

COWEN

AHEAD OF THE CURVE® SERIES

COHERENT TECHNOLOGY'S BEST DAYS STILL AHEAD

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Total Cost of Ownership (TCO): Coherent Technology Also Significantly Simpler To Operate Than PON. As we highlighted earlier, while current generation of 10G-based XGS and NG-PON2 can be upgraded to support 100G signals, PON technology consumes a lot more fiber than coherent technology, as a result we believe coherent solutions offer significantly lower Total Cost of Ownership (TCO) for service providers. Offering support for our view, according to Mr. Jack Burton, Principal at Broadband Success Partners, an independent consultancy dedicated to addressing the technology and go-to-market needs of service providers and their suppliers, "coherent is a potential solution for both MSO and Telco service provider networks. MSOs using HFC require more nodes, and Telco and MSO providers using PON require more PON service groups which require remote OLTs. New nodes and remote OLTs require fiber from the Headend or Central Office, or alternatively, DWDM wavelengths. Both of these solutions require a robust hardened DWDM device for the field. Putting coherent into the field will help service providers deliver enough wavelengths to take care of their own fixed services needs as well as future small cell sites."

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