

## **Building tomorrow's IP network – introducing BT's 21C Global Venture**

**the key note speech by**

**Paul Reynolds, BT Wholesale chief executive officer**

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Big ideas usually start with simple thoughts. BT's 21<sup>st</sup> century network programme started life as a simple thought - BT would transform its business, eliminate cost and complexity and make life simpler and more flexible for our customers.

Last week, in a small village called Wick just outside Cardiff in South Wales, that simple thought became real for customers. We created it's own piece of communications history when BT became the only incumbent operator in the world to migrate customers off the PSTN and onto our new, all IP network, 21CN.

Of course, the programme to deliver on this simple ambition has become huge. It is the most significant, the most complex and the widest ranging transformation programme underway anywhere in our industry, worldwide.

To enable the migration of the first customers, we have been rebuilding our core network using 21CN equipment and it will be 40 percent complete this year. We invested 1500 man years of systems development. We performed over 500,000 different tests ... both in our laboratories and in the field. We installed 2,300 kilometres of new fibre. All to provide us with the confidence to take that small but symbolically important first step and migrate the first customer lines.

But it's not just about BT. 21CN affects the rest of the communications industry in the UK. They are with us on our journey too. Over the next five years, we will migrate 30 million lines, 25 million customers in the UK. It's a huge undertaking.

But 21CN is already starting to deliver a range of next generation, convergent services for our customers. It will enable broadband at speeds of up to 24 Mbps over the whole of the UK 100% based on ADSL2+. Our 21CN plans underpin the rollout of BT Vision, BT's IP Television service in the UK, which was launched just this week. And it's already enabling fixed mobile convergence and new services like broadcast television to mobile handsets – we call the service BT Movio.

21CN is very real indeed. And it's starting to allow our customers to increasingly use the device they choose to access the service they want, whenever and wherever they want to.

Many other operators around the world are following in BT's footsteps right now, building their own next generation networks. Some operators are also looking at rolling out fibre deeper in the access network. But none of these plans are national. And being national is very important to BT in the UK.

Also, the UK is already very well served by both cable and by Sky Digital. Combined, these businesses offer services to almost two thirds of UK homes. This affects the economics of widespread fibre deployment. But we're watching this very closely.

We looked at deep fibre very seriously as part of our 21CN preparation trials. The technological and economic data we have collected from these extensive field trials tell us that we will deploy fibre to the Home, Curb or Cabinet in new greenfield developments. But there is still no business case that we can see to support a national fibre build out in the UK.

And our customers tell us that what they want a secure and compelling customer experience, more self-service and control of their services, and they want new services made available to them faster ... and cheaper. Ubiquitous access fibre won't deliver these customer requirements. We have no doubt that deep fibre will be a requirement for BT in the future ... but not today.

Customers in the UK already enjoy the highest stable speed broadband across the widest national footprint in the world. And this will increase with the rollout of ADSL2+. But headline speed isn't the key requirement our customers have. They want new applications that make their lives easier and more productive. They want guaranteed quality of service. In fact, they don't want to think about speed ... they want their connection to be as fast as it needs to be when they want to use it for a specific application.

But as you would expect from BT, which is a global company ... 21CN is a global programme. The technical capability we're building in the UK aligns with our global

network - IP/MPLS across a global network comprising 170 countries ... and still adding a new City every week.

We believe that 21CN about 18 months to two years ahead of the next nearest next generation network rollout. We've learned many important lessons along the way ... which is natural when you choose to go first. Everything from building the business plan to selecting world class vendors ... And driving the adoption of open standards ... And proving these during robust inter-operability testing. To making IP and NGN's truly carrier class. And taking industry with us through openness and transparency – we call our programme Consult21.

I'm delighted to tell you that we're launching a global next generation network consultancy and implementation programme for other operators – and we're launching it here at ITU tomorrow. We call it the 21C Global venture

We believe BT is the world's best partner in the development and deployment of NGNs. Because we've done it ourselves. Because we are a telco and we understand what a telco needs and what a telco's customers want. A new service offering any where in the world. Everything from consultancy, to design, to building and delivery.

BT's investment in our 21<sup>st</sup> century network is about the transformation of BT as a business and as a communications company. We believe that our investments are central to our long term success in today's rapidly changing, competitive and dynamic marketplace. Three years of planning, discussing, reviewing and testing ... all culminated in the migration of the first customers in a small village in Wales just one week ago. Over the next few months, we will migrate 350,000 customers in the South Wales region. We'll then review how we have done with the industry before moving to national migration early in 2008.

But like any programme, 21CN is nothing if we can't deliver a fantastic customer experience. We made a very public commitment to deliver a world class customer experience through 21CN ... and that's the journey we're on.

We've started something which has enormous ... just enormous momentum across BT, and major interest around the world. 21CN is about the future of BT. We have much more to do. But today, I'm delighted to call 21CN the Now generation network. Thank you