CHAIRMAN’S LETTER

Fellow DSL Forum Members,

Now that we are preparing to enter into the 2006 Annual Meeting, it is time to reflect on how our planning has culminated in achievements for 2005. Throughout the year, we have strived to advance the deployment of broadband DSL by committing the DSL Forum to be a prominent broadband industry leader.

We entered into our second decade of serving the industry with a vision to contribute to the mass market of DSL in every region of the world; 500 million subscribers by 2010. In 2005, 40 million new subscribers were added to achieve our new total of 140 million. Our role in helping achieve that global mass market is proven via the strong wave of service providers and equipment vendors that have collaborated to produce the Technical Reports to evolve broadband networks.

Responding to membership demand, we have formalized our expansion of the scope to address broadband beyond DSL. New Working Texts (WT) have been started that address common Customer Premise Equipment (CPE) and architecture requirements for various types of access methods and do not depend on connections to DSL.

The pervading membership renewals and regular meeting participation also provide evidence that we provide the key venue for broadband technology advancement. Today our membership has reached over 200 once again, and our meeting attendance regularly reaches over 200 participants.

Following our mission to develop technical specifications and marketing materials that enable the promotion of broadband products and services, we have focused on Internet Protocol (IP) video and Voice over Internet Protocol (VoIP), as well as data, our launch point. Moreover, it has become even more paramount that this mix of services can be delivered together. Our major completed products developed in 2005 include:

- Nine new Technical Reports (TR) addressing CPE and network management, VoIP, home networking, and evolved IP network architecture.
- Five interoperability test events, which helped progress TR-069-based remote CPE management and ADSL2plus interoperability.

More than ever, our Technical Reports are referenced in service providers’ Request for Proposals (RFP), whereby developers, chipmakers, systems integrators, developers and manufacturers are all referencing the same requirements in their designs. Not only are our TRs being referenced by our own members, but they are being referenced by other industry organizations including the Consumer Electronics Association (CEA), Full Service Access Network (FSAN), Alliance for Technical Industry Solutions (ATIS), International Telecommunications Union Standardization Sector (ITU-T), and the newly formed Home Gateway Initiative (HGI). This is indicative of how our strategy to lead industry stakeholders to develop and adopt technical and marketing tools that drive broadband DSL demand from consumers and businesses in every region has proven successful.

In addition to these major achievements, other significant 2005 successes include:

- Two DSLHome multi-vendor ‘Triple-play Applications over DSL’ demonstrations, staged at CES and CeBIT-Europe,
- 350 DSL Forum press releases and news articles carried in 26 countries around the world,
- 12 ambassador presentations at major industry conferences, and
- A completely revamped website that enhances our development and houses our resources of information.
These milestones have been achieved through adhering to a clear Marketing Strategy and its measured details in its companion Marketing Plan. With our marketing efforts, we have regularly assessed their effectiveness through tracking by region.

Our achievements for 2005 also involve improving the management of DSL Forum business, with new policies and procedures to ensure fairness for all members (see inserts), strategic directives, as well as new provisions to increase our productivity, including extended quarterly meetings and new member orientation.

As reported, our financial statements are in good standing and continue to improve; nonetheless we continue to develop improved guidelines to satisfy the desires of the diverse membership.

On behalf of the current Board of Directors and leadership team of the DSL Forum, I thank you for the accomplishments made in 2005. Through your efforts, the Forum has demonstrated to be a critical provider of the foundation for common specifications and interoperability, whereby the members can channel broadband advancements from technical requirements and their marketing management.

Along with others on our leadership team, I have been delighted to serve the members, so we can continue to pioneer new developments – on which many members depend. Our next steps are to further execute our plans and reach our 2006 targets, while we transition to the next stage of broadband evolution together.

Sincerely,

Michael Brusca
Chairman, DSL Forum

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BOARD OF DIRECTORS

Chairman
Michael Brusca
Verizon Communications

President
Steve Kingdom
KTL

Chief Operating Officer
David Greggains
Greggains Management, Ltd.

Vice President Chairman Emeritus
Tom Starr
AT&T

Board Member
Peter LeBlanc
Aware, Inc.

Board Member
Steve Plume
BT

Board Member
George Dobrowski
Conexant

Board Member
Phil Skeba
Intel Corporation

Board Member
Frank Van der Putten
Alcatel

Board Member
Jeri Pitoniak
Samsung Telecommunications America

Board Member
Greg Bathrick
Texas Instruments

Board Sub-Committees

The DSL Forum Board develops the strategic goals for each year, and provides direction throughout the year to drive initiatives. Each Board member sits on various Board subcommittees to focus on specific areas of Forum management.

Finance & Audit
Chair: David Greggains
Members: Steve Kingdom, Greg Bathrick, Phil Skeba, Jeri Pitoniak

Technical Oversight
Chair: Tom Starr
Members: George Dobrowski, Greg Bathrick, Frank Van der Putten
Ex-officio: Gavin Young

Membership & Nomination
Chair: Frank Van der Putten
Members: Peter LeBlanc, Jeri Pitoniak, Steve Plume, Tom Starr

Policies & Procedures Oversight
Chair: Phil Skeba
Members: Greg Bathrick, George Dobrowski, Steve Plume, Lisa Garza

Marketing Oversight
Chair: Steve Plume
Members: Jeri Pitoniak, Phil Skeba, Peter LeBlanc
Ex-officio: Jay Fausch
The work of the DSL Forum is performed under two main committees and under the steer of two special advisory committees.

**Technical Committee**
Chair: Gavin Young, Bulldog Communications
Vice Chair: Frank Van der Putten, Alcatel

**Qualification Oversight Committee**
Chair: Alan White, Samsung
Vice Chair: Steve Kingdom, KTL

**Marketing Committee**
Chair: Jay Fausch, Alcatel
Vice Chair: Vincenzo Gulla, Aethra S.p.A.

**Service Provider Action Council**
Chair: Anna Salguero, AT&T
Chair: Lynn Merrill, OPASTCO
Vice Chair: Pete Youngberg, Sprint

**EXPANDED SCOPE AND STRATEGIC DIRECTIVES**

Stemming from our strategy, we have followed the course with our four key directives:
- Build on our end-to-end architecture development
- Foster the linkage of DSL into the home
- Broaden the interoperability and qualification
- Align with other organizations to support content and applications

In 2005, the DSL Forum formalized the expansion of the scope to address broadband beyond DSL, and more than ever focuses on delivering video, voice and data, together. Already, new Working Texts (WT) have been started that address common CPE and architecture requirements for various types of access methods and does not depend on connections to DSL. The most notable example is WT-142 -- Framework for PON Device Management, whereas other ongoing examples include WT-124 -- Residential Gateway Requirements, WT-122 -- Base Requirements for a Consumer Oriented Analog Telephone Adaptor (ATA) and WT-126 -- Triple-Play Services QoE Requirements and Mechanisms. The member contributions that have led to these and other new WTs, validate our strategic decision to further employ our competencies.

We have built on our end to end architecture development considering the new scope, whereby our architecture work to address Layer 3 aspects is broadened for FTTP and FTTN Access Nodes in addition to Digital Subscriber Line Access Multiplexer (DSLAM) platforms. With this change, the economics addressed in network evolution are improved by enabling triple play services, protocols, and network management for DSLAMs for ADSL, FTTN and FTTP with and without VDSL connections.

DSLHome work has been expanded to address management of common CPE for all types of Wide Area Networks (WANs) and Consumer Electronics (CE) networking requirements. This has led to improved economics when applying the same CPE to be used for ADSL, VDSL, and FTTP.

The interoperability and qualification work has been broadened to address physical and higher layer functions, as demonstrated with five sponsored test events and plugests for ADSL2/ADL2plus and remote CPE management (TR-069), based on DSL Forum test specification.

We have taken the initiative to better align with content and application oriented organizations by extending the relationships and formal liaisons with the Consumer Electronics Association (CEA), Fiber to the Home Council (FTTHC), Home Gateway Initiative (HGI), and the Broadband Services Forum (BSF). We are strengthening our ties to standards setting bodies Digital Living Network Alliance (DLNA) and Universal Plug and Play (UPnP), as well as other technical forums and industry trade associations. Because of the DSL Forum’s track record and its openness to collaborate with other organizations, several industry organizations are welcoming our initiatives to work with them. By referencing our common architecture and CPE management specification TRs, the development process of standard designs can be streamlined, leading to more readily interoperable access premises network devices.
TECHNICAL COMMITTEE ACHIEVEMENTS

Technical Leadership Team

**Technical Committee Chair**  
Gavin Young, Bulldog Communications

**Architecture & Transport**  
Co-Chairs:  
Dave Allan, Nortel Networks  
David Thorne, BT  
Vice Chair: Bernard Dugerdil, Freescale Semiconductor

**Technical Committee Vice Chair**  
Frank Van der Putten, Alcatel

**Testing & Interoperability**  
Chair: Les Brown, Texas Instruments  
Vice Chairs: Junehee Lee, Aware, Inc.  
Matt Langlois, UNH  
Douglas Hay, AIMS (INT)

**DSLHome-Technical**  
Co-Chairs: Greg Bathrick, Texas Instruments  
Wayne Daniel, Siemens  
Heather Kirksey, Motive

**Operations & Network Management**  
Co-Chairs: Peter Adams, BT  
Greg Bathrick, Texas Instruments

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Technical Committee 2005 Annual Summary

2005 saw the global deployment of DSL surpass 100 million lines. Although the vast majority of these were for best-effort Internet access, 2005 was the year that many consumers realized the benefits of a broadband DSL connection for carrying voice (as VoIP). 2006 looks set to be the year when deployment of Internet Protocol Television (IPTV) over DSL commences on a wider geographic basis and by an increasing number of operators. Hence, the stage is set for “Triple Play”. The work of the technical committee has been anticipating this trend with significant activity on “Next Generation DSL” capable of supporting triple play service deployment. This work covered three key areas:

1. Next generation network architectures. Work has focused on the migration of service provider networks from Asynchronous Transfer Mode (ATM) to Ethernet technology with support for Quality of Service (QoS)-enabled IP services.
2. Next generation DSL technology. Significant work was undertaken on both the management and interoperability testing of ADSL2plus and VDSL2.
3. DSL Home support. Work covered extension of the remote WAN management protocol (the now famous TR-069) to devices in the home beyond the gateway such as VoIP devices, Set-Top Boxes (STB) and Network Attached Storage (NAS). There was also work initiated to ensure that the remotely managed Residential Gateway router definition and the associated Local Area Network (LAN) and WAN-side management is access agnostic and can be used with Passive Optical Networks (PON) access.

In addition, the Technical Committee commenced work in two new areas which will grow in importance over the next year. The first was concerned with Video Quality of Experience (QoE). Video is one of the toughest services to deliver over DSL given the bandwidth and error-rate requirements (especially for High Definition Television HDTV). The second key growth area is around a framework for policy-based networking. As the working industry increasingly turns its attention to Fixed-Mobile Convergence (FMC) and the associated IMS (IP Multimedia Subsystem) architectures, it is important that operators understand the context of policy-based networking as broadband DSL networks evolve towards “Quad Play” capability (adding mobility to the triple play service bundle). This year the Architecture Working Group published TR-102, concerned with service interface requirements. This area will also grow in significance as an increasing number of ASPs and content owners seek to plug in their offerings to DSL network platforms.

The technical committee has been very active in interoperability activities with plugfest events covering ADSL2plus and TR-069 residential gateway management. The Testing & Interoperability specification work has been heavily focused on the functional and performance specifications for ADSL2plus and new work on splitter testing. We expect this work to complete and to see a ramp up of similar specification and performance activity on VDSL2 together with an increase in plugfest activity on VDSL2.

Next Generation DSL networks are of limited value to service providers if they can not be managed effectively and efficiently. Hence the Operations and Network Management work has continued to produce standard approaches to DSL object models and element management interfaces. In addition, new work has been progressed to agree common approaches to Broadband Trouble Reporting and for User-Initiated Performance Testing.

Our work has been very actively liaised to a number of other industry bodies to help unify approaches to broadband. Such bodies include ITU-T, IETF, ETSI, ATIS, MEF, BSF, DLNA, HGI & FTTH Council.

Apart from the business as usual work on progressing Technical Reports to help guide the industry, members of the Technical Committee have been active in a number of “extra curricular” activities. These have included speaking as technology experts on tech panels at conferences as DSL Forum Ambassadors, and contributing to Birds of a Feather sessions.
A summary of the Technical Reports and new Working Texts produced in 2005 is below:

### 2005 TECHNICAL REPORTS

<table>
<thead>
<tr>
<th>TR#</th>
<th>TITLE</th>
<th>WORKING GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td>TR-068v2</td>
<td>Base Requirements for an ADSL Modem with Routing</td>
<td>DSLHome Tech</td>
</tr>
<tr>
<td>TR-098</td>
<td>DSLHome™ Gateway Device Version 1.1 Data Model for TR-069</td>
<td>DSLHome Tech</td>
</tr>
<tr>
<td>TR-102</td>
<td>Service Interface Requirements for TR-058 Architectures</td>
<td>Architecture &amp; Transport</td>
</tr>
<tr>
<td>TR-104</td>
<td>DSLHome™ Provisioning Parameters for VoIP CPE</td>
<td>DSLHome Tech</td>
</tr>
<tr>
<td>TR-106</td>
<td>DSLHome™ Data Model Template for TR-069 Enabled Devices</td>
<td>DSLHome Tech</td>
</tr>
<tr>
<td>TR-110</td>
<td>DSLHome™ Reference Models for VoIP Configurations in the DSLHome</td>
<td>DSLHome Tech</td>
</tr>
<tr>
<td>TR-111</td>
<td>DSLHome™ Applying TR-069 to Remote Management of Home Networking Devices</td>
<td>DSLHome Tech</td>
</tr>
<tr>
<td>TR-113</td>
<td>MCM Specific Managed Objects in VDSL Network Element</td>
<td>Operations &amp; Network Mgmt</td>
</tr>
<tr>
<td>TR-133</td>
<td>DSLHome™ TR-064 Extensions for Service Differentiation</td>
<td>DSLHome Tech</td>
</tr>
</tbody>
</table>

### 2005 WORKING TEXTS

<table>
<thead>
<tr>
<th>WT#</th>
<th>TITLE</th>
<th>WORKING GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td>WT-101</td>
<td>Migration to Ethernet Based DSL Aggregation</td>
<td>Architecture &amp; Transport</td>
</tr>
<tr>
<td>WT-105</td>
<td>ADSL2/ADSL2Plus Functionality Test Plan</td>
<td>Testing &amp; Interoperability</td>
</tr>
<tr>
<td>WT-107</td>
<td>Internet Gateway Device Data Model</td>
<td>DSLHome Tech</td>
</tr>
<tr>
<td>WT-115</td>
<td>VDSL2 Functionality Test Plan</td>
<td>Testing &amp; Interoperability</td>
</tr>
<tr>
<td>WT-116</td>
<td>User Initiated Performance Testing</td>
<td>DSLHome Tech</td>
</tr>
<tr>
<td>WT-117</td>
<td>Broadband Trouble Reporting</td>
<td>Operations &amp; Network Mgmt</td>
</tr>
<tr>
<td>WT-120</td>
<td>Theoretical Loop Characteristics</td>
<td>Testing &amp; Interoperability</td>
</tr>
<tr>
<td>WT-121</td>
<td>TR-069 Implementation Guidelines</td>
<td>DSLHome Tech</td>
</tr>
<tr>
<td>WT-122</td>
<td>Base Requirements for Consumer Oriented Analog Terminal Adapter Functionality</td>
<td>DSLHome Tech</td>
</tr>
<tr>
<td>WT-123</td>
<td>TR-069 Validation Testing Architecture</td>
<td>DSLHome Tech</td>
</tr>
<tr>
<td>WT-124</td>
<td>Residential Gateway Requirements</td>
<td>DSLHome Tech</td>
</tr>
<tr>
<td>WT-126</td>
<td>Triple-Play Services QoE Requirements and Mechanisms</td>
<td>Architecture &amp; Transport</td>
</tr>
<tr>
<td>WT-128</td>
<td>Addendum to TR-090</td>
<td>Operations &amp; Network Mgmt</td>
</tr>
<tr>
<td>WT-129</td>
<td>Protocol Independent Object Model for Managing VDSL2</td>
<td>Operations &amp; Network Mgmt</td>
</tr>
<tr>
<td>WT-130</td>
<td>DSL EMS to NMS Interface Functional Requirements</td>
<td>Operations &amp; Network Mgmt</td>
</tr>
<tr>
<td>WT-131</td>
<td>ACS Northbound Interface Requirements</td>
<td>DSLHome Tech</td>
</tr>
<tr>
<td>WT-132</td>
<td>no title</td>
<td>DSLHome Tech</td>
</tr>
<tr>
<td>WT-135</td>
<td>Data Model for TR-069 Enabled STB</td>
<td>DSLHome Tech</td>
</tr>
<tr>
<td>WT-138</td>
<td>Accuracy Requirements for Test Parameters</td>
<td>Testing &amp; Interoperability</td>
</tr>
<tr>
<td>WT-140</td>
<td>Data Model for a TR-069 Enabled Network Attached Storage NAS Device</td>
<td>DSLHome Tech</td>
</tr>
<tr>
<td>WT-142</td>
<td>Framework for PON CPE Management using TR-069</td>
<td>DSLHome Tech</td>
</tr>
</tbody>
</table>

As we look forward to progress in 2006, work continues in a number of key areas:

- The next generation network architecture activities will look at aggregation network technologies, topology and resilience in addition to the issues associated with pushing IP functionality deeper into the network.
- The Operations and Network Management work continues to ensure that the next generation architectures can be effectively operated, including the support for ADSL2plus and VDSL2.
- The Testing and Interoperability work will continue to support the ITL program for a retail ADSL2plus/VDSL2 modem service model.
- The DSLHome technical work will ensure that DSL services don’t stop at the end of the access network, but provide an effective end-to-end platform to transport broadband applications from source (e.g. server) to destination (e.g. PC, TV or games console).

In this context, we also need to ensure that our work compliments that of other key industry bodies such as the International Telecommunications Union, Broadband Services Forum and Home Gateway Initiative.
MARKETING COMMITTEE ACHIEVEMENTS

Marketing Leadership Team

Marketing Committee Chair
Jay Fausch, Alcatel

Best Practices/Summit
Chair: Peter LeBlanc, Aware
Vice Chair: Lisa Garza, Cisco Systems

Strategic Communications
Chair: Rich Wonders, BellSouth

Marketing Committee Vice Chair
Vincenzo Gulla, Aethra

DSL Forum Ambassadors
Chair: Alan White, Samsung
Vice Chair: Yue Chen, Juniper Networks

European Market Focus Group
Chair: Vincenzo Gulla, Aethra
Vice Chair: Steve Plume, BT

Marketing Director &
Public Relations, Americas
Laurie Gonzalez, DSL Forum

Public Relations, Europe & Asia Pacific
Carol Friend, Pielle Consulting

DSLHome-Marketing
Chair: Brian Powers, Westell
Vice Chair: David Glazner, Verizon

Marketing Committee 2005 Annual Summary

By the end of 2005, the DSL Forum Marketing Committee had made a large shift in focus towards engaging the industry audience. This is a major change from where we were at the start of the year, where a sizeable portion of our marketing efforts were aimed at broadband consumers rather than industry players, with activities such as hosting a DSLHome exhibit at CES, and developing a consumer advertising campaign. To align with the new Board vision, much of the marketing work changed in the second half of 2005 and has risen to the challenge in adapting to the changes.

In response to the fundamental shift in audience focus requested by the Board, the Marketing Committee developed the DSL Forum’s first-ever Marketing Strategy and Marketing Plan. These documents were approved by the Board, and serve as a roadmap for all marketing activities. We are making good progress on defining the tactical activities that will be needed to implement the Marketing Plan, but much more remains to be done.

Here is a brief overview of each Marketing Working Group’s accomplishments:

Strategic Communications

The Strategic Communications working group developed the overall communications plan that provided direction on initiative priorities for the Forum, established marketing engagement with appropriate external organizations, as well as coordinated the MarCom activities of the Forum. Tied to Technical Report and Marketing Report releases, this group developed the messages and the timeline around announcements as well as events.

Summit

In 2006, the Summit team put more emphasis on Best Practice evening sessions and keynotes. With a goal of attracting true industry visionaries to Keynote at the DSL quarterly meetings, the team provided incredible executive speakers, who helped set the industry vision driving our collaborative work.

The 2005 DSL Forum guest speakers were:

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Location</th>
<th>Speaker</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Quarter</td>
<td>Austin, Texas</td>
<td>“The Evolving Broadband Market; DSL Enabled Applications such as IPTV, VoIP, and Integrated Wireless/Wireline Services” Lea Ann Champion, Senior Executive Vice President SBC</td>
</tr>
<tr>
<td>Second Quarter</td>
<td>Budapest, Hungary</td>
<td>“Europe’s Latest Emerging DSL Markets” Dr. Balazs Varga, Head of Department for BroadBand Services Technical Development Magyar Telekom Peter Vetter, Project Manager, Alcatel Peter Sere, Director General of the Department of Market Analysis, Ministry of Informatics and Communications</td>
</tr>
<tr>
<td>Third Quarter</td>
<td>Philadelphia, Pennsylvania</td>
<td>“Evolving Broadband Market and New IP-Based Services” Eric Small, Vice President of Video Product Management BellSouth</td>
</tr>
<tr>
<td>Fourth Quarter</td>
<td>Munich, Germany</td>
<td>“Best Practices of IPTV” Eric Vergnol, IPTV Network Architecture Manager France Telecom</td>
</tr>
</tbody>
</table>

DSLHome Marketing

The DSLHome Marketing Working Group worked closely with the DSLHome Technical Committee to continue to focus on communicating the benefits of each Technical Report as it was released. A major accomplishment at the start of the year was the approval of the Marketing Report (MR) “ABCs of Home Networking” (MR-001).

The group also worked to extend the influence of the DSL Forum into the LAN through creating collaboration among other key industry groups, such as UPnP and DLNA. Finally the DSLHome Marketing Working Group began the work to
standardize DSL Forum Technical Report naming conventions to better communicate the benefits and linkages of technical reports.

**European Market Focus Group**

The European Market Focus Group continued to assess European broadband market drivers and issues, best performance strategies and case histories, and successful DSL services deployment in the European telecommunication environment in an effort to further DSL market development in support of European industry players and service providers. Key outcomes of this work were:

- New Marketing Liaison with Multiservice Access Everywhere (MUSE)
- Presentation of the DSL Forum Industry Update at the European Commission hosted Broadband Europe 2005 conference
- The first stage development of the 2006 Broadband Drivers Report, which we will develop with Point Topic in 1Q06

**Ambassadors**

This was a very active and organized year for the DSL Forum Ambassadors, which includes an extension to the Asia region. The following lists some of the key events at which our Ambassadors presented:

- IEC’s 21st Century Communications World Forum
- IIR Evolving Access Networks
- NTCA ISP Summit
- IPTV & Telco Triple Play Forum
- SUPERCOMM
- IEC Session at SUPERCOMM
- Digital Home Showcase
- IIR xDSL Summit
- Broadband and Triple Play Services Conference
- CEA: IPTV Interface Discovery Group Conference
- OPASTCO’s 42nd Annual Summer Convention
- Connected@Home 2005 Conference
- Broadband World Forum Europe
- TeleCities 2005
- Third Annual Connected Home

**DSL FORUM POSITION & OUTLOOK FOR 2006**

Following our mission to develop technical specifications and marketing materials that enable the advancement of broadband products and services, in 2006 we will continue our rapid pace of delivering Technical Reports (TRs) and the promotion of them. Now in even more depth, our Working Groups will address CPE and network management, VoIP, home networking, evolving IP network architecture, as well as strengthen test and operations plans, so that compliant products built to our specifications will be more readily interoperable.

Now that we have formalized our expanded scope beyond the pure DSL model, more Working Tests (WTs) will be initiated that address common CPE and architecture requirements for various types of access methods that do not depend on connections to DSL. More than ever, the industry depends on our end-to-end architecture development, particularly now that the new scope addresses Layer 3 aspects for FTTP and FTTN Access Nodes, in addition to DSLAM platforms. Similarly, we see the industry converging as new CPE is released, engineered to be used with ADSL, VDSL, and FTTP deployments. With that, the interoperability and qualification work is critical and we will continue to broaden our efforts to address physical and higher layer functions in our test events and plugfests for ADSL2/ADL2plus and remote CPE management (TR-069) based on our test specifications.

We will build on the history of successes with our TRs being referenced by our members, and to further extend our TR promotion/education efforts so that they are routinely referenced by the key industry organizations such as Consumer Electronics Association (CEA), Full Service Access Network (FSAN), the ITU-T, Alliance for Telecommunications Industry Solutions (ATIS), as well as the Home Gateway Initiative (HGI) and others. Additional milestones are forecasted to be achieved through following the course outlined in our documented Marketing Strategy and its measured details in its companion Marketing Plan.

Through your continued efforts, we pool our resources and enhance our position as the critical source for developing common specifications and interoperability. Together, all members benefit by channeling ideas for broadband advancements through the DSL Forum.

We look forward to working with each of you in this coming year.

Michael Brusca
Chairman, DSL Forum
FINANCIAL REPORT PROGRESS

Our auditors, Blanding, Boyer, & Rockwell, Certified Public Accountants, have audited the financial statements of the DSL Forum. The following gives an overview over the key financial figures and indicators of the DSL Forum.

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN MEMBERSHIP EQUITY:

<table>
<thead>
<tr>
<th>December 31</th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td><strong>DRAFT</strong></td>
<td></td>
</tr>
<tr>
<td>Membership Dues</td>
<td>$1,015,750</td>
<td>$997,825</td>
</tr>
<tr>
<td>Membership Fees</td>
<td>$312,354</td>
<td>$328,768</td>
</tr>
<tr>
<td>Sponsorship Fees</td>
<td>$294,883</td>
<td>$400,884</td>
</tr>
<tr>
<td>Investment Income</td>
<td>$42,247</td>
<td>$12,358</td>
</tr>
<tr>
<td>Other</td>
<td>$2,235</td>
<td>$565</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,667,469</strong></td>
<td><strong>$1,740,400</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Expenses</strong></th>
<th><strong>DRAFT</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Fees</td>
<td>$364,600</td>
<td>$370,225</td>
</tr>
<tr>
<td>Sales and Marketing</td>
<td>$245,143</td>
<td>$320,368</td>
</tr>
<tr>
<td>Consulting and Professional Fees</td>
<td>$32,226</td>
<td>$51,339</td>
</tr>
<tr>
<td>Meetings and Tradeshows</td>
<td>$700,781</td>
<td>$828,227</td>
</tr>
<tr>
<td>General and Administrative</td>
<td>$115,230</td>
<td>$103,953</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,457,980</strong></td>
<td><strong>$1,674,112</strong></td>
</tr>
</tbody>
</table>

| Increase in Membership Equity | $209,489 | $66,288 |
| Membership Equity, Beginning of Year | **$1,169,370** | **$1,103,082** |
| Membership Equity, End of Year | **$1,378,859** | **$1,169,370** |

## STATEMENT OF FINANCIAL POSITION:

<table>
<thead>
<tr>
<th>December 31</th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td><strong>DRAFT</strong></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Equivalents</td>
<td>$340,676</td>
<td>$1,100,717</td>
</tr>
<tr>
<td>Temporary Cash Investments</td>
<td>$1,264,479</td>
<td>$794,077</td>
</tr>
<tr>
<td>Interest Receivable</td>
<td>$15,918</td>
<td>$2,403</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$24,220</td>
<td>$44,135</td>
</tr>
<tr>
<td>Due from Management Company</td>
<td>–</td>
<td>$10,029</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>$41,146</td>
<td>$166,003</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>$1,686,439</strong></td>
<td><strong>$2,117,364</strong></td>
</tr>
</tbody>
</table>

| **Current Liabilities** | **DRAFT**  |            |
| Accounts Payable       | $8,580      | $388,261   |
| Deferred Membership Dues | $299,000    | $357,500   |
| Deferred Revenues – DSL Home | –         | $202,233   |
| **Total Liabilities**  | **$307,580** | **$947,994** |

| Membership Equity – Unrestricted | **$1,378,859** | **$1,169,370** |
| **Total Liabilities & Membership Equity** | **$1,686,439** | **$2,117,364** |
NEW POLICIES AND PROCEDURES

The DSL Forum implemented new policies, performance metrics and reporting, and analysis to ensure financial compliance and structured management, resulting in a positive image. Our policies follow the principles by which we work, which always involve fair and equal opportunity to every member. They include:

1. Recommended practice for membership promotion of the DSL Forum or its work that involves tracking our performance via TR adoption and working together for mutual benefit.

2. Developed new guidelines for services provided to members for a fee such as presenting the tutorial and hosting test events.

3. Tightened spending controls with spending approval levels having built-in checks and balances for purchasing and bidding contracts to ensure membership value for monies spent.

4. Established a financial and investment policy for diversification of investment maturity using a stepladder approach, along with their backing by FDIC insurance.

5. Extended the Board Code of Ethics to include aspects of the Sarbanes Oxley legislation of the USA, as well as other practices of similar accredited bodies.

6. Implemented greater oversight of technical operations, marketing, public relations, legal, and administrative functions with regular review of objectives and metrics that have been added to contracts, along with scheduled performance reviews.

7. Developed greater time reporting and full disclosure of money allocated to various administrative functions, including travel and living policy for staff and other contractors, along with more periodic auditing.

8. Defined criteria for determining meeting locations, guest invitations, recognition awards and other matters.

9. Established recommendations of credentials for effective and productive Board Members and Committee leaders, which adds to the current criteria for ethics.

10. Created a succession plan addressing the appointment of backups for leadership positions, such as vice chairs, as well as other administrative backups.

11. Recommended practices for disclosing test results under the Interoperability Initiatives, as well as other improvements related to communicating the intellectual property policy.

To maintain regular review of all of the DSL Forum’s policies and practices, the Board’s new Policies and Procedures Oversight Committee was established to further promote fairness and equal opportunity for all members. In addition to executing the list above, the Board set up a new member communication venue called the Town Hall/Question & Answer session, where members have an opportunity to better understand the measures being put in place to improve the way the DSL Forum business is run.
## 2005 MEMBERSHIP LIST – 203 Total Members as of December 31, 2005

### Principal – 105 Members

- 2Wire
- 3Com
- Acterna
- Actiontec Electronics
- ADTRAN
- Adthra S.p.A.
- Agere Systems
- Agilent Technologies
- Alcatel
- Allied Telesyn, Inc.
- Allot Communications
- Alpha Networks Inc.
- Analog Devices
- AVM
- Aware
- Belgacom
- Bell
- Bell Canada
- BellSouth Telecommunications
- Broadcom
- BT
- Bulldog Communications
- Calix Networks
- Centillium Communications
- Cetelem
- Chungwa Telecom Labs
- Ciena
- Cisco Systems
- Comtrend
- Conexant
- Corning Cable Systems
- Covad Communications
- D-Link
- Deutsche Telekom
- ECI Telecom
- Elsea Communications
- Ericsson
- Excelcom Technologies
- FastWeb SpA
- France Telecom
- Freescale Semiconductor
- Fujitsu
- Gemtek Technology Co.
- Hellenic Telecommunications Organization
- Huawei Technologies Co., Ltd.
- Infineon Technologies
- Intel
- Juniper Networks
- Keymile
- Lattelekom SIA
- Lucent Technologies
- Marconi Communications
- MCI
- Microsoft Corporation
- Mindspeed
- Motive
- Motorola
- National Technical Systems
- NEC
- Net.com
- Netgear
- Netopia
- Nokia
- Nortel Networks
- Paradyne
- Philips Consumer Electronics
- Pirelli Broadband Solution S.p.A.
- PMC Sierra, Ltd.
- Qwest Communications
- Redback Networks
- Samsung
- SBC
- Schmid Telecommunication
- SeaChange International
- Siemens
- SMC Networks
- Spirent Communications
- Sprint
- STMicroelectronics
- Sumitomo Electric Industries
- SupportSoft
- Swisscom Fixent AG
- TDC A/S
- Telcordia Technologies
- Telecom Italia S.p.A.
- Teledata Networks
- Telekom Austria
- Telekomunikacja Polska S.A.
- Telenor
- TeliaSonera AB
- Telindus
- Tellabs
- TELUS Communications, Inc.
- Teradyne
- Texas Instruments
- Thomson
- Tiefenauer
- Togilgrade Communications
- UTStarcom
- Verizon
- Vtech Innovations
- Westell
- ZTE Corporation
- Zyxel Communications

### Small Company Principal – 47 Members

- 42Networks
- AIMS (INT) Ltd
- Alcatel Optical Networks Israel
- Ashley Laurent Inc.
- Audivo Ltd
- ASSIA Ltd.
- Bridgewater Systems
- Camiant, Inc.
- Casero, Inc.
- Contesse Networks
- Consultronics
- Coppergate Communications
- Critical Telecom
- Digital Fountain
- East by North
- Electriphy
- Ellacoya Networks
- Entriephere
- Fine Point
- Fraunhofer Institute
- Garham & Partners, Ltd.
- Grggains Management LTD
- i3 micro technology inc.
- Ikanos Communications
- Incognito Software
- KTL
- L.E.A.
- Laurel Networks
- Occam Networks
- OperaX AB
- Owera
- Pannaway Technologies
- Pedestal Networks
- PHYLogy, Inc.
- Real Communications
- Sandvine Incorporated
- Serconet
- Spaxx
- TAZZ Networks
- tdSoft Communications
- Tebyte, Inc.
- Telefónica Investigación y Desarrollo
- Tracespan Communications
- TrendChip Technologies Corp.
- Wilcom
- Wintegra
- Zeugma Systems, Inc.

### Auditing – 36 Members

- 4ADC Telecommunications
- Aeta.com
- Arcadyan Technology Corp.
- Askey Computer
- Broadcent
- C-Cor
- Cincinnati Bell Telephone
- ConKlin-Intracom
- CyberTAN Technology
- Flextronics
- Foxconn
- Freecom SA
- Hitachi Telecom (USA) Inc.
- Inventel
- Iskreal
- Jungo Software Technologies
- KT Corporation
- Linksys
- Magyar Telekom Ltd.
- Realtek Semiconductors
- Rogers Telecom Inc.
- Sagem Group
- SELTA TELEMATICA S.p.A.
- ServComm Inc.
- Silicone Software Systems, Ltd.
- Sphairon Access Systems GmbH
- SRT Communications Inc.
- Strom telecom, s.r.o.
- Sunrise Telecom Inc.
- SupraTelecommunications &

### Associate – 15 Members

- Communication Authority
- eCommerce Innovation Centre
- FTW
- Georgia Tech Broadband Institute
- Ghent University
- ICES
- Instituto de Telecomunicaciones
- International Engineering
- Consortium
- NTCA
- OPASTCO
- Pielle Consulting
- Point Topic
- Prairie View A&M University
- Stanford University
- University of New Hampshire
MEMBERSHIP LEVELS

The DSL Forum is an international non-profit industry association working cooperatively to promote DSL. We have forged a powerful alliance of service providers and companies from virtually every sector of communications, networking and computer industries around the world to focus on forging global agreement on technical specification, sharing deployment best practices, promoting the market for DSL and facilitating development of interoperable DSL-based network components.

Principal Members - $7,500 USD
- Attendance to all annual, general and committee meetings of the Forum
- One vote each on all Forum issues, technical reports, and marketing reports
- Access to all working documents, contributions, technical reports, and meeting minutes
- Eligibility to run for Board of Director and Committee officer positions
- Eligibility to submit Technical Committee and Marketing Committee contributions
- Subscription to all DSL Forum email mailing lists

Small Company Principal Membership - $3,500 USD
- All the privileges listed above for a Principal Member
- Note: Small Company Principal Members must have had annual revenues under $10 million USD in the previous year and are required to submit a letter from their CEO stating this

Auditing Membership - $2,500 USD
- Attendance to all annual and general (i.e., Summit and Plenary) meetings of the Forum
- Access to all working documents, contributions, technical reports and meeting minutes
- Subscription to all DSL Forum email mailing lists
- Auditing members may NOT attend committee meetings (i.e., Technical and Marketing Working Group meetings) of the Forum and are NOT eligible to submit Technical Committee or Marketing Committee contributions or vote on Forum issues, technical reports or marketing reports

Associate Membership - $500 USD
- Attendance to all annual, general and committee meetings of the Forum (but not eligible to vote)
- Access to all working documents, contributions, technical reports and meeting minutes
- Subscription to all DSL Forum email mailing lists

CONTACT THE DSL FORUM

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