



Date: July 15 2008

Website: Telecommunications
online

URL: http://www.telecomsmag.com/search/article.asp?HH_ID=AR_4326&SearchWord=

BT rolls out super-fast broadband in the UK

£1.5 billion program hopes to reach 10 million homes by 2012

by Kendrick Struthers-Watson

Tues. July 15, 2008

British Telecom (BT) today announced plans to roll out fiber-based, super-fast broadband to as many as 10 million homes by 2012. The £1.5 billion program will deliver a range of services with top speeds of up to 100 Mbps with the potential for speeds of more than 1,000 Mbps in the future.

The investment forms part of BT's wider strategy of delivering next generation broadband services nationwide. The UK already has world-leading broadband availability and this investment program offers the prospect of joining the world super league for broadband speeds as well.

BT chief executive Ian Livingston said: "Broadband has boosted the UK economy and is now an essential part of our customers' lives. We now want to make a step-change in broadband provision which will offer faster speeds than ever before. This marks the beginning of a new chapter in Britain's broadband story."

"This is a bold step by BT and we need others to be just as bold. We are keen to partner with people who share our vision for the next phase of the broadband revolution. We want to work with local and regional bodies to decide where and when we should focus the deployment. Our aim is that urban and rural areas alike will benefit from our investment."

Regulatory concerns

A supportive and enduring regulatory environment is essential if this investment is to take place. Given this, BT will be discussing with Ofcom (Office of Communications) the conditions that would be necessary to enable this program to progress. These include removing current barriers to investment and making sure that anyone who chooses to invest in fiber can earn a fair rate of return for their shareholders.

Fiber-based, super-fast broadband will give customers enough speed to run multiple bandwidth-hungry applications. So, for example, some members of a family could be watching different high definition movies while others were gaming or working on complex graphics or video projects. The new services will also offer substantially improved "upstream" speeds allowing customers to post videos, use hi-def video conferencing and enjoy interactive hi-def gaming to the full.

Commenting on the announcement to *Telecommunications*, FTTH Council Europe's President, Joeri Van Bogaert said, "We warmly welcome this latest decision for fiber from BT; it is one more incumbent that has committed to implementing next generation broadband in Europe, and is certainly helping to make our Council's mission of over 12 million European homes being connected by 2012, a near reality."

BT looks to provide 10 million UK homes with ultra-fast broadband but there will also be 1 million lucky customers that will have fiber connected directly to their home. At the FTTH Council Europe, we definitely see this decision for investing in 1 million homes to receive fiber to the Home, as the most positive development and a step in the right direction for the UK's future."

BT already provides fiber to the premises of more than 120,000 businesses, and has deployed more than 10 million kilometres of fiber in the network. The company is committed to wholesaling its new services — unlike many other companies and countries — thereby ensuring Britain remains the most competitive broadband market in the world. BT will also be pressing for any other next generation access network in the UK to be open to other companies.

Financial details

BT plans to invest around £1.5 billion in total on the program, of which around £1 billion is incremental to BT's existing expenditure plans for fiber deployment. It expects its initial investment in the program will result in around £100 million of incremental capital expenditure in each of the 2008/09 and 2009/10 financial years, taking the total expected capital expenditure in those years to around £3.2 billion and £3.1 billion, respectively. The remaining incremental spend of £800 million will be spread over the following three financial years.