

## Next Generation Access – ready for partnership

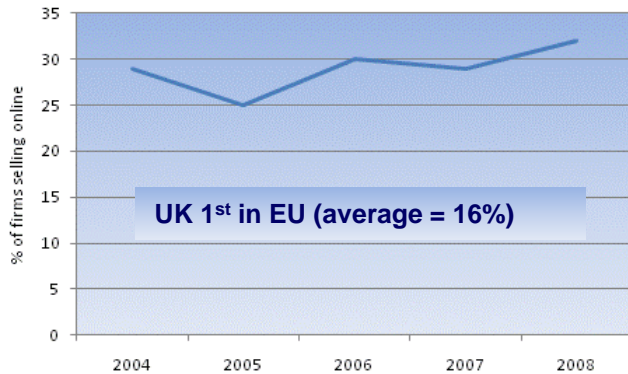
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**BT**

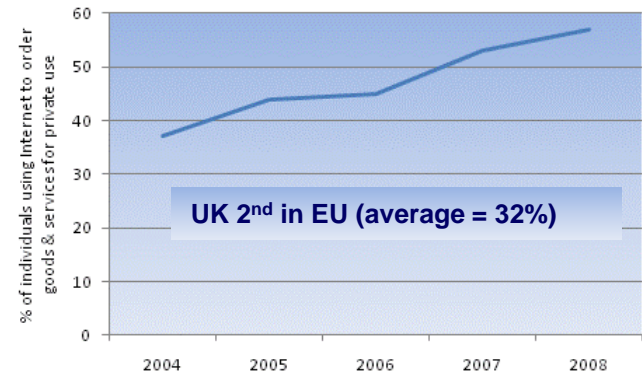
**25 May 2010**

# Broadband is transforming the UK

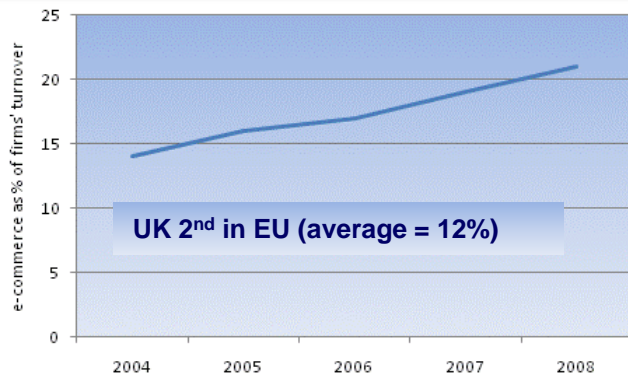
## Firms Selling Online<sup>1</sup>



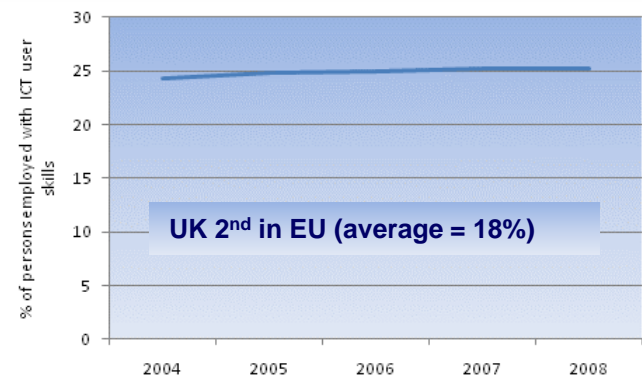
## Individuals Buying Online<sup>2</sup>



## E-Commerce % in Firms' Turnover<sup>1</sup>



## % of Employed with ICT User Skills<sup>3</sup>



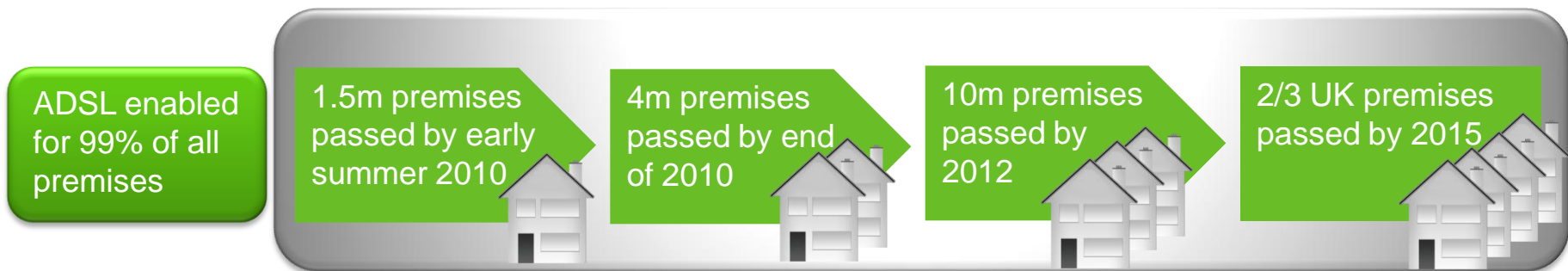
1. % of enterprises receiving orders/purchasing on the internet - Non financial enterprises. % of enterprises receiving orders/purchasing on the internet or via other external computer mediated network (in 2007). 10+ employees, excluding the financial sector. Source: Eurostat survey on ICT use by enterprises.

2. % of population using the internet to order goods & services in the last 3 months. Individuals aged 16-74. Source: Eurostat.

3. % of persons employed with ICT user skills - Based on the OECD definition of ICT user (basic + advanced) skills. Source: Eurostat Labour Force Survey.

# BT is making a major investment in fibre access

- ▶ £2.5bn investment to roll-out fibre to two-thirds of UK premises by 2015
- ▶ Install c.30,000 cabinets on over 1,000 exchanges
- ▶ Lay over 50,000km of fibre
- ▶ Supported by 32,000 engineers



# There are plenty of myths...

BT is not interested in rural broadband

- We have enabled all but 26 of 5,600 exchanges with first generation broadband
- We are the only investor in almost 3500 local exchanges, most of which are rural

BT does not listen to our broadband needs

- We are keen to work with national government
- We are working with RDAs & devolved governments
- We are listening to local communities

BT focuses on short-term payback

- We are looking at low double digit years payback on our fibre investment

If it is not 100 Mbps it is not future proof

- We are investing in future-proofed technology (GPON) which can support up to 2.4 Gbps download & 1.2 Gbps upload and Ethernet

BT's super fast broadband is not superfast

- FTTC speeds – up to 40 Mbps download & up to 10 Mbps upload
- FTTP speeds – up to 100 Mbps download & up to 30 Mbps upload

Bringing fibre to rural communities is easy

- Cost, geography and technology all play a part
- Fibre solutions for rural and remote areas is a shared challenge

# Bringing fibre to all is a shared challenge

## Shared Vision

-  
Ensuring the UK is at the leading edge of the global digital economy

## Public Private Partnership

-  
Government intervention enables a lower risk profile and ongoing commercial sustainability

## Customer Demand

-  
Vital to engage citizens, businesses and other local stakeholders on the benefits

## Open, Competition Ready

-  
Giving customers choice on products, applications and service

# Public private partnerships – realising the shared vision

## Northern Ireland



- ▶ BT has pledged to invest £30m in the government's Next Generation Broadband project in Northern Ireland
- ▶ Fibre to the cabinet technology to a majority of businesses with other fixed lines solutions being used where appropriate
- ▶ Will provide more than 1,000 new access points across 166 exchanges
- ▶ Wholesale level solution to ensure all Service Providers can access and avail of services at the same T&Cs and cost. Increased competition will benefit end users
- ▶ White label marketing campaign delivered prior to the enablement of an area to generate awareness of next generation broadband

**DETI objective: "increase the availability of next generation broadband speeds to 85% of businesses by 2011."**

## Iwade, Kent



- ▶ Served by 3 cabinets in the village
- ▶ Was not deemed to be economical to roll out Fibre to the Cabinet to all residents
- ▶ Openreach's talks with Parish Council led to gap funding
- ▶ Public sector intervention has allowed all residents to achieve up to 40 Mbps
- ▶ Open platform for all service providers ensures customer choice
- ▶ The grant includes budget for rebates to Iwade residents on installation fees



# Customer demand is key to building a sustainable solution

Why drive customer demand?

- Improves the business case and risk analysis for deployment
- Improves the sustainability ensuring ongoing investment

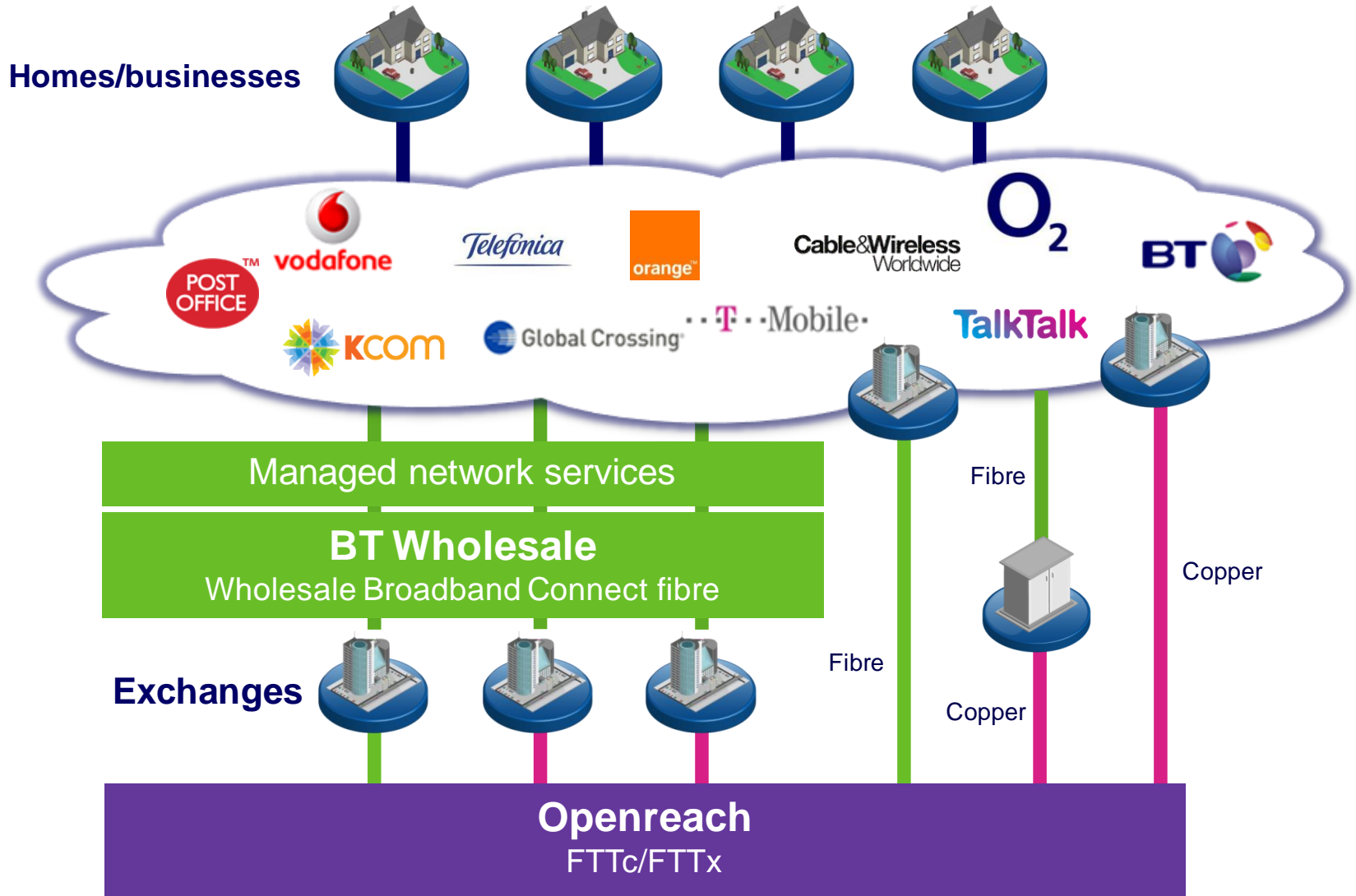
Where to drive demand?

- Prior to deployment to help de-risk investment
- Where infrastructure is already coming

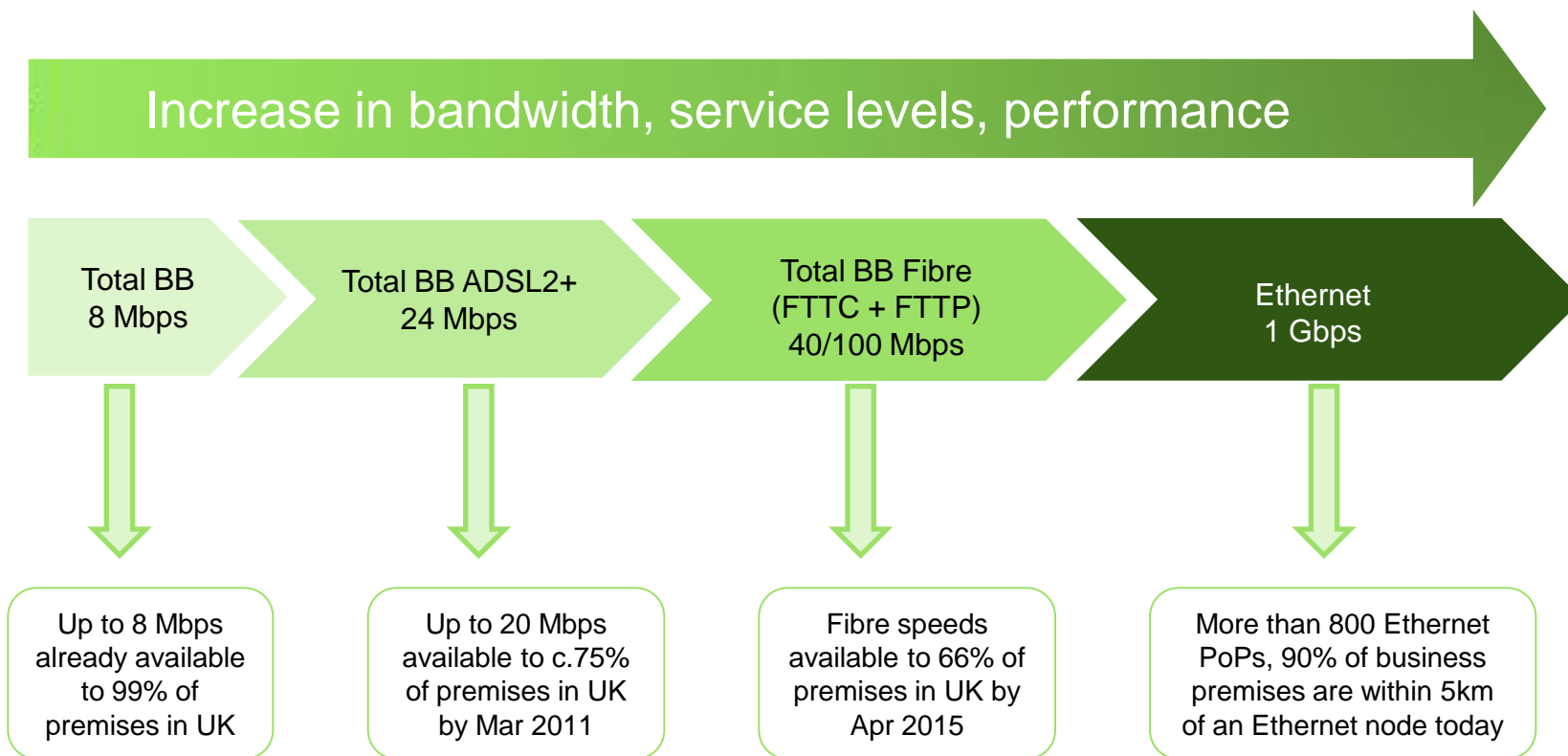
How to drive demand?

- Service Provider neutral campaign
- Using locally based, trusted partners/stakeholders with strong brands

# “Competition ready” platform fosters growth...

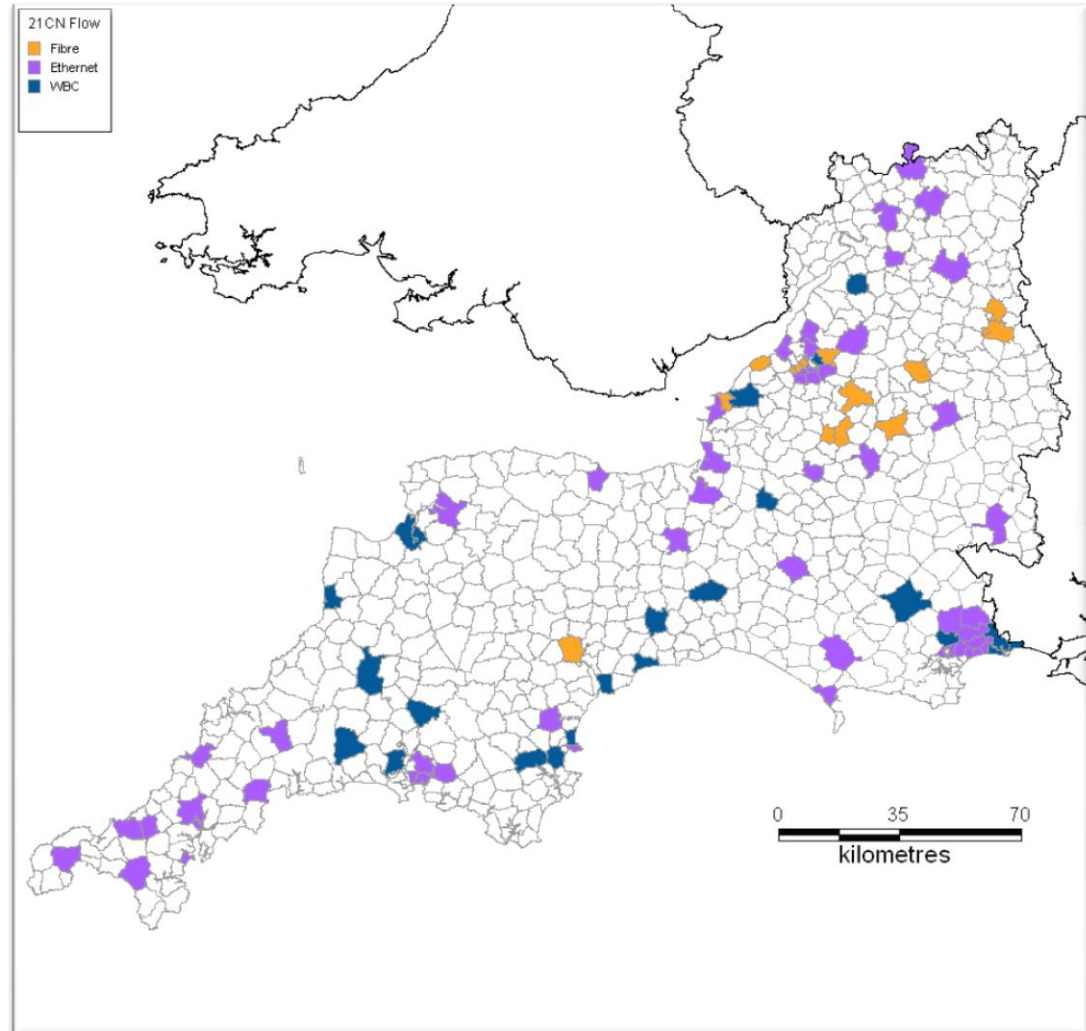


# Our connectivity services are aimed at government, consumers and businesses



# We are making progress in the South West but there is more to do...

- ▶ BT has already announced plans to bring fibre to about 190,000 homes and business – and the first exchange is now “live”
- ▶ BT’s ADSL2+ will be available to half of homes and businesses by Spring 2011
- ▶ There are over 60 Ethernet connection points – one is in Bridgwater
- ▶ The region has over 110,000 Wi-Fi hotspots, the largest in the UK outside of London
- ▶ We are an active partner in all county-wide broadband demand stimulation partnerships



# Selecting the right partner is key

Commercial sustainability

Future proofing

Competitive platform

Committed investment

Resources to build and support and economies of scale

Customer service

Coverage

Prices and affordability

What if things don't go according to plan?

# In summary

BT is interested in rural broadband

BT is listening to your broadband needs

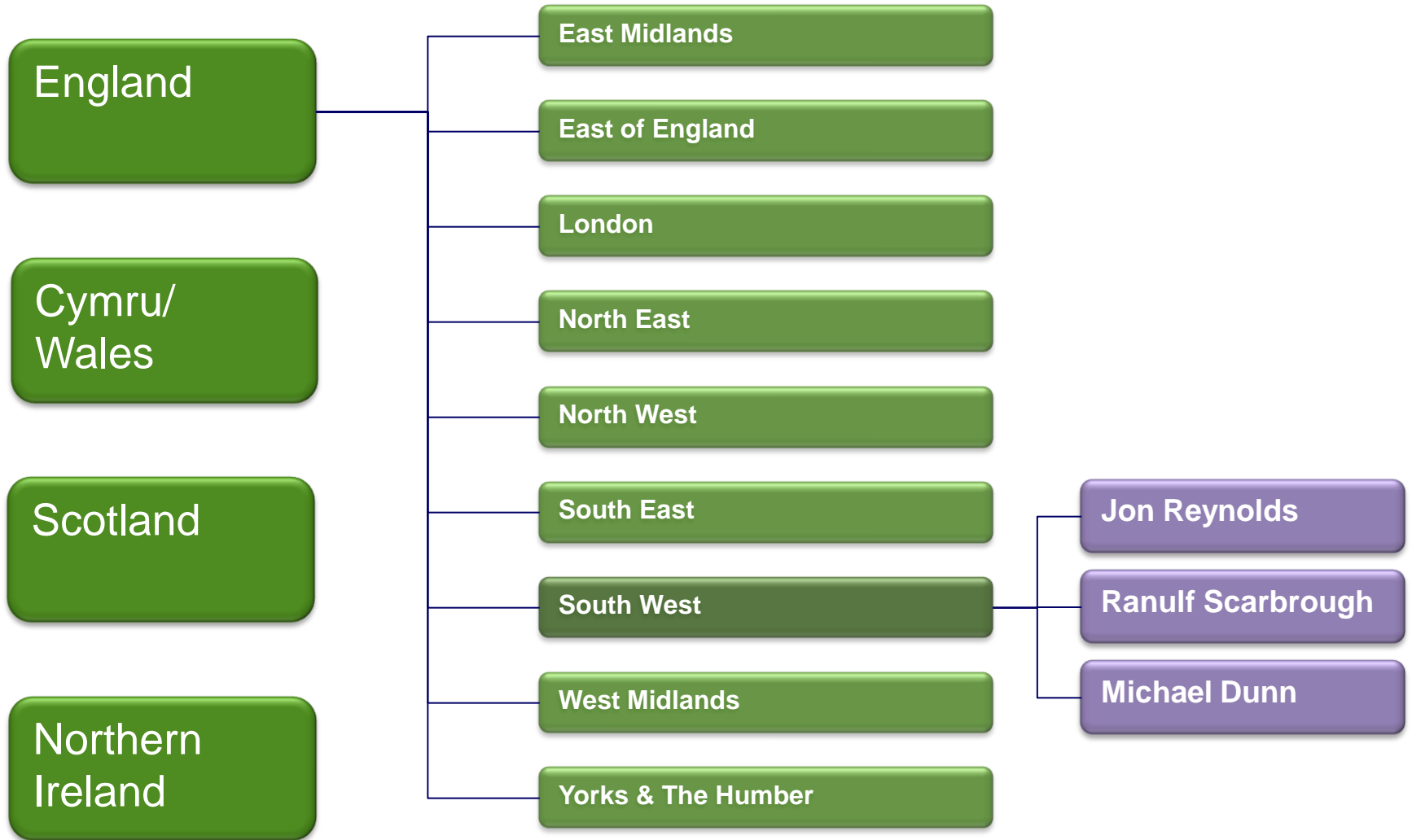
BT is investing in UK's infrastructure for the long-term

BT's fibre solutions are future-proof

BT's super fast broadband is superfast

BT is up to the challenge and ready for partnership

# Talk to us



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