

## "The End is Near"

Doom and gloom appears to be making its rounds these days in just about every industry. Turn on the headline financial news and Wall Street continues to take a healthy dose of antacid tablets with each market close. Capitol Hill banters on the topic of war with Iraq—and the saga of terrorism drones steadily in the background. With such abysmal news ruining many American ideals for a near-term economic recovery, where is the glimmer of sunshine amidst the shadow of a cloudy business uncertainty? The last mile of broadband access, believe it or not.

Vendors at last month's Networld + Interop valiantly showcased some of the latest innovations and wares poised to revolutionize broadband capacity for the swelling masses. From wireless access points that structurally alter the infrastructure equation to the sophistication of security appliances, the endpoint of network computing is getting closer to the euphoria promised long ago by banner ads. Broadband vendors such as Covad are reemerging from the ashes of bankruptcy with their subscriber rolls on target for profitable service generation. Equipment manufacturers continue to unveil innovative edge solutions that maximize the contingency bet on fiber and metropolitan service expansion. And best of all, the ARPU (average revenue per subscriber unit) continues to climb—affirming the underlying notion that demand for broadband network services is unscathed.

But why are so many telecom firms continuing to cease operations and abandon their engineering plans for the future? Really, the answer boils down to investor confidence and the receding belief that service providers can actually pull-off the grand finale of turning an investment sink into a wellspring of profit. Qwest and others in the news have further shaken the turnaround effort by restating their financial earnings; investors find popularity in shoring losses by demanding capital repayment from their previously funded ventures. A vicious cycle at best, but innovation continues to plod along—largely due to noticeably sharp consumer demand that keeps service providers scrambling for growth resources. And this innovation comes at a time when resources cost more (in real dollars)—forcing the end-user to willingly shoulder a majority of the deployment expenses.

Not all is unfair though. The heyday investment spree of the late 1990's accelerated network growth and the deployment of assets to outpace reasonable subscriber adoption. And in a period of protracted spending, those subscribers who continue to pull broadband services into their communities are equalizing the distribution of benefits. Think of these recent telecom failures as an invisible correction of the market that is aimed toward restoring service growth alongside justifiable expectations.

As the last quarter of 2002 comes into sight, don't expect any neon signs touting recovery around the corner. But rather look at the measurable progress being made to deliver service to customers on the edge of fulfillment. The last mile has always been the hardest objective to achieve but is nevermore closer in sight than of late. And in the telecom oracle, that's a future worth waiting for.