

Digital Britain

The UK government has outlined a 22-point action plan that pledges to deliver broadband to every home in the UK by 2012.



The interim Digital Britain Report aims to deliver broadband to every UK home by 2012

Communications minister Lord Carter has published his interim Digital Britain Report that aims to secure Britain's place at the forefront of the global digital economy.

The government says the report underlines the importance of the communications sector, its contribution to the economy and its role in building Britain's industrial future.

The report says the government intends to deliver broadband to all homes in the UK by 2012, using fixed, mobile and broadband technology with speeds up to 2Mb/s.

The three big questions are the level

of service required, cost and who pays.

The interim report outlines proposals on a funding mechanism drawn from across the value chain, including internet service providers, telcos – including mobile operators – broadcasters and content providers.

BT chief executive Ian Livingston said: "BT led the development of Broadband Britain. We look forward to playing our part once again, alongside others in the industry – including mobile operators, content providers, and broadcasters – as we move towards Digital Britain."

Smart Metering

BT is making great efforts to combat global warming. Apart from improving our own energy efficiency, the use of Information and Communication Technologies (ICT) across all sectors of the economy and society can significantly reduce carbon emissions.

Smart meters allow energy suppliers to communicate directly with their customers, removing the need for meter readings and ensuring entirely accurate bills with no estimates. Consumption information can be provided to domestic customers through an integrated, in-home display. Among other potential benefits, they could offer gas and electricity customers accurate bills and provide information that could help them use less energy and encourage energy efficiency. The UK Government wants all UK homes to have smart meters for gas and electricity by 2020.

Implementing Smart Metering

Smart metering requires consumers to be connected to a network that allows communication between them and their suppliers. 16m households (around 60% of the total households in the UK) are already connected to a broadband network through BT Retail, other ISPs using BT Wholesale DSL or Openreach LLU products, and cable networks. Smart metering could be delivered to the remaining 40% of households using a combination of broadband over BT and cable networks (where households currently do not take broadband), Wi-Fi and mobile. Using existing broadband connections will enable rapid roll-out of smart metering, bringing forward the benefits of lower energy consumption and carbon emissions.

Links to Digital Britain

There are opportunities for economies of scope between Digital Britain and smart metering roll-out. BT believes that utilising existing broadband products to provide a gateway to smart meters in the home offers the most cost-effective solution for the UK, and will minimise the carbon impact by virtue of low power consumption.

BT believes it is important to avoid smart metering leading to duplicate infrastructure. Utilising broadband technology, which has adequate existing capacity to cater for delivery of energy management services, makes obvious sense. Connection to the network could be via a plug-in wireless adapter or by replacing routers or set top boxes as they are naturally replaced.

Future energy policy

Given the uncertainty around energy policy and market developments, smart metering should be flexible enough to cater for evolving needs and priorities – for example, being able to increase both up and downstream bandwidth may be important in the future.

The implementation of smart metering will assist the Government in achieving carbon emission reduction targets, but a wider 'energy management infrastructure' could enable a more sophisticated and holistic mechanism for managing energy demands. This infrastructure could include smart grids, management of distributed renewable energy sources, and remote management of home appliances to control peak demand.

Moving on

The Review of the Telecommunications package is now at the final stage of negotiation. The package should set the right conditions for the sector to move towards a real European single market, better competition, more consumer confidence, an investment friendly environment and an information society that is inclusive. This is not a luxury, but as several new policy initiatives from the Commission have shown, there is a real need to deal with the challenges we are now facing. Such as stepping up innovation, dealing with an ageing population, climate change, security, broadband for all and creating the internet of the future. At BT we look to play a key role in these areas. In this issue we provide you with some snapshots and as always are happy to discuss any of these key themes with you.

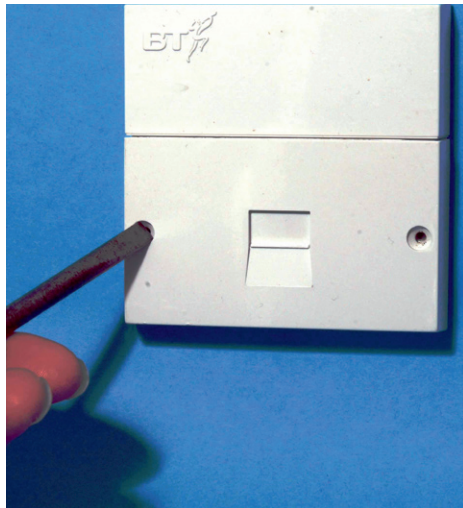
Adrian Whitchurch, VP European Affairs, +32 2 237 1718

Current issues for customers

BT joins BBC and ITV to develop new TV service

BT has joined with the BBC and ITV to develop a consumer offer to deliver on-demand TV over broadband. The initiative will promote a common industry approach and standard for distribution of on-demand TV and interactive services along with Freeview. It is expected to launch in 2010. The initiative is open to all public service broadcasters, device developers and ISPs and the aim is to involve a wider group of partners by launch.

BT and other ISP broadband customers will be able to access archive BBC and ITV content over the TV rather than just the internet. The plans build on BT's expertise with BT Vision and will enable a huge selection of on-demand TV services, films, shows and interactive content from a range of providers becoming available in standard and high definition over a new generation of subscription-free devices. The plans are subject to BBC Trust Approval and public consultation.



Millions to get speedier broadband thanks to BT new 'I-Plate'

Millions of UK customers could potentially benefit from improved broadband performance, thanks to a simple, patented, self-install filter developed by BT called the I-Plate. It filters out electrical interference which can often slow down broadband speed and affect the stability of the connection. Extension telephone wiring in homes and businesses acts like a giant antennae picking up interference from TVs, lights and other everyday appliances. This bleeds over onto the ADSL signals and can result in a significant loss in broadband performance.

Customers need to have a BT NTE 5 master socket (see picture) and extension

wiring in their home to fit an I-Plate – easily identified by the horizontal split in the face plate and BT logo. They simply unscrew the face plate of the master socket, clip the I-Plate in place and replace the face plate over it. BT trials estimate that, on average, filtered lines achieved speed increases of around 1.5Mb/s – though some lines achieved as much as a 4Mb/s increase. Although speed increases can't be guaranteed in every case – as the level of electrical interference varies greatly from line to line – other potential benefits include greater line stability and extended geographical reach.

Communications providers are showing considerable interest in BT I-Plate and we expect they will be made available by service providers to end users shortly. They are also available for purchase online.

BT Basic update

A new benefit was introduced by the Department for Works and Pensions (DWP), the Employment Support Allowance (Income Based). This has been added to the existing eligibility criteria for BT Basic (BT's new telephony scheme for customers on low incomes) that already includes: Income Support, Income-based Jobseeker's Allowance, and Guaranteed Pension Credit.

BT and Inclusive Communication

As part of our regular feature on BT's inclusive communications, we take a look at BT's most recent developments in this area.

BT Launches New Inclusive Phone

BT has launched a new phone, the BT Freestyle 750 – a practical and simple-to-use cordless phone designed to make communication easier, particularly for older people and people with disabilities. The Freestyle 750 is one of the first BT products to be developed using the inclusive design toolkit, a website commissioned by BT that helps designers apply inclusive design principles. The phone is compatible with hearing aids and has a speakerphone setting, so users can talk handsfree and it has well-spaced, large buttons to make dialling easy, accurate and more comfortable. Part of BT's commitment to make communication more accessible for older people and people with disabilities.

BT in Observer Good Companies Guide

BT has climbed three places to take third place in the 2008 Good Companies Guide – compiled by The Observer. The second annual guide assesses the integrity of all the companies in the FTSE 350 index, according to a range of social, environmental and ethical criteria. From this, it then selects the best 20 performers – and the worst. In addition to BT's environmental and charitable commitments, The Observer highlighted BT's pioneering work in combating digital exclusion (through initiatives such as BT Internet Rangers and Crossing the Digital Divide) and developing services for low-income customers and the elderly, such as the newly launched BT Basic.

The Skills Agenda

Mike Rake has been Chairman of BT since September 2007. He is also Chairman of the UK Commission for Employment and Skills (UKCES). A happy coincidence, perhaps, since both he and BT firmly believe that now is the time to be investing in the skills and talents of our people.

"It would be very easy to rein in spending and commitment to training in times such as these. But this would be a mistake," says Mike. "We will be much better off investing now in building new skills so that when the recovery comes, as it will, we are in a strong position." This approach is one that Mike recommends not just for BT but for any company that wants to emerge in a strong position. It is a message he delivers to the Government and up and down the country to business leaders in his role with UKCES.

Mike believes that BT is taking the right steps in many different areas relating to the skills agenda. We have started a research process to understand as well as we can the skills we will need up to 10 years from now, so that we can tailor our development plans accordingly. We are exploring how we can work with our Sector Skills Council, e-skills UK, to ensure that this research links to other research that employers and academics are undertaking to help inform the curriculum for the National Skills Academy for IT.

We also have an award-winning apprenticeship scheme, taking around 350 a year from a list of applicants in

the thousands. Apprentices are found throughout BT and most continue with further academic study, including university programmes. Many quickly progress into management roles.

Mike says he is also particularly proud of BT's role as the lead employer in a sector-wide consortium developing plans for a National Academy for the IT and Telecoms sector. "This Academy will revolutionise the quality of learning provision available for employers and will simplify the processes by which government funding for training is made available and accreditation of learning is delivered."

BT also supports the external skills agenda through its knowledge and experience, in delivering courses and in the provision of work-based projects and placements. BT has supported schools and colleges in the development of the curriculum and content for the new Diploma in IT, and universities in the development of courses more aligned to our specific needs. Of course, this is not just altruistic since, as Mike notes, "Our intention is to ensure that the recruitment pool of the future has the skills we require and is attracted to working in the IT and Telecoms sector."



BT – A global company

- BT Germany has signed an eight-year contract with Elster Group to provide international IT and communications. Elster Group is a leading manufacturer of precision integrated metering solutions for the gas, water and electricity industries. Under the terms of the agreement, BT will provide data centres, the wide-area data network (WAN), desktop support, user help desk and a variety of IT services across 38 countries.
- BT has been awarded a contract by the Cabinet Office Civil Contingencies Secretariat, and the Department for Communities and Local Government to develop a national extranet to help government, local authorities and emergency services respond to civil emergencies, such as floods and outbreaks of agricultural diseases. BT will develop The National Resilience Extranet (NRE) which will provide more than 1,000 organisations – such as Fire and Rescue services, utilities and strategic health authorities – with secure, resilient internet-based collaboration technology, allowing organisations to better respond to civil emergencies by sharing information and communication online.
- BT has been named winner of the 'Green Award' at this year's World Communication Awards (WCA) in London. The 'Green Award' is a new addition to the high-profile prizes awarded by the WCA, and aims to reward companies making significant progress in tackling Corporate Social and Environmental Responsibility issues. Overall BT had a strong showing at this year's awards. In addition to winning the 'Green Award' BT was highly commended for both 'Best Global Operator' and 'Best Wholesale Carrier', and was a finalist for 'Best Customer Care'.

BT launches partnership with Football Foundation

BT has launched a new partnership with the Football Foundation, the UK's largest sports charity. Communicating for Success (CFS) is an initiative aimed at using the power of football to assist with tackling digital exclusion and improving communication skills in the UK. BT is making an initial first-year investment of £500,000 in the scheme, which will be matched by the Football Foundation.

The programme aims to help people of all ages connect with the 'digital society' and make learning more accessible through links with football and other sports. Participants will have the opportunity to improve IT literacy skills and raise educational attainment, while also encouraging them to participate in football and sport through playing, training and coaching.

CFS will build on the successful Playing for Success (PFS) educational programme which sees the Department for Children, Schools and Families (DCSF) and partners, including the Football Foundation and the Premier League, establish study support centres within sports clubs' grounds and sporting venues across England. These Centres help young people, mainly aged 10-14, to improve their literacy, numeracy and ICT skills and raise educational attainment. This new programme will focus activities on ICT learning in combination with playing sport while extending the current usage of the PFS Study Support Centres to a wider audience.

In the first year, the CFS programme will work with a number of PFS Study Support Centres which will form CFS hubs. These are based across the country, including



Doncaster, Sheffield, the London Borough of Newham, Ipswich, Manchester, Middlesbrough, Newcastle, Nottingham, Plymouth, Portsmouth and the West Bromwich area of Birmingham. A further project will also be developed in Glasgow.

Each hub will be tasked with improving people's ICT skills, using football and other sports as the engagement tool. This socially inclusive approach is well proven to attract people in a more informal, enjoyable and accessible manner than traditional academic learning. In addition to the teaching staff based at the Centres and coaches from the clubs' community schemes, each hub will be supported by local volunteers from BT who can add extra value to the projects by mentoring, coaching and generally supporting activities.

BT employees are helping charities cope in face of economic downturn

With over 11,800 employees signed up to BT's payroll-giving scheme, more than £3.5 million was donated last year to 2,300 charitable causes closest to the hearts of BT people. This is the most tax-efficient way for individuals to give to charities and regular donations ensure voluntary sector organisations can plan their activities more effectively. BT believes that monies secured via payroll-giving donations will become even more valuable over the coming months as falling support has come at a time when many charities will feel stretched. BT also offers matched funding, so all employee contributions are topped up with an additional £1 million. Over the last twelve months, for every pound given by a BT person an additional 38p was given to their chosen charity.

Glasgow Teams Pioneer New ChildLine Volunteering Initiative

BT call centre workers in Glasgow are piloting a UK scheme aimed at recruiting volunteer counsellors for ChildLine. Thirteen advisors based at Alexander Bain House have been given time off to complete the intensive ChildLine training and those successful will then provide much needed help for four hours every week. The pilot will be evaluated over the coming months and should it prove successful, there is potential for it to be expanded amongst the Glasgow team and developed in other BT centres across the country.



How to contact us

Adrian Whitchurch
VP European Affairs
+ 32 2 237 1718
adrian.whitchurch@bt.com

Till Kupfer
Head of EU Public Affairs
+ 32 2 237 1713
tillmann.kupfer@bt.com

Henk Mannekens
European Regulatory Manager
+32 2 237 1757
henk.mannekens@bt.com