

# Contents

Special Report Notice Of Disclaimer . . . . .	iii
Contents . . . . .	v
List of Figures . . . . .	ix
List of Tables . . . . .	xi
Foreword . . . . .	xiii
1. Introduction . . . . .	1-1
1.1 Overview of IP Centrex . . . . .	1-1
1.2 Objectives and Organization of Document . . . . .	1-2
1.3 Scope . . . . .	1-2
1.4 Terminology . . . . .	1-3
2. Centrex History . . . . .	2-1
3. IP Centrex Architectures . . . . .	3-1
3.1 Class 5 Switch Architecture . . . . .	3-1
3.1.1 Supplier-Neutral Approach . . . . .	3-1
3.1.2 Supplier-Specific Approach . . . . .	3-4
3.2 Softswitch Architecture . . . . .	3-5
3.3 IntraLAN Voice Paths . . . . .	3-8
4. IP Centrex Customer Premises Equipment (CPE) . . . . .	4-1
4.1 Station Equipment . . . . .	4-1
4.1.1 IP Phones . . . . .	4-1
4.1.2 Softphones and Firmphones . . . . .	4-2
4.1.3 Customer Gateways . . . . .	4-2
4.1.3.1 Terminal Adapters . . . . .	4-3
4.1.3.2 Integrated Access Devices (IADs) . . . . .	4-3
4.2 Local Area Network . . . . .	4-3
5. Benefits of IP Centrex for Customers . . . . .	5-1
5.1 General Centrex Benefits . . . . .	5-1
5.1.1 Lower Capital Investment Cost . . . . .	5-1
5.1.2 Scalability . . . . .	5-1
5.1.3 Simplicity . . . . .	5-1
5.1.4 Operations and Maintenance . . . . .	5-2
5.1.5 Upgrades . . . . .	5-2
5.1.6 Reliability . . . . .	5-2
5.1.7 Standardized CPE . . . . .	5-2
5.1.8 Eliminate Floor Space and Environmental Requirements . . . . .	5-2
5.2 IP Centrex Benefits . . . . .	5-3
5.2.1 Benefits Applying to Class 5 Switch and Softswitch Platforms . . . . .	5-3
5.2.1.1 Convergence . . . . .	5-3
5.2.1.2 Unrestricted Multilocation Centrex . . . . .	5-4
5.2.1.3 Computer Telephony Integration (CTI) and Softphones . . . . .	5-5
5.2.1.4 Elimination of MAC Activity for Office Relocations . . . . .	5-5
5.2.1.5 Compatible with Conventional Centrex CPE . . . . .	5-5

- 5.2.1.6 Increases Competition between Service Providers . . . . . 5-6
- 5.2.2 Benefits Applying to Class 5 Switch Platforms . . . . . 5-6
  - 5.2.2.1 Mixed Technology Groups/Line-by-Line Migration . . . . . 5-6
  - 5.2.2.2 Use of Existing Centrex Management Tools . . . . . 5-6
  - 5.2.2.3 Immediate Access to Existing Centrex Features . . . . . 5-6
- 5.2.3 Benefits Applying to Softswitch Platforms . . . . . 5-6
  - 5.2.3.1 Enables New Features and Network-Based Capabilities . . . . . 5-6
  - 5.2.3.2 Instant Feature Activation/Enhanced Customer Management Capabilities . . . . . 5-7
- 6. IP Centrex Applications and Configurations . . . . . 6-1
  - 6.1 The Introduction of IP Phones . . . . . 6-1
  - 6.2 Replacement of Legacy Station Equipment with IP Phones . . . . . 6-2
  - 6.3 Hotelling . . . . . 6-4
  - 6.4 The Use of Customer Gateways . . . . . 6-5
  - 6.5 Unrestricted Multilocation Centrex for Branch Offices . . . . . 6-7
  - 6.6 Unrestricted Multilocation Centrex for Telecommuting Application . . . . . 6-9
  - 6.7 Virtual Call Centers . . . . . 6-11
  - 6.8 Road Warriors . . . . . 6-11
- 7. Benefits of IP Centrex for Service Providers . . . . . 7-1
  - 7.1 Benefits Applying to Class 5 Switch and Softswitch Platforms . . . . . 7-1
    - 7.1.1 Reduction in Outside Plant Facility Costs . . . . . 7-1
    - 7.1.2 Increases Market Reach . . . . . 7-3
    - 7.1.3 Offers Consistent Services Throughout Serving Area . . . . . 7-3
    - 7.1.4 Differentiates Centrex Offering and Maintains Customer Loyalty . . . . . 7-4
    - 7.1.5 Opportunities for New Revenues through Bundled Services . . . . . 7-4
    - 7.1.6 Helps Keep the Centrex Product Competitive with IP PBXs . . . . . 7-4
  - 7.2 Benefits Applying to Class 5 Switch Platforms . . . . . 7-4
    - 7.2.1 Protects Investment in Class 5 Switches . . . . . 7-4
    - 7.2.2 Readily Accommodated by an Existing Operations System (OS) and Procedures . . . . . 7-4
    - 7.2.3 Understood by Service Provider Sales Force and Support Organizations . . . . . 7-5
  - 7.3 Benefits Applying to Softswitch Platforms . . . . . 7-5
    - 7.3.1 Ability to Offer New, Value-Added Features . . . . . 7-5
    - 7.3.2 Open Service Creation Environment . . . . . 7-5
    - 7.3.3 Expected to Reduce Overall Network Costs . . . . . 7-5
    - 7.3.4 Instant Feature Activation/Enhanced Customer Management Capabilities . . . . . 7-5
    - 7.3.5 Alternative Pricing Models Can Be Used . . . . . 7-6
- 8. Hurdles and Challenges to IP Centrex Deployment . . . . . 8-1
  - 8.1 Network Equipment Challenges . . . . . 8-1
    - 8.1.1 Standardization and Interoperability of IP Centrex Equipment . . . . . 8-1
    - 8.1.2 Interoperability between IP Centrex Equipment and Legacy Systems . . . . . 8-2
  - 8.2 Service Provider Challenges . . . . . 8-3
    - 8.2.1 Development of a Compelling Service Offering . . . . . 8-3
    - 8.2.2 Service Order Negotiation and Provisioning . . . . . 8-3
    - 8.2.3 CPE Installation and Configuration . . . . . 8-4

8.2.4 Performance Monitoring, Maintenance, and Testing . . . . .	8-4
8.2.5 Voice Quality . . . . .	8-5
8.2.6 Quality of Service and Bandwidth Management . . . . .	8-6
8.2.7 Customer and End-User Authentication . . . . .	8-7
8.2.8 Unrestricted Multilocation Centrex . . . . .	8-9
8.3 Enterprise Challenges . . . . .	8-11
8.4 Softswitch Challenges . . . . .	8-11
9. IP PBXs . . . . .	9-1
9.1 Benefits of IP PBXs and IP Centrex . . . . .	9-3
10. Conclusions . . . . .	10-1
10.1 IP PBXs and IP Centrex . . . . .	10-1
10.2 Established Service Providers and Greenfield Operators . . . . .	10-2
10.3 Class 5 Switch and Softswitch IP Centrex . . . . .	10-3
Appendix A: IP Telephony Protocols for IP Centrex . . . . .	A-1
A.1 Class 5 Switch-Based IP Centrex . . . . .	A-1
A.1.1 Use of H.323 . . . . .	A-1
A.1.2 Use of SIP . . . . .	A-5
A.2 Softswitch-Based IP Centrex . . . . .	A-7
A.2.1 Use of H.323 . . . . .	A-8
A.2.2 Use of SIP . . . . .	A-10
Appendix B: Centrex Features . . . . .	B-1
B.1 Analog-Like Centrex Features . . . . .	B-1
B.2 ISDN Features Available for IP Centrex Stations . . . . .	B-6
Appendix C: Industry Status . . . . .	C-1
Appendix D: Acronyms . . . . .	D-1
Appendix E: Glossary . . . . .	E-1
Appendix F: References . . . . .	F-1



## List of Figures

Figure 2-1	Centrex Installed Base - United States (1977-1991) . . . . .	2-2
Figure 2-2	Centrex Installed Base - United States (1992-2000) . . . . .	2-3
Figure 2-3	Centrex Deployment (Based on System Size) . . . . .	2-4
Figure 2-4	Centrex Market Share (by # of installed lines) . . . . .	2-5
Figure 3-1	Class 5 Switch-Based IP Centrex (Supplier-Neutral) . . . . .	3-3
Figure 3-2	Class 5 Switch-Based IP Centrex (Supplier-Specific) . . . . .	3-4
Figure 3-3	Softswitch-Based IP Centrex . . . . .	3-7
Figure 3-4	IntraLAN Voice Path for Class 5 Switch-Based IP Centrex . . . . .	3-10
Figure 3-5	Path for Class 5 Switch-Based IP Centrex without IntraLAN Voice Paths . . . . .	3-11
Figure 3-6	Path between Conventional Centrex line and IP Phone for Class 5 Switch-Based IP Centrex . . . . .	3-12
Figure 3-7	IntraLAN Voice Path for Softswitch-Based IP Centrex . . . . .	3-13
Figure 6-1	IP Centrex Configuration Highlighting the Introduction of IP Phones (Class 5 Switch Platform) . . . . .	6-2
Figure 6-2	IP Centrex Configuration Highlighting the Use of IP Station Equipment (Class 5 Switch Platform) . . . . .	6-3
Figure 6-3	IP Centrex Configuration Highlighting the Use of IP Station Equipment (Softswitch Platform) . . . . .	6-4
Figure 6-4	IP Centrex Configuration Highlighting the Use of Customer Gateways (Class 5 Switch Platform) . . . . .	6-5
Figure 6-5	IP Centrex Configuration Highlighting the Use of Customer Gateways (Softswitch Platform) . . . . .	6-6
Figure 6-6	Multilocation Centrex for the Branch Office (Class 5 Switch Platform) . . . . .	6-7
Figure 6-7	Multilocation Centrex for the Branch Office (Softswitch Platform) . . . . .	6-8
Figure 6-8	Multilocation Centrex for Telecommuters (Class 5 Switch Platform) . . . . .	6-9
Figure 6-9	Multilocation Centrex for Telecommuters (Softswitch Platform) . . . . .	6-10
Figure 6-10	Road Warrior Access to IP Centrex Group (Class 5 Switch Platform) . . . . .	6-12
Figure 6-11	Road Warrior Access to IP Centrex Group (Softswitch Platform) . . . . .	6-13
Figure 6-12	Road Warrior Access to IP Centrex Group via Virtual Private Network (Class 5 Switch Platform) . . . . .	6-14
Figure 9-1	IP PBX Configuration . . . . .	9-2



## List of Tables

Table 5-1	Customer Benefits of IP Centrex . . . . .	5-3
Table 7-1	Service Provider Benefits of IP Centrex . . . . .	7-1
Table 9-1	Comparison of Customer Benefits for IP Centrex and IP PBXs . . . . .	9-4
Table C-1	IP Centrex Network Equipment Suppliers . . . . .	C-3
Table C-2	Service Providers Planing IP Centrex Service or Trials . . . . .	C-5