



**Vertical  
Systems  
Group**

# Does ATM Need MPLS?

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# Agenda



- ❖ Worldwide Business Services
- ❖ ATM Services Market
- ❖ IP Traffic
- ❖ Survey Says - IP Traffic Growth?
- ❖ MPLS Expectations
- ❖ Multiservice WAN Switch Market
- ❖ Does ATM Need MPLS?
- ❖ Contact Information

# Worldwide Business Services



## Worldwide Revenue Dedicated Data Services

	Revenue 2001	CAGR 2001-2004
Private Lines	\$25.9 B	3%
Frame Relay	\$12.7 B	18%
ATM	\$2.4 B	34%
DSL	\$739 M	61%
Dedicated IP VPN	\$226 M	54%

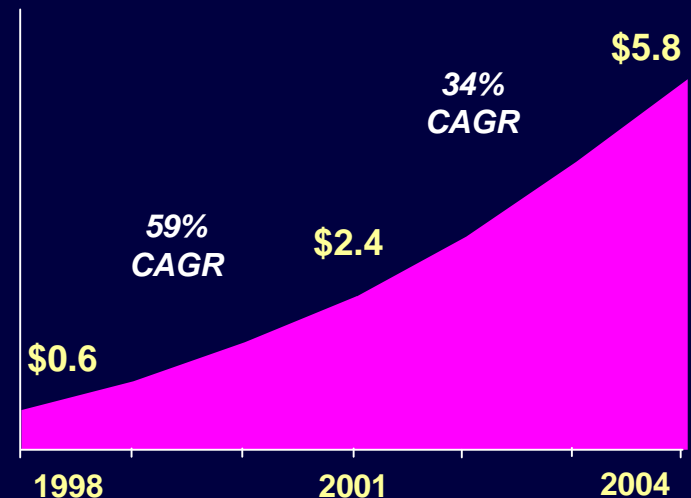
- Overall total is \$46 billion, growing to \$72 billion in 2004
- ATM is an enabling technology for all of these services

# ATM Services Market



- Supports Data/Voice/Video transport at Layer 2 with QoS
- Offered by IXC's, ILECs, PTT's, global & other carriers
- 1998 - 2001:
  - New networks, service replacement/consolidation
  - FR/ATM Interworking
  - Internet Access
- 2001 - 2004:
  - Higher speed ports
  - Global connectivity
  - Competitive services (e.g., VPNs, GigE, etc.)

**Worldwide ATM Services Market  
in \$Billions**



*Native ATM UNI services only*

# IP Traffic



*Worldwide  
Revenue  
2001*

**\$25.9 B**

**Private Lines**

**\$12.7 B**

**Frame Relay**

**\$2.4 B**

**ATM**

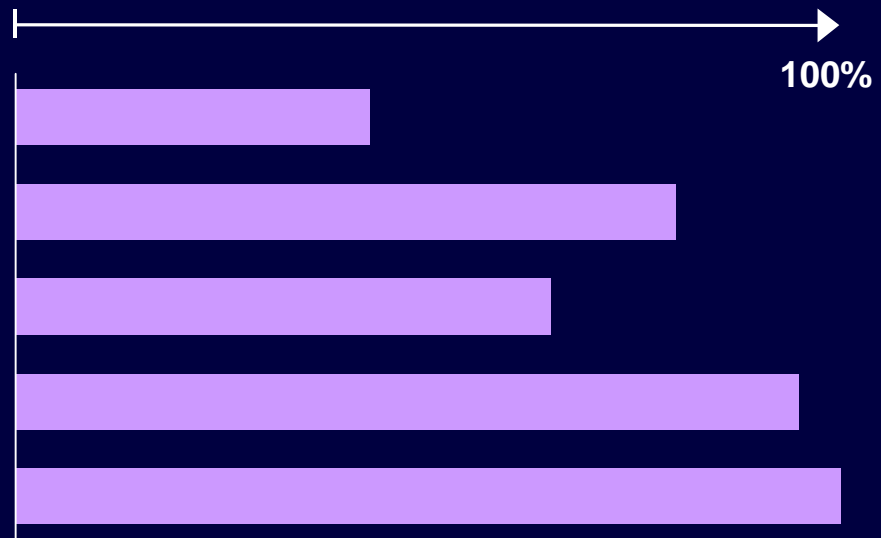
**\$739 M**

**DSL**

**\$226 M**

**Dedicated IP VPN**

## IP Traffic by Service

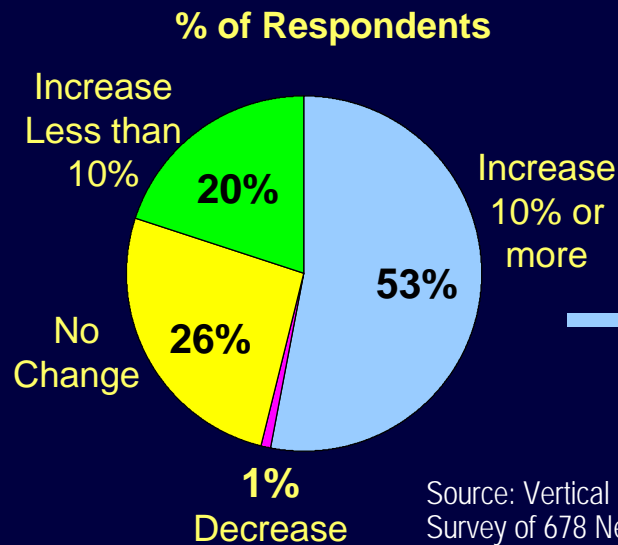


- User IP traffic accounts for more than half of aggregate bandwidth

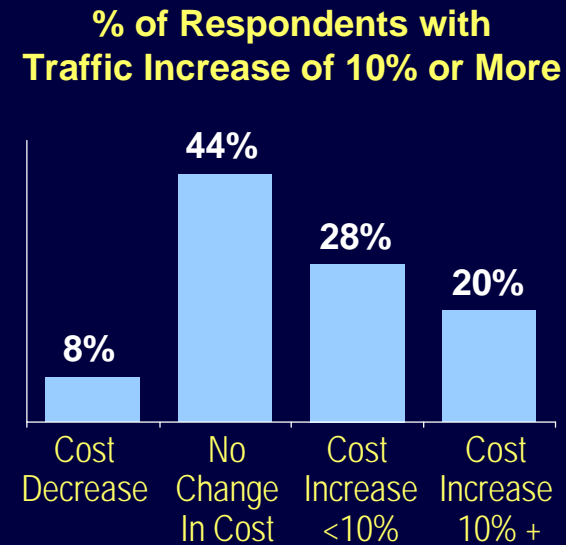
# IP Traffic Growth



**How will your IP traffic volume change in the next 12 months?**



**How will this impact your monthly network services costs?**



- The majority of survey respondents expect IP traffic volume to increase 10% or more in the next year
- Only 20% of those respondents expect a comparable cost increase

# MPLS Expectations



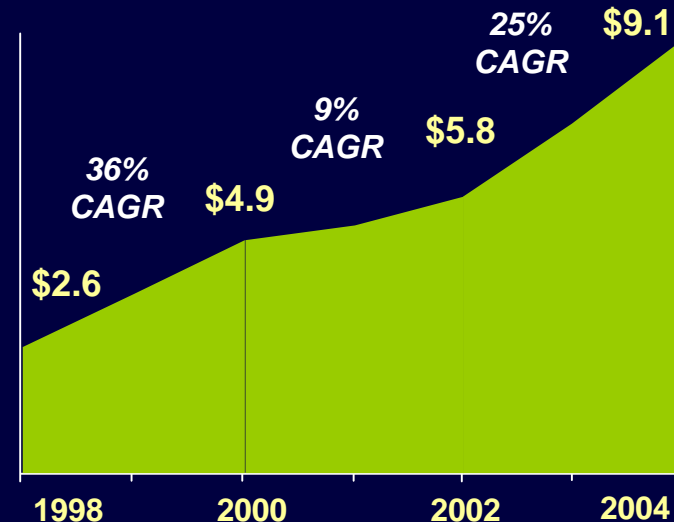
- *User Perspective*
  - What is MPLS? Do I care?
  - Just want faster, better, cheaper services
- *Service Provider Perspective*
  - More efficient operations
  - Non-disruptive migration path
  - Preserves customers and existing infrastructure
  - Improved IP & IP-enabled service delivery
- *Equipment Vendor Perspective*
  - IP/MPLS vendors – Broadens market opportunities
  - ATM/MPLS vendors – Extends product life cycle, new business

# Multiservice WAN Switch Market



- Multiservice = ATM+FR+IP+MPLS
- ATM-based core and edge switches sold to service providers
- Demand from legacy carriers – IXC, ILECs & PTTs
- 1998 – 2000: Infrastructure build out
- 2000 – 2002: Economic doldrums
- 2002 – 2004: Pent up demand

Worldwide Multiservice WAN Switch in \$Billions



# Does ATM Need MPLS?



- ✓ Enables ATM service enhancements and new services
- ✓ Extends functionality of legacy ATM switches
- ✓ Competitive alternative to IP-based MPLS solutions



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