



THE DIGITAL AGENDA – BT VIEWS

BT is strongly committed to delivering the Digital Agenda and believes the ICT sector has a major contribution to make to economic recovery, within a re-invigorated, open and competitive Single Market.

We have announced large scale deployment plans to deliver NGA capability to two thirds of UK homes. The BT deployment represents an investment of c€3Bn by 2015. Fibre roll-out is progressing at a good pace. NGA services are available to over 4 million homes today, growing at a rate of over 80,000 homes per week. We expect to pass 5 million homes shortly, 10 million by 2012 and reaching 2/3rds of UK homes by 2015. We are also extending our network capabilities, expecting to roughly double our FTTC speeds to up to 80Mbps in 2012, with potential for up to 100Mbps. FTTP roll-out is commencing, with trials underway to deliver up to 1Gbps.

The approach adopted by BT/Openreach in the UK provides a successful example of achieving openness based on access at any point in the value chain, whilst access to ducts and poles is available to those investors that require it there is also access to wholesale broadband connect services allowing competition to thrive even where infrastructure competition/alternative infrastructure investment is limited. Key to successful NGA deployment is open fully equivalent non-discriminatory network access to allow new services, applications and other innovative approaches to develop.

Customer demand and market evolution (including intra modal competition between cable, wireless and fixed telecom networks) will be key factors in determining appropriate bandwidths and applications.

Where the 'Digital Agenda' explores the benefits of a more effective Digital Single Market, it should emphasise that the provision of cross-border services to businesses makes a major contribution to productivity, so is highly important as well as cross-border consumer e-commerce. The Commission can take an active role, working with BEREC, encouraging consistent application of access regulation within the Telecoms Framework.

Ultimately, the economic success of new networks and services also hinges on the ability of operators and service providers to offer innovative and attractively priced content. The Commission needs to take full account of this in setting its broader policy agenda on areas such as privacy, net neutrality, access to premium content. While the telecoms framework addresses telecoms bottlenecks, other bottlenecks such as Pay-TV are increasingly relevant in driving up broadband take-up.

BT Group plc

17 May 2011