

Fiber Optic Services And Products



On Fiber Optic Communications

FIBER TO THE DESK IGNORED

One of the many questions I have been considering is the reason that fiber to the desk (FTTD) is being ignored. While in the shower recently (a location in which I often have my best thoughts), I identified one of the answers: the people making the final decisions for the rebuild or new build of networks are the wrong people. The Chief Financial Officer, and not the IT personnel, should be making this final decision. This conclusion becomes obvious when we consider the results of the latest FTTD study (the closet study) from Pearson Technologies Incorporated and the FOLAN subcommittee. In many cases, the closet study demonstrates that the initial installed cost of FTTD is equivalent to or less than that of UTP-horizontal vertical fiber networks.

Unfortunately, many IT personnel do not see the total cost consequence of the UTP decision.

The CFO sees that consequences. Therefore, the CFO needs to be involved.

In the FTTD model, the support costs of the wiring closet are not necessarily considered IT costs. They are considered building costs. Yet, when these support costs are considered in the total cost analysis, the analysis supports more FTTD decisions than would be expected.

These costs can be substantial: if building costs range from \$100-\$200/square foot, the cost of a 6 foot x 10 foot closet starts at \$6000-\$12,000. Add environmental control dedicated to the closet at \$5000-\$20,000. Then add all the other hardware. It is clear that the true closet cost can easily exceed \$20,000.

The model shows different results at different closet cost levels. At a total initial installed closet cost of \$20,000, some scenarios favor FTTD. At a similarly defined level of \$30,000, we expect that more than half of the scenarios will favor FTTD. At a closet cost level of \$40,000, we expect that most scenarios will favor FTTD.

This model shows that CFOs and IT managers can justify FTTD on an initial cost basis. Note that this model does not factor in the cost advantages of reduced life cycle cost, reduced maintenance cost, reduced testing cost and reduced troubleshooting cost. If these reduced costs were factored in, then FTTD would be more favorable than shown in the closet study.

In short: because the wrong people are making the final decisions, IT planners continue to install UTP! If the people with total financial responsibility and purview were to make the decision, we would see a significant increase in FTDD.

This study consists of a report, instructions for use and an Excel spreadsheet with nine scenarios. All cells in the spreadsheet are accessible so that the user can test any scenario he wishes.

This study is available by request at www.ptnowire.com. This study will be available at www.fols.org.

Mr. Eric R. Pearson is President of Pearson Technologies Inc., a Director of the FOA and a 24-year veteran of the fiber optic communication industry. Pearson Technologies Inc. (www.ptnowire.com), is a fiber optic consultancy providing technical consulting, training and certification of installation personnel and legal technical services. Mr. Pearson can be reached at fiberguru@ptnowire.com and at 770-591-8921.

Respectfully submitted for your consideration,



Eric R. Pearson, CPC, CFOS

President

Pearson Technologies Inc.

For Mr. Pearson contact information, [click here](#).

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