

Superfast Broadband ... A Partnership Approach

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8 November 2011



BT / Openreach Overview ...



Who or what is Openreach ?

- We're part of the BT Group, but we operate *separately* from the rest of BT
- We have a responsibility to provide all communications providers including BT Retail, Sky, & Talk Talk, with *equal access* to the local access network.
- That means when we knock at an end users door we could be turning up on behalf of BT Retail, Sky, Talk Talk or any another of the *over 400* communications providers.
- We deal with the provision of new lines and services and with the repair and maintenance of the local network on behalf of our customers and their end users.
- Our engineers work in all parts of the local access network - in the exchange, at an end users premises, up a pole, down a hole ...
- We are responsible for rolling out fibre Next Generation Access



BT is committed to succeeding in superfast broadband

- ▶ £2.5bn investment to roll-out fibre to two-thirds of UK premises by 2014
 - A radical transformation of the UK broadband network
 - Among the fastest and largest commercial roll-outs in the world
- ▶ Very positive marketing and pricing of the product at the retail level
 - Fibre broadband has the same headline price as copper broadband
- ▶ Passing c.80,000 new premises per week, over 6m already passed, on course to pass 10m in 2012
- ▶ Customer base rising fast
 - More than 300,000 end users on the fibre network
- ▶ The only SFBB deployment that makes proactive provision to wholesale customers ... a central part of the approach
 - c.50 CPs selling or trialling SFBB services
- ▶ Potential to drive higher performance in SFBB by improving network capabilities

ADSL enabled for 99% of all premises

1.5m premises passed by summer 2010

5m premises passed by Spring 2011

10m premises passed by 2012

2/3 premises passed by 2014



Delivering on promises and building at scale ...

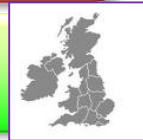
Over 6 million premises now passed



Over 15,800 cabinets are ready for service at ~ 610 exchanges



More than 12.5 million premises announced so far



An additional 114 exchange areas announced in September



FTTP launched with initial speeds of up to 110Mbps



Announcement of plans to double FTTC speeds to 80/20 by 2012



300Mbps speeds to be available over FTTP from Spring 2012



>50 external service providers are trialling or selling Openreach's fibre services

Our deployment is a mix of FTTC and FTTP (and copper)

Exchanges

Homes/Businesses



Copper



Copper (ADSL2+)

Up to 24Mbps downstream
Up to 2.5Mbps upstream

ADSL 2+
90% UK coverage by
Spring 2013.



Fibre



Cabinet

Copper



Fibre to the cabinet (FTTC)

Up to 40Mbps downstream
Up to 15Mbps upstream

c.75% of our 2/3 of the
UK deployment.
Up to 80Mbps
downstream in 2012.



Fibre



Fibre to the premise (FTTP)

Up to 100Mbps downstream
Up to 30Mbps upstream

Up to 25% of our 2/3 of
the UK deployment.
1Gbps trials completed.

Fibre innovations on speed ...

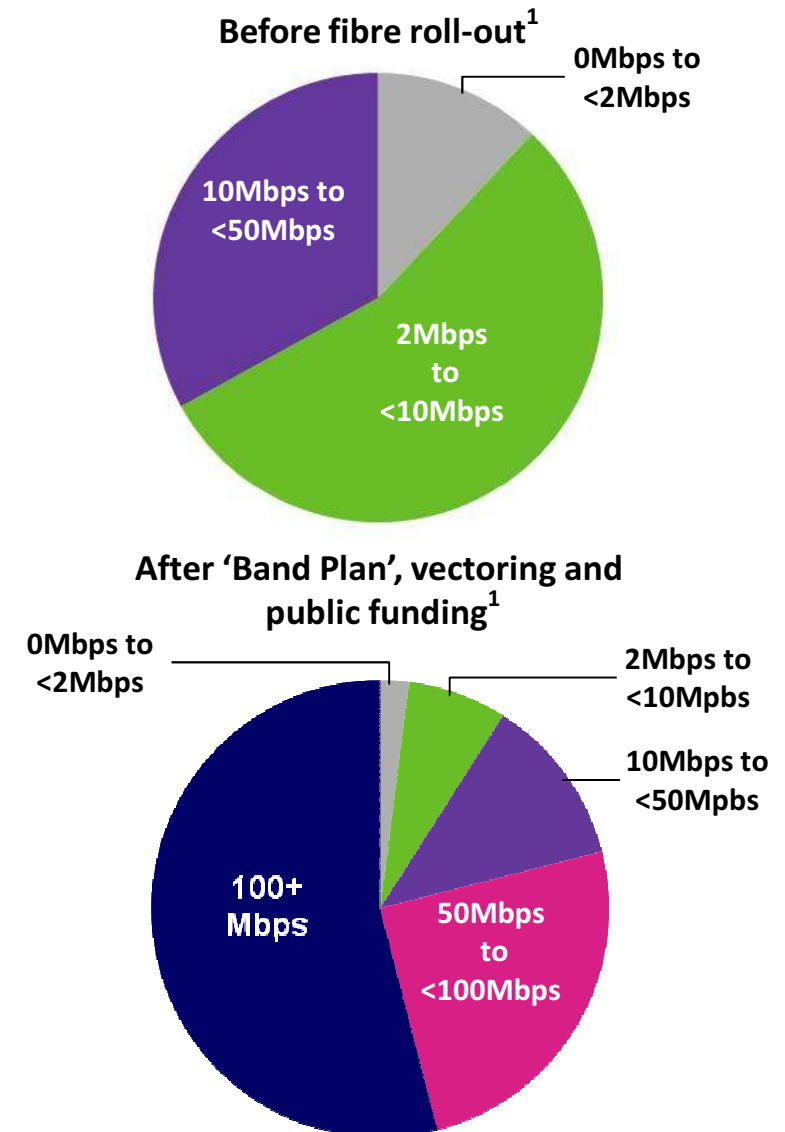
- **FTTC** (Fibre To The Cabinet)
 - ‘Band Plan’ frequency change agreed, delivering up to **80Mbps** in 2012
 - other technologies to enable **>100Mbps**

- **FTTP** (Fibre To The Premises)
 - wholesale product commercially launched
 - initial speeds of up to **110Mbps**
 - up to **300Mbps** available from Spring 2012
 - **1Gbps** field trial underway

- TV white space technology may offer further reach and speed improvements in current low speed areas

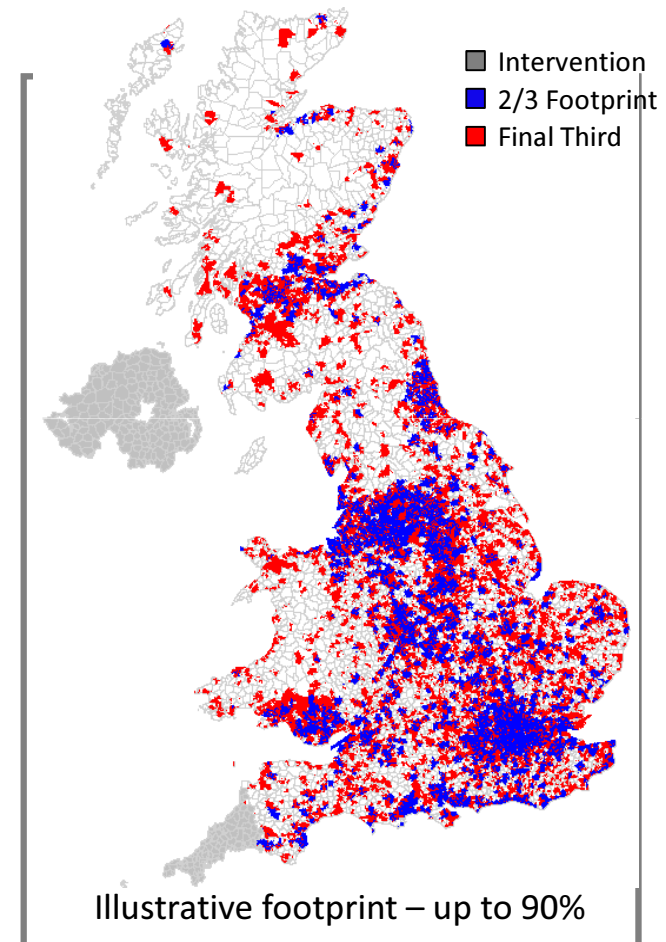
¹All UK, not including cable

UK speed availability

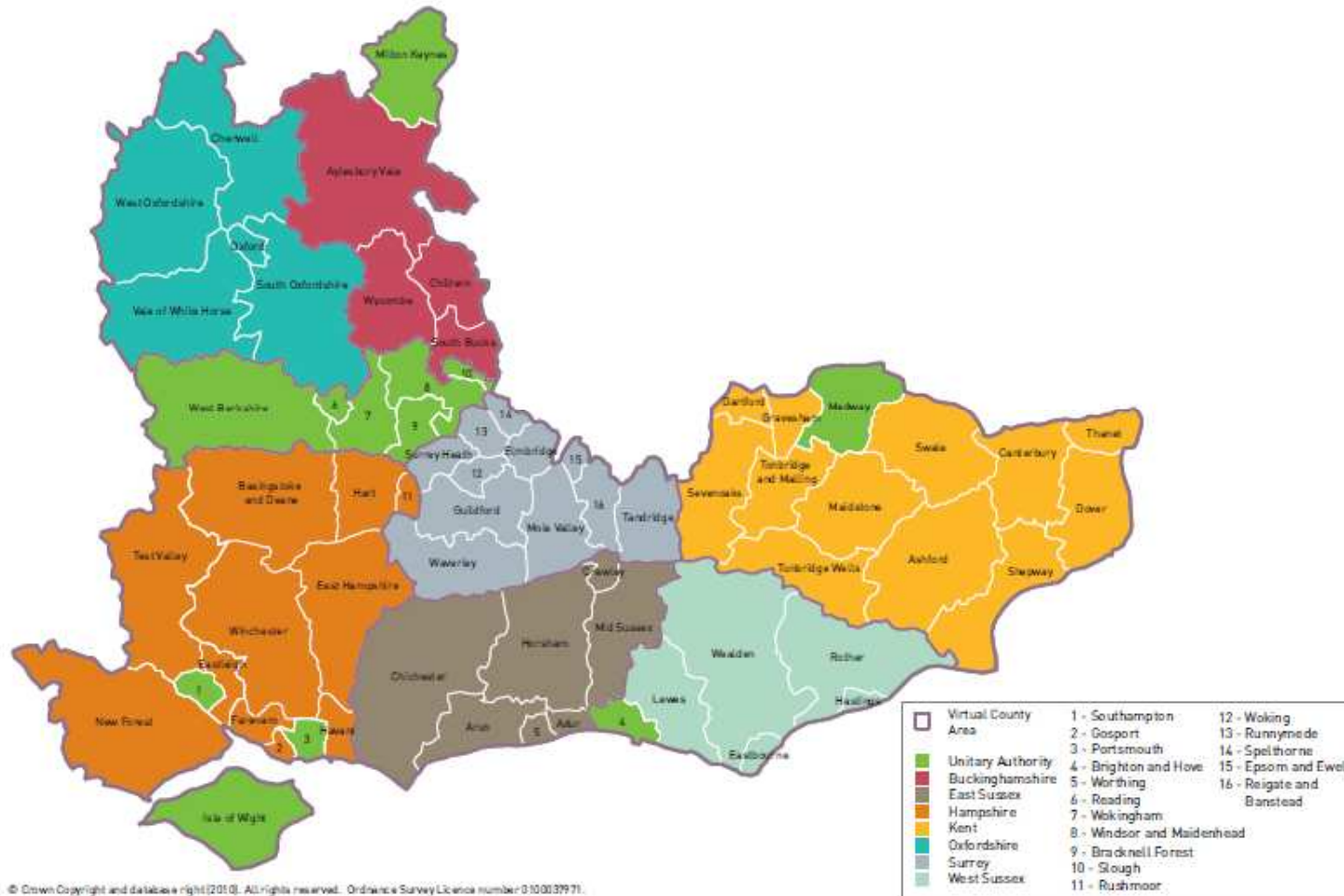


We believe that public funding and additional private investment could bring SFBB to >90% of the UK

- £830m has been pledged by the UK government: £530m in the life-time of this parliament; plus a further £300m in the subsequent parliament; administered by BDUK
- The government's aim is get to 90% NGA coverage of every local administrative area
- Central funding will lever in other public finance and private sector investment
- BT is supporting BDUK to deliver the government's goal
 - Delivering publicly-funded deployments in Cornwall and Northern Ireland
 - Major current bids in Wales and elsewhere in the UK
 - Extensive support for the BDUK processes
 - Development of products for your policy priorities – e.g. community broadband solutions



Our key partners in delivery ... You the LAs



Possible partnership steps to successful delivery ...

- Work with us on the build of your NGA Plans in support of your successful BDUK County-wide or UA / LEP submission and delivery.
- Review the advice from the BDUK office and undertake the OMR (Open Market Review) with possible delivery partners to get the latest picture for your Plan or submission.
- Ensure that all new developments are viewed as fibre opportunities – setting new standards and adding value to your communities. Make sure that your key development sites are known and included on the roll-out plans.
- Support local opportunities for new technology pilots and to take the opportunity to engage with Communications Providers – whether it is for urban multiple dwelling units or rural hamlets.
- Are your key sector groups and target growth areas easily identified fully included within your plans – and ours
- Have an NGA educational programme in place for your team, Cllrs, local businesses and communities – include internal and external comms mix (print, radio, Web etc) – Are Age UK, LEPs, Chambers, FSB, schools and community groups all engaged.
- Take up the offers from communication providers to visit the SFBB Showcases to absorb the latest information and to share your views – include your Key Opinion Formers.
- Look at the opportunities for LA partnered co-branded educational and demand stimulation programmes, targeting the communities and routes to market that you have prioritised
- Share good practice with other BDUK Plan teams and look at those in the successful plan delivery stages to ensure operational bottlenecks and on the ground issues are avoided or minimised. Take the opportunity to visit those plans in delivery – such as the Cornwall delivery showcase centre.
- Have your Planners and Highways departments work closely with the Openreach NGA delivery team to maximise the current deployment of NGA enabled Cabinets and the reach of Superfast Broadband in your areas.

Summary ...

- £2.5bn commitment for commercial fibre roll-out based on a mixed economy approach
- Delivering on our promises
 - Deploying at scale and pace (one of the fastest roll-outs globally)
 - On track to pass 10m premises by the end of 2012 and 2/3 of UK premises by the end of 2014
- Customer reaction to Superfast Broadband ? ... They love it !
- Clear evolution paths (for FTTC and FTTP) identified which are being actively pursued
- Innovative partnerships can enable us to reach the final third
 - Success stories in Cornwall and Northern Ireland and more to come
- Our model is based on open access, competition and customer choice
 - Wholesale customers are an important contributor to our business case
- Constantly evolving our plans both commercially and technically to meet the needs of the market, responding to UK Government AND Local Authorities partners.
- Your active engagement and support in maximising the delivery within your LA is critical to our success, your success and in support of local businesses, citizens and communities.

Superfast broadband will transform the UK bandwidth landscape

- ▶ Today, more than 99% of UK homes have access to broadband, of up to 20Mbps
- ▶ Public and partnership funding would get SFBB to 90% of UK homes and businesses
 - £830m has been pledged by the UK Government;
 - Potential for further local authority, LEP and EU funding (where relevant)
- ▶ Changes to the access network frequency band-plan, announced last week, allow us to deliver up to 80Mbps on FTTC
- ▶ We are testing vectoring technology which has the potential to offer over 100Mbps to over 50% of UK premises

