



Siemens: IPTV Game Not Over

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Bolstered by its recently announced deal with Shanghai Telecom, [Siemens AG](#) (NYSE: [SI](#) - [message board](#); Frankfurt: SIE) is emerging as a potentially major challenger to [Microsoft Corp.](#) (Nasdaq: [MSFT](#) - [message board](#)) and [Alcatel](#) (NYSE: [ALA](#) - [message board](#); Paris: CGEP:PA) for big IPTV build-outs globally. (See [Siemens Breaks Into Chinese IPTV](#).)

Chris Coles, Siemens CEO of Home Entertainment, told *Light Reading* a couple weeks ago about its competitive IPTV plan, and in recent days the company looks to be backing it up with real-live contracts.

It's a notion worth considering. In the U.S., the Microsoft/Alcatel solution is largely thought to have run the table on IPTV contracts, but Siemens doesn't believe the game is over at places like [SBC Communications Inc.](#) (NYSE: [SBC](#) - [message board](#)), [Verizon Communications Inc.](#) (NYSE: [VZ](#) - [message board](#)), and [BellSouth Corp.](#) (NYSE: [BLS](#) - [message board](#)). (See [Verizon Makes Microsoft Video King](#).) In addition, recent remarks from some RBOC executives such as [Verizon Communications Inc.](#) (NYSE: [VZ](#) - [message board](#))'s vice president of architecture, Stu Elby, indicates the game is far from over.

"First off, I wouldn't conclude that business is locked up," says Coles. "I would say that SBC is certainly under contract for a period of time. I would imagine that since that service hasn't yet launched there is probably some performance requirements on the parties required to maintain some contractual relationship."

Siemens acquired IPTV middleware player Myrio in April and got its leader, Coles, in the deal. Myrio, like many other IPTV technology businesses, cut its teeth in the IOC world, and is currently supporting solutions at 75 of the regional carriers. The idea behind the deal was to combine the largesse and reputation of Siemens with the well-deployed IPTV middleware solution of Myrio. (See [Siemens Snaps Up Myrio](#).)

The IPTV rollout as part of SBC's Project Lightspeed is perhaps the most talked about deployment in the West, a high-stakes gambit to say the least. (See [SBC, Microsoft Defend Lightspeed](#).) Coles believes, as many insiders do, that Microsoft still has a lot to prove at SBC and that the RBOC is keeping some good Plan Bs waiting in the wings. (See [Siemens Adds Entone](#).)

"To the best of my knowledge, from talking to them, there is nothing exclusive around it [SBC's Microsoft contract]; if you pick a solution like Microsoft and Alcatel, your attention needs to be on that solution at this point in time, but I don't think that locks the door for future opportunity," Coles says. (See [Belgacom Launches Siemens IPTV](#).)

The other two RBOCs to sign with Microsoft -- BellSouth and Verizon -- have not entered into as deep a commitment as SBC has, Coles believes. "They continue to look at options and continue to look at what makes most sense for them."

Verizon's Elby, in his comments at *Light Reading's* recent Telecom Investment Conference, indicated that Verizon is in the very early stages of testing pure IPTV broadcast gear and hasn't come to any long-term conclusions. (See [Verizon's Elby: IPTV Could Take Years](#).)

Some observers have speculated that some of the RBOCs took cover in a Microsoft solution to get the IPTV initiative off the ground with a well perceived technology brand.

Indeed 2006, by most accounts, will be a revealing year in telco TV. The ability of the various solutions to scale properly and begin generating real revenues may separate the talkers from the do-ers, and perhaps narrow the field somewhat. (See [Expect More IPTV M&A](#).)

— Mark Sullivan, Reporter, [Light Reading](#)