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Executive Update

Customers Give A Thumbs-Up To First National ATM Data Network

Second of two parts
By Kathleen Doler
In Mountain View, Calif.

The new ATM networking approach is becoming a hot topic in computing, and MFS Datanet Inc.'s new ATM service is receiving a warm reception from customers.

ATM, or Asynchronous Transfer Mode, is a data transfer method like Ethernet, Token Ring and Fiber Distributed Data Interface. It offers very high-speed data transfer rates and can be used in both local- and wide-area networks.



Computers & Automation

Market research firm International Data Corp. of Framingham, Mass., predicts ATM will be adopted first at the hub level of networks. Hubs are devices that manage network traffic.

IDC estimates worldwide revenue from ATM products will grow to about \$750 million in 1997 from \$79 million in 1993.

ATM promises more than greater transfer speeds for traditional data. It also is well-suited to transferring other types of information, such as voice and video.

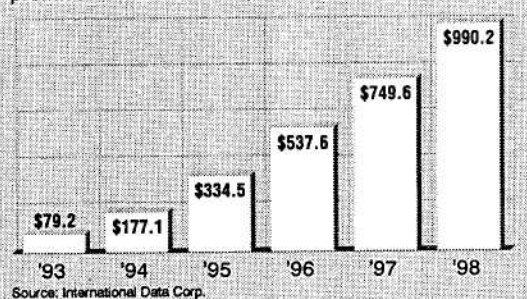
The service launched recently by MFS Datanet, a subsidiary of MFS Communication Corp., offers transfer rates of between 56 kilobits per second and 45 megabits per second, a range that provides customers with plenty of bandwidth at a reasonable cost, company officials say.

MFS Datanet's ATM service is available in Atlanta, Boston, Chicago, Dallas, Houston, Los Angeles, New York, San Francisco, Washington and northern New Jersey. Four other cities will be added in the next two to four weeks, officials say.

Initially, ATM will compete mostly with existing, shared-bandwidth FDDI service. And even though FDDI, with its 100 megabits per second capability, is plenty fast, "ATM allows a more predictable bandwidth allocation," said

ATM Market Forecast

Projected sales, including router, interface cards and premises switch revenue, in millions



Source: International Data Corp.

Caroline Michael, an IDC analyst.

Michael says ATM allows easy migration from other technologies, because it also can host networks based on other standards like Ethernet.

Speeds Up Network Applications

At Credit Agricole USA, a branch of French bank Credit Agricole, MFS Datanet's ATM service is speeding up operations and helping to ensure data security. The company is using the service to handle data transfers between its Chicago headquarters and its New York office.

In the past, the bank was having trouble backing up its New York data center because backup was performed remotely from Chicago.

Slow data transfer rates sometimes caused the process to take as much as nine hours, says Arnie Schafman, assistant vice president to the data center manager at Credit Agricole. As a result, some backup wasn't even performed on a daily basis and was left for weekends.

"And we were having congestion problems with the limited bandwidth — people were getting knocked off the network," he said.

With the ATM service, backup takes only 30 minutes. Network response is much faster, even with more users.

The bank has plans to take advantage of ATM's ability to handle other data types.

"We had investigated videoconferencing about a year ago, but now we're in a real good position to be able to put videoconferencing right on our worksta-

tions," said Schafman.

Another customer of MFS Datanet's ATM service is UUNET Technologies Inc. of Falls Church, Va. UUNET operates an Internet service for business users called AlterNet, which connects the local-area networks of 350 domestic customers with the rest of the global commercial Internet.

By moving to MFS Datanet's ATM service, UUNET is able to provide a very fast network backbone that is scalable to customer needs,

officials say. Also, ATM's cell-switching ability allows independent addressing of information, a very reliable data transfer technology, they say.

With traditional networks, information data packets are blasted across the network to all sites but grabbed only by the addressee. With ATM, the data is transferred point-to-point, eliminating much of the superfluous data flying around the network and requiring less error checking.

Flexibility Is A Plus

Forum Corp., an international training company based in Boston, also has signed up for MFS Datanet's ATM service. The company is using the service to connect its offices in Chicago, New York and Boston.

"We were looking for something that could grow with the company over time," said Michael Vigue, Forum's director of technology.

Vigue says the company was looking for a "substantial backbone" to support existing needs, one that could handle future applications like videoconferencing and multimedia training applications.

"ATM was the platform that could take us there," he said. "Cell technology allows you incredible flexibility . . . in what can come in and what comes out."

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