PRESIDENT’S NOTE

Fellow DSL Forum Member,

Digital Subscriber Line (DSL) has become the most popular broadband technology in the world with more than 64% of all high-speed connections. DSL meets the need for high-speed remote access to the internet, corporate networks, and a variety of new video, data, and IP voice services, facilitating the best in online lifestyles. Recognized as the voice of the DSL industry, the DSL Forum has set a global target of 500 million DSL subscribers by 2010. In 2005, the Forum will continue to facilitate exemplary broadband DSL growth by advancing new technical developments and expanding the scope of our market education.

Interesting facts:

- Virtually every major telephone company around the globe offers broadband DSL and together they added 24 million subscribers in the first nine months of 2004.
- More than half a million people every week chose DSL, according to industry analyst firm Point Topic.
- The total number of DSL subscribers reached approximately 100 million lines by the end of 2004, which is the most aggressive technology growth curve ever, as we had just celebrated 1 million subscribers in 2000.
- 10% of the world’s phone lines today are delivering the very real benefits of the digital society to people in every region.

European Union countries currently make up the largest regional DSL population worldwide, with Asia Pacific close on its heels and North and Latin America steadily gaining subscribers. The ten largest DSL population countries now account for more than 80% of DSL subscribers worldwide. Tim Johnson of Point Topic commented: “This is a classic pattern for the early stages of a dynamic market. We can now see growth rates leveling off as leading countries like South Korea, Taiwan and Hong Kong approach 30% market penetration. But there’s another cycle of growth still to come. We’ll see new broadband applications beginning to take hold, like voice and video that will drive the next cycle and then, in a year or two, broadband will be going into homes that have no interest in owning PCs or surfing the Internet.”

By constantly evolving, DSL is enabling more consumers and businesses to take advantage of new applications and multimedia services made possible by the Internet. In today’s emerging network environment, the DSL Forum has worked hard to strengthen DSL’s capabilities to align with the new demands for speed, network and application awareness, and to embrace the quality of service differentiators, which prove once again why DSL is the most chosen broadband option in the world.

The DSL Forum, celebrating 10 years of industry service, has always been dedicated to developing the full potential of DSL. In 2004 we accomplished so much:

- Ten Technical Reports (TRs) were produced. These key TRs addressed CPE and network management, VDSL, home networking, the evolved IP-centric network architecture, and interoperability testing for ADSL equipment.
- Two Marketing Reports were approved; DSL Anywhere Reference Guide, which is the Version 2 DSL Anywhere paper providing a compendium of techniques to deliver DSL to everyone, and the ABCs of Home Networking, which provides a basic education to the options for a broadband empowered home network.
- Seven DSL Forum specification based plugfests were held, advancing interoperability of ADSL2 and ADSL2plus.
- The DSL Forum’s European Logo program was launched as the next stage of the interoperability program, used to indicate that the equipment passed tests done by a recognized independent laboratory (ITL).
- Over 627 positive DSL Forum press stories were carried in 35 countries around the world.
I am proud of our accomplishments and you should be too. We have many promising opportunities to further our progress and a huge market yet to be served. People need broadband connections now more than ever, as the way they work, learn and entertain themselves changes in the face of changing economic conditions and services coming online. The DSL Forum will continue its efforts to develop the full potential of DSL, and to promote the positive progress that continues to drive DSL to its position as the #1 Broadband Choice in the world.

Tom Starr
President & Chairperson, DSL Forum

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**DSL FORUM MEMBERSHIP STATISTICS IN 2004**

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 developing and promoting end-to-end solutions.

DSL Forum ended 2004 with 206 members.

**Regional Membership**

- North America 112
- Europe 66
- Middle East 10
- Asia 17
- Africa 1

**Industry Segment Breakdown**

- Service Providers 30
- Vendors 158
- Consultant 17
- Regulatory Entities 1

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**DSL FORUM ORGANIZATION**

There is tremendous collective expertise in our members and by joining forces to develop a focused strategy, the DSL Forum directs significant resources toward the development of end-to-end solutions.

**Membership Classes of the DSL Forum:**

- **Principal Members - $7,500 USD**
  - Attendance to all annual, general and committee meetings of the Forum
  - One vote each on all Forum issues
  - 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 Members - $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 Members - $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
  - Note: 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

- **Associate Members - $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 for non-profit and educational institutions, provides no right to vote, but will have all other rights associated with a Principal membership
  - Note: Associate Members must be non profit or educational institutions. Institutions will be approved for membership annually by a majority vote of the Board of Directors

- **Barter Members - Entities who provide special services in barter for their membership**
  - Access to all working documents, contributions, technical reports and meeting minutes
  - Subscription to all DSL Forum email mailing lists
1. Identify appropriate content and applications to support, by aligning with:
   ■ ISPs and ASPs
   ■ Consumer Electronics Manufacturers and organizations
2. Build on our end-to-end architecture development considering:
   ■ Economics in network planning and deployment
   ■ Support of content and other applications, e.g., “triple play”
   ■ Leveraging relationships with other standards bodies
   ■ Common specifications for network evolution
3. Foster the linkage of DSL into the home for:
   ■ Home Networking
   ■ Interfaces to appliances
   ■ CPE functionality
   ■ Creation of joint deliverables with other industry bodies
4. Broaden the interoperability and qualification:
   ■ Physical level
   ■ ATM layer
   ■ Higher layers
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TECHNICAL COMMITTEE ACHIEVEMENTS

The Technical Committee is divided into a series of subcommittees or Working Groups that focus on specific areas to facilitate and expedite the technical work of the Forum. In 2004 these Working Groups were put in three logical tracks to promote end-to-end solution developments.

Research and Development:
- Architecture - led by David Allan, Nortel Networks and David Thorne, BT
- Test - Testing & Interoperability - led by Les Brown, Texas Instruments
- QOC/ITL - led by Andreas Ente, Cetecom

Operate:
- Operations & Network Management - led by Peter Adams, BT and Greg Bathrick, Texas Instruments
- AutoConfiguration (DSLHome Tech) - led by George Pitsoulakis, Westell and Greg Bathrick, Texas Instruments

Technical Committee Achievements

2004 saw a major shift in network architecture related work as service providers began to plan for the evolution away from ATM centric architectures towards more IP-centric approaches. The Broadband Remote Access Server became a key policy enforcement point and therefore a major service delivery tool.

Requirements for such equipment were specified in some detail. In addition to network developments, customer premises equipment such as DSL residential gateways combined with home networks took a leap forward in 2004. Hence the Forum spent considerable energy on specifying a home networking architecture together with requirements of residential gateways and how they interact with the IAN and WAN. General network management and operations work was largely focused on new high speed DSL technologies such as VDSL and ADSL2. Testing and Interoperability work was also heavily focused on progressing interoperability of these new higher speed DSL technologies.

See page 12 for summary of the TRs produced in 2004.

As we look forward to progress in 2005, work continues in a number of key areas:

Architecture Working Group focus:
Many service providers are now at the stage where they are seriously looking at delivering video over DSL to bring triple play bundles to consumers. Subsequently new work will specifically examine how to deliver video over DSL. There are many architectural and physical layer considerations that make this far more challenging than delivering Internet access and so we need to work together to share experience in this area in order to ensure DSL becomes the preferred platform of choice for interactive video. In order to deliver such services bundles cost-effectively, many service providers are seeking to evolve their networks from using ATM over SDH/SONET towards Gigabit Ethernet. This will cause many profound challenges and changes such as how best to deal with security, QoS, traffic management, subscriber identification, QoS and multicast.

DSLHome Technical Working Group focus:
Bundling services over DSL requires more sophisticated Customer Premises Equipment (CP/E) than the simple modems or routers just used for Internet access. Hence the DSL Home Technical Working Group will be examining the requirements of CP/E needed to deliver voice and data. They will also be looking at how such equipment can be remotely configured and managed.

Operations & Network Management Working Group focus:
Test and diagnostics for these Next Generation multi-service DSL networks will require new approaches. There is a need to review test and diagnostics functionality because QoS controlled multiple services may need improved performance monitoring for self-optimisation.

Testing & Interoperability Working Group focus:
Triple play service bundles and video will also drive the need for even higher speeds. Thus the Testing & Interoperability Working Group is heavily focused on completing functionality and performance test plans for ADSL2plus and progressing plugfests for this technology. As this ADSL2plus work matures throughout the year it is hoped that similar activity on VDSL2 may be ramped up towards the end of 2005 (when physical layer standards for VDSL2 should have been approved and understood).

Finally, in all we do, we need to ensure that our work complements that of other key industry bodies such as the DLNA, UPnP Forum and BCD Forum and that we continue to promote our technical reports to ensure global adoption, establishing the common platform to build DSL broadband success.

Gavin Young
Technical Chair

MARKETING COMMITTEE ACHIEVEMENTS

2004 was a banner year for the DSL Forum’s Marketing Committee. We embarked upon the multi-event DSLHome™ Roadshow tour, with stops at SUPERCOMM in Chicago and the IEC’s Broadband WorldForum Europe in Venice. We published our first two official Marketing Reports, MR-001, aka DSL Anywhere white paper, “During the time of the BOF” and MR-002, aka ABCs of Home Networking. We continued our MR.pagazine, conducting 134 interviews and issuing 25 press releases, garnering 627 pieces of coverage in 35 countries during the year. We kicked-off a rejuvenated Ambassador Working Group, and continued to organize and deliver key educational and best-practice sharing sessions at each and every one of our face-to-face meetings during the year. We also initiated planning for a potentially significant DSL advertising campaign and made great progress in the European Market Focus Group.

Key Marketing accomplishments during the year include:
- The Strategic Communications efforts were focused on developing a stronger DSL value proposition, and addressing the competitive challenges in North America, the only region in the world where DSL is not the dominant form of broadband access. A great deal of effort during 2004 was put into developing a proposal for a mass media advertising campaign highlighting the benefits of broadband DSL, and 2005 will be the year where we attempt to obtain the required funding and implement the campaign.
- The European Market Focus Group efforts during 2004 were focused on regional broadband drivers, issues, and opportunities unique to Europe. From hosting an enlightening regulatory panel to delving into rural deployment strategies and country differentiators, the group provided a good platform for those interested in the European market to get a clearer sense of the drivers and inhibitors in the European market.
- Summit and Best Practices/Birds of a Feather program The Summit program was revamped to a half-day format twice a year, and a keynote at alternating meetings, freeing up important time for working group activities, and it continues to focus on issues critical to the day.

2004 Summit and Birds of a Feather @BOF Session Line-up and Attendance:
- Birds of a Feather @BOF Session - DSL Anywhere White paper, “During the time of the BOF”
- Brussels (228 attendees)
- Circle of Excellence Award - Tom Anschutz, BellSouth Communications
- Toronto (235 attendees)
- Keynote Address:
- Evolving to a World of IP™
- Eugene Roman, Group President Bell Canada Systems and Technology
- Customer Care and e-Care Best Practices:
- Neil Nolan, IBM
- Bill Bradley, Omega Management Group
- Mike Desmarais, SQM Group

Contact:
Carol Friend
European PR Representative
Phone: +1.770.761.9300
Mobile Phone: +1.404.502.8961
Laurie Gonzalez
North/South America PR Representative
Phone: +1.770.761.9300
Mobile Phone: +1.404.502.8961
Pielle Consulting
Mobile Phone: +1.404.502.8961

DSL Home Networking Award - Tom Anschutz, BellSouth Communications
MARKETING COMMITTEE ACHIEVEMENTS - continued

- Customer Care Solutions: John Stephens, Netopia
  Sanjay Castells, Motive Communications
  James Marehead, SupportSoft
- Prague (185 attendees)
- Birds of a Feather (BoF) Session - DLNA (DH/WG) Home Network Guideline Overview
- Circle of Excellence Award - Heather Kirksey, Motive
- Orlando (263 attendees)
- Keynote Address:
  - Asian Application and Service Drivers:
    Dr. Sachio Semmoto, President eAccess Ltd
  - Latin America Market Service Provider Plans for Applications and Services:
    Yon Moreira, Executive VP BrasilTelecom
    Ronaldo Varela, Senior Director Telefônica Brasil
  - Dennis Burke, Senior Analyst Pyramid Research
- President’s Panel:
  - Hans Euard Reiter – Achieving the First Million DSL Subscribers
  - Bill Rodey – Scaling DSL for the Mass Market
  - Tom Starr – Moving Beyond 100 Million
- Circle of Excellence Award – Alan White, Samsung
- The DSL Home-Marketing Working Group was primarily focused on DSL Home Roadshow activities in 2004, with major events at SPRUCOMM and Broadband WorldForum in Venice. In addition, the group made great progress on key DSL enablers such as home networking, launching the “DSL Home” initiative to develop user education, and issuing a key “how to” document, “The ABCs of Home Networking.”
- The Ambassador program was relaunched late in 2004, with new qualifications and classes of Ambassadors. Two new overview presentations have already been developed by the group, and a variety of new Forum presentations were developed earlier in the year by the DSL Forum Marketing Committee focused on video over DSL, DSL Anywhere, and regional market drivers.
- The Service Provider Action Council was reinvigorated with new leadership, and provided a platform for Service Providers to have a cohesive voice into the Forum. New work surrounding Service Provider architecture requirements, and addressing peer-to-peer traffic were key topics for the meetings.

Marketing Communications

- Public Relations
  One of our most active and valuable communication tools during 2004 was our Public Relations team. Spreading the positive stories and technology/deployment advancements was a critical goal of the DSL Forum in 2004, and the PR team excelled in delivery. Our association with Point Topic allowed us to establish the DSL Forum as the “source” for DSL subscriber figures, giving us an excellent international media/PR opportunity every quarter of the year. We promoted the Forum’s various technical accomplishments and the launch of the DSL Home campaign throughout the year with great coverage results. Here are the highlights:

<table>
<thead>
<tr>
<th>Americas</th>
<th>Europe/Asia</th>
<th>2004 Coverage Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coverage</td>
<td>391</td>
<td>236</td>
</tr>
<tr>
<td>Bylines</td>
<td>9</td>
<td>7</td>
</tr>
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<td>Interviews</td>
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<td>15</td>
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<td>61%</td>
</tr>
<tr>
<td>Countries Hit</td>
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<td>29</td>
</tr>
<tr>
<td>Analyst Report Add.</td>
<td>51</td>
<td>7</td>
</tr>
</tbody>
</table>

Financial Report Progress
Due to financial irregularities found during the audit, the report has been delayed subject to further investigation.

- Trade shows:
  - The DSL Forum participated in three major trade shows/conferences in 2004 - SUPERCOMM, Broadband WorldForum-Europe, and USTA Telecom'04. Our DSL Home™ Roadshow garnered tremendous positive industry and press attention at SUPERCOMM and Broadband WorldForum-Europe, and we established relationships at these events which generated seven new Forum members. We attended Telecom’04 with an information booth, and hosted a series of one-on-one interviews that also led to strong media coverage.
  - The Forum also hosted an informal meeting space at the Broadband WorldForum Asia conference. We presented in the conference program as well. This provided a simple platform to reach out to key industry leaders in the APAC region, and begin to better understand how the Forum could deliver value to industry players in the region, and how the progressive Asian leaders could help strengthen the Forum’s work moving forward.

- Websites
  - www.DSLForum.org
  - www.DSLLife.com
  - The appearance and functionality of the DSLForum.org site went through a significant update in 2004.
  - Removing flash and freeing up space for new content, the front page became a valuable destination page for approximately 32,096,012 visitors in 2004.

www.DSLLife.com
The consumer based website of the DSL Forum continues to provide an educational resource for consumers interested in understanding and getting the most out of DSL. With nearly 1,955,330 hits in 2004, DSLLife.com is focused on bringing the most up to date DSL information to the end-user community.

Marking Committee Chairman
Jay Fausch

DSL FORUM Annual Report 2004

AMES FORUM Annual Report 2004
Looking forward to 2005, the DSL Forum will build on its specifica-
tions for an IP-based network architecture and DSLHome™ to
enable new applications and services that promise to increase
the value of DSL. This will directly address the industry-wide interest
in triple-play service via DSL. A key enabler for this is higher access
speed via ADSL2plus and VDSL2. The DSL Forum must step up
its work to address management and interoperability for these
higher-speed DSL technologies.

An ever-increasing number of standardization bodies and industry
organizations are turning to us as a basis for standards and
continued initiative development, such as the DSLHome coopera-
tive effort. The DSL Forum must strengthen our relationships with
many of these key organizations to expedite the adoption of DSL
across the industry.

Current Liaisons include:

- ATM Forum
- BCD Forum/SCC
- DSLNA
- ITU
- ATIS
- UPyP Forum

- DSLHome endorsing organizations:
  - BCD Forum/SCC
  - CABA
  - CEA
  - ECTA
  - HomePlug Powerline Alliance

CONCLUSION

The DSL Forum Board of Directors would like to take this opportu-
nity to thank the delegates of our member companies for their contin-
uous contributions to the successful work of the Forum and for their efforts in advancing DSL. We also thank them for their confidence in our
officers and chairpersons. 2004 was a year of which the Forum and its members can take significant pride.

The DSL Forum has performed its tasks and duties in a professional and cooperative spirit in 2004. Its Officers have made every effort to
manage the Forum in the best interests of its members.

Therefore, the Board of Directors proposes to the members present at the Annual Meeting to accept this Annual Report.

Sincerely,

Tom Starr
President & Chairperson

Michael Brusca
Vice President, Strategy

David Greggains
Vice President, Operations
COMPLETE LISTING OF TECHNICAL REPORTS BY APPROVAL QUARTER

by Brussels, Belgium (March 1-4, 2004)

- TR-065 Operations & Network Management: FS VDSL EMS to NMS Interface Functional Requirements
- TR-066 Operations & Network Management: ADSL Network Element Management (Update to TR-005)

by Toronto, Canada (May 17-20, 2004)

- TR-064 DSLHome -Technical: LAN Side DSL CPE Configuration Specification
- TR-067 Testing & Interoperability: ADSL Interoperability Test Plan (Formerly TR-048)
- TR-068 DSLHome -Technical: Dual Port ADSL Router Requirements Specification
- TR-070 Operations & Network Management: SCM Specific Management Objects in VDSL Network Elements

by Prague, Czech Republic (August 16-19, 2004)

- TR-092 Architecture & Transport: Broadband Remote Access Server (B-RAS) Requirements Document
- TR-094 Architecture & Transports and DSLHome-Tech: Multi-Service Delivery Framework for Home Networks

by Orlando, Florida (December 6-9, 2004)


COMPLETE LISTING OF WHITE PAPERS BY APPROVAL DATE

- September 2004: DSLAnywhere
- March 2003: ADSL2 and ADSL2plus – The New ADSL Standards
- January 2003: Symmetric DSL
- March 2002: Why DSL Still Matters
- May 2001: DSL Anywhere
- March 2000: Internet Security

CONTACT THE DSL FORUM

DSL Forum
39355 California Street, Ste. 307, Fremont, CA 94538
Phone: +1.510.608.5905 Fax: +1.510.608.5917 info@dslforum.org

DSL FORUM SECRETARIAT

Karen Moore
Executive Director
510.608.5921 kmooore@dslforum.org

Daphne Pantaleon
Project Coordinator
510.608.5912 dpantaleon@dslforum.org

An electronic copy of this report can be downloaded at http://www.dslforum.org/private/membersinfo/annual_reports.html