

**Alcatel expands DSL lines 33% in
Southern China**

By Reuters staff

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French vendor wins contract with Guangdong Telecom to expand its DSL coverage.

French telecommunications equipment giant Alcatel said Thursday it won a multimillion dollar contract from Guangdong Telecom to expand high-speed data networks running over telephone lines in Southern China.

The contract, awarded through Alcatel Shanghai Bell, covers most regions of China's Guangdong province including Guangzhou, Shenzhen, Zhuhai, Zhongshan, Fuoshan, Hainan and Shantou. Guangdong is the economic powerhouse of Southern China.

Guangdong Telecom was the first service provider to introduce Digital Subscriber Line (DSL) high-speed Internet access service in China. The company has worked with Alcatel Shanghai Bell since its inception in 1996.

Guangdong Telecom is a unit of China Telecom Group, the fixed line telecommunications giant of the world's most populous nation.

With this expansion, Guangdong Telecom now has a DSL network capacity of 600,000 lines, a nearly 28 percent increase of 130,000 lines, U.S.-based Alcatel spokesman Elvis Oxley said. He declined to specify the exact value of the deal.

Alcatel said it is the leading DSL provider in both China, one of the world's fastest growing markets for broadband communications delivered over telephone lines, with a 40 percent market share. It boasts a 38 percent share globally.

However, in April, Nokia said it was awarded its own "multimillion" contract with Guangdong Telecom for DSL equipment in eight cities.

This deal covered so-called DSLAM equipment, which allows network service providers -- Guangdong Telecom in this case -- to provide customers with DSL services at speeds up to eight megabits, or millions of bits, per second.

A Nokia spokesman was not available to comment on the contract. Alcatel North American representatives said they were unaware of what piece of Guangdong Telecom's DSL business the Nokia deal covered.



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