater levels of performance/reliability maturation, it's prudent to use mix of traditional and SIP trunks
 - Issue RFIs to assess the landscape, subsequently follow up with RFPs to those providers who pass the RFI phase

Thank you

- To *No Jitter*
- To the participating providers – AT&T, Global Crossing, Level 3, Orange Business Services, Sprint, Time Warner Telecom, Verizon, XO
- Other providers were invited to participate, but did not supply information in time for this webcast

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