

Sample Track Record

| YEAR/ TECHNOLOGY | TFI FORECAST THEN | SITUATION THEN | COMMON WISDOM THEN | ACTUAL OUTCOME |
|--|--|--|--|--|
| 2003 Fiber to the Premises | 14% of Households to be passed by FTTP in 2008 (Middle Scenario) | No Announced Plans by Major ILECs | FTTP Too Expensive | 11% of Households passed by FTTP in 2008 |
| 2003 Broadband Subscribers | 52% of Households will Subscribe to Broadband by 2007 | 14% of Households Subscribe to Broadband | Broadband is for Higher Income Consumers | 58% of Households Subscribe to Broadband in 2007 |
| 2001 Wireless-Only Households | 30% of Households will be Wireless-Only by 2007 | Wireless-Only Households Very Rare | Wireless-Only is Just a Niche Market | 16% of Households are Wireless-Only in 2007 |
| 2001 Residential Access Lines | Residential Access Lines to Fall to 85 Million by 2007 | Access Lines Stable at 122 Million | Small Decline Possible due to Loss of 2nd Lines to Broadband | Residential Access Lines in 2007: 84.5 Million |
| 2001 3G Cellular Subscribers | 7.5% of Cellular Subscribers will be 3G by 2007 | Neither 2.5G nor 3G Deployed Yet | 3G Risky due to High Investment and Wireless LANs | Estimated 10.6% of Cellular Subs are 3G in 2007 |
| 1999 Internet Bandwidth | Annual Growth Rate Below 100% by 2003 (Base Case) | Recent Annual Growth Rates of 200% or More | Let's Drastically Expand Fiber Networks! | Annual Growth Rate in Mid-2000s: 50-60% |
| 1998 Demise of Analog Cellular | Last Analog Subscriber Most Likely in 2008 | 88% of Subscribers Still Analog | Digital will be Concentrated in Metro Areas | Last Analog Subscriber March 2008 |
| 1997 Broadband Subscribers | 37% of Households will Subscribe to Broadband by 2007 | Residential Broadband Unavailable | 56 Kb/s Dial-up is Good Enough for Consumers | 58% of Households Subscribe to Broadband in 2007 |
| 1997 Premium Broadband | 18% of Households will Subscribe to Premium BB (~6Mb/s) by 2007 | No Residential Broadband at Any Speed | See Above | 25% of Households Subscribe to Premium in 2007 |
| 1997 Very Highspeed Broadband | 1%-2% of Households will Subscribe to VHS BB (>10Mb/s) by 2007 | See Above | See Above | 1.7% of Households Subscribe to VHS BB in 2007 |
| 1995 HDTV | 28% of Households will have an HDTV by 2007 | HDTV Intro Still 5 Years in Future | Success of HDTV Uncertain | 30% of Households have an HDTV in June 2007 |
| 1995 Local Exchange Access Lines | Switched Access Lines to Peak in 2000 | Access Lines Growing at 3% Annually | Continued Growth due to 2nd Lines for Voice and Data | Switched Access Lines Peak at 187.3M in 2000 |
| 1992 Online Households | 17% of U.S. Households Will Be Online by 1997 | Less Than 1% of Households Online Arrival | Videotex/Online Services "Dead on Arrival" | 20% of All HHs Online in 1997, Over 40% by 2000 |
| 1991 Electronic Image | Most Computer-based Images Sent Electronically by 2000 | Most Images Sent by Hard Copy, Tape, Diskette or Fax | Varied | Internet/WANs Handle Wide Variety of Imaging |
| 1990 Digital Communi- cation Services | Mass Market for Digital Communication Services will Develop in 1990s | Severe Problems Rolling Out ISDN | No Need for Digital; Analog Modems Okay for Mass Market | 1-2 Million XDSL and Cable Market Modems in 2000 and Rapidly Growing |
| 1989 SONET | 40% of LEC Fiber Circuits on SONET in 1997 | SONET in Technical Field Tests | SONET Promising but Unknown | 40% of LEC Fiber Circuits on SONET in 1997 |
| 1988 Digital Loop Carrier | 15% of Access Lines on Fiber Digital Loop Carrier by 1996 | 1% of Access Lines on Fiber Digital Loop Carrier (DLC) | DLC Only Useful for Long Loops (<10% of Access Lines) | 15% of Access Lines on Fiber DLC in 1997 |
| 1987 Wireless vs. Wireline | Wireless Will Compete With Wireline by the Late 1990s | U.S. Wireless Subscribers Under 1 Million | Wireless Is Strictly a Complement to Wireline | 100 Million U.S. Subscribers in 2000. Wireless for Wireline Begins |
| 1987 Cellular Prices | Cellular Total Monthly Cost (250 Minutes) Down to \$40-60 by 1997 | Total Monthly Cost: \$145 | Cellular Inherently Expensive | \$30 Monthly for 250 Minute Plans Common |
| 1986 Local Digital Switching | All Local Digital Switching by 1997-2001 | 11% Digital, 60% Analog ESS & Growing | Few Analog ESS Retirements Before 2000 | 92% Digital in 1998; 98% by 2000 |