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## Smaller-scale IPTV: Exploring SureWest Communications

By Tim Young

In approaching the topic of IPTV, it can be all-too-easy to focus primarily and exclusively on the Tier One operators. It's the AT&Ts, BTs, and Verizons of the world that get the telco-TV press (though it's really Free (Iliad Group), FT, and PCCW that should get the press, as they've gotten some serious uptake). Still, there are more than a few Tier 2/3 companies out there providing excellent service to committed subscribers.

One such company is California-based SureWest.

Founded in 1914 as the Roseville Telephone Company, SureWest is still headquartered in Roseville, but changed its name in the early part of this decade. The name change is adequate, as they serve more than just Roseville these days. They are an ILEC in a number of communities in the Sacramento area, and have additional offerings ranging farther out in CA and, due to the acquisition of Everest Telecom, a presence in the Kansas City market, as well.



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It's a much smaller company than many, but it has a fairly large stable of loyal IPTV customers.

SureWest's IPTV offering started in 2004, and, according to SureWest's Director of Strategic Technologies, Carl Murray, the service has experienced steady growth over time. In addition, SureWest was the first IPTV provider to launch HDTV service.

What challenges does a company like SureWest face? One is a matter of public perception. "The bar," says Murray, "is what the cablecos have." Because the public-at-large perceives cable as the de facto market leader in video, IPTV providers are forced into a less-than-desirable "me-too" role. While the quality and price point may be the same or better with IPTV, cable still remains the first choice for many consumers who fail to consider a telco a viable option for video service.

Still, SureWest has a number of advantages many telcos can't boast.

One advantage is the result of another company's failure. Back in the bubble days, a company called WINfirst had big dreams. They rolled out a massive fiber network and set up a gargantuan operations base in a former jet repair facility. From this 187,000 sq. ft. center, they managed a strictly FTTH empire.

And then the bubble burst.

SureWest purchased WINfirst out of bankruptcy and was able to leverage the assets of the ambitious company to deliver cutting edge services over nice fat pipes.



In addition to the WINfirst assets, SureWest has another advantage: Scale. "I can't stress enough the advantage of smaller scale in getting a service like our IPTV to market," says Murray. "When we were planning our IPTV rollout, there were four of us around a table, planning everything." This is possible because SureWest enjoys a market in which they are the ILEC, and their main competition is cable. Murray notes that video over wireless is not yet viable, as the continuity of data is much more critical with video. Therefore, SureWest reigns.

But what about the OSS/BSS side. Are there specific OSS/BSS challenges to offering IPTV? "Actually, we have found through our experience using the IP platform that the Video specific auto provisioning is no more difficult in its nature than our traditional telephone provisioning," says Matt Riley, Director of ITS Business Solutions for SureWest. "In fact, we have found it to be simpler."

How so? "The true challenge we've found is in the provisioning of an overall triple play service in an automated fashion due to the sheer volume of network devices and back office applications that must

all be provisioned timely and accurately to turn up service on a single order," says Riley. "There is a lot of work on the "plumbing" between the various systems and the end devices to provide all the necessary information at the necessary times to bring the service up or tear it down. We believe this to be the case whether it is managed on an IP Video platform or otherwise. Anytime you bring in all the different incarnations of order types, product offerings, and pricing plans, the multiple service provisioning gets quite complex quickly. We have focused our effort on building a SOA compliant loosely coupled system that allows for a single provisioning flow that can accommodate all the complexity of our IP centric network without being inherently difficult and complex itself to manage. We see a lot of value in this area. It allows us to provision legacy systems or IP systems with the ability to leverage the IP technology more extensively in the future without having to worrying about how to maintain our existing infrastructure and legacy devices."

Furthermore, Murray notes that SureWest combats issues like jitter, delay, and packet loss through a very closely controlled and monitored network. That's immensely important, as a public already conditioned to associate TV service with cable rather than with telcos may just be looking for any reason to decide that their initial assumption was correct.

However, Murray also believes telcos like SureWest have a natural edge over cable because "IP protocol is the foundation to add future interactive services. Currently we offer voice, video, and data with the same protocol over one network. This helps to simplify design and ultimately reduce cost."

But SureWest is not without additional challenges. As they are confined, for the moment, to a relatively small geographic area, they have seen "higher churn due to people moving out of the area," says Murray. In addition, he notes that "people are more price sensitive."

So that's a challenge.

And what will happen as things progress? Will SureWest grow beyond its present market? Its expansion into Kansas City implies that it is willing to do so. Where does SureWest see itself in five years? What is its core goal? "To Continue to grow and position our network to provide services to our customers when, where and how they want it delivered," says Murray. That's a goal that any company should have, and any customer can appreciate.

In the end, SureWest is not alone in its ability to provide cutting edge IPTV to its customer base. The company is one of many smaller ILECs and remaining CLECs to prove that telcos still have a lot of fight left in them, whether against cable or other telcos or a challenging economy. We look forward to seeing the fight continue.