METRO Ethernet Forum

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FIRST METRO ETHERNET SERVICE STANDARD RATIFIED
-- marking a significant advance in Ethernet's 30 year history

Newport Beach, CA – Oct 9th, 2003 – Carrier Class Ethernet Services took a major step forward this month with the ratification of the industry's first Ethernet service standard by the Metro Ethernet Forum (MEF). The new standard – MEF Technical Specification - Ethernet Services Model Phase 1 – is a significant advance in Ethernet's 30-year history. This is the first formal definition of Ethernet service capabilities and marks Ethernet's inexorable progress from a Local Area Network connectivity technology to a robust Metropolitan and Wide Area Network services delivery technology.

"Network architects should take note," announced Nan Chen, President of the Metro Ethernet Forum (MEF). "The drive for the acceleration of the adoption of Metro Ethernet has achieved significant momentum."

Many major analysts groups are predicting a surge of investment in metro Ethernet – currently estimated at $14 billion in Ethernet-delivered services (source: Gartner Group) and $4.4 billion in equipment revenues (source: Infonetics Research) by 2005. The MEF has surveyed the service provider community and found over 50 providers offering or in the midst of rolling out Ethernet-delivered services. This new standard provides the conceptual tools to assist these service providers in modelling point-to-point and multipoint-to-multipoint Ethernet services through a standard framework of service attributes and parameters.

The new specification will be accompanied towards the end of this year with a companion Services Definitions specification. "Carriers, Enterprises and equipment vendors will now be able to communicate with a common set of terminologies that define Ethernet services," states Ralph Santitoro, co-chair of the MEF Technical Marketing Committee.

This is an element of the MEF's phased plan to deliver carrier class Ethernet. This plan includes MEF based services coexisting with proprietary and legacy management systems in deployed networks.

This allows users to gain immediate benefits from deploying new services together with a migration to standards based management, protection and interfaces as they are developed by the MEF. All of these are currently under development by the MEF and further announcements on these will be made in the coming months.

With over 97% of all data traffic beginning and ending on Ethernet, it wins hands down on ubiquity, simplicity and cost-effectiveness. The fact that an estimated 80% of data will at some point leave the initiating organisation creates enormous demand for a simpler metropolitan solution than the current translation from Ethernet to Frame Relay or ATM and back to Ethernet. The resilience reach and scalability of optical networks combined with the cost and familiarity benefits of Ethernet creates a winning solution.

A number of cost-comparisons have already been made – suggesting for example that the total cost to an enterprise of E-line Services provisioned over three years would be a fraction of that for Frame Relay and traditional private line services. For service providers data has shown nearly a 40% reduction in capital expenditure and a significant reduction in operating costs and a halving of total expenditure over three years. The latest study – due to be finalised in November - is the industry's first and most detailed OPEX analysis of Ethernet services yet. Brian Van Steen of PointEast Research, responsible for conducting the study, comments "The possibility of Carrier Class Ethernet services is a significant enough breakthrough in itself but initial interest is still focussed on the

potential cost reductions. Despite growing optimism, IT spending is still very cautious and carefully considered, so this study is timely.

About the Metro Ethernet Forum

Created to accelerate the adoption of Ethernet in metro networks worldwide, the Metro Ethernet Forum consists of approximately. 70 member companies representing a range of leading Ethernet service providers, major incumbent local exchange carriers, top network equipment vendors and other prominent networking companies. For more information about the Forum, visit the MEF web site at www.MetroEthernetForum.org. For a complete listing of all current MEF members, please visit the MEF website at: http://www.metroethernetforum.org/members.htm.

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