

## Update on behalf of BT Group

### WLR3 Analogue Undertakings Milestones

29<sup>th</sup> May 2008

**This update is from BT Group, as the Undertakings are a BT Group obligation carried out across BT's various Lines of Business. Openreach's obligations to our customers to provide an EOI, fit for purpose WLR3 product, remains uncompromised and Openreach is dedicated to supporting our Communications Provider (CP) customers in their use of this key Openreach product.**

BT's Undertakings to Ofcom require BT to make available for use by other CPs and to use itself from 30<sup>th</sup> June 2007 an equivalent wholesale line rental product (WLR3) for all CPs' and BT's relevant new End-Users. BT's installed base of existing customers is to be migrated to the same equivalent service by 30<sup>th</sup> June 2010. The Undertakings include interim milestones requiring 30% of BT's installed End-User base to be migrated to the equivalent solution by 30<sup>th</sup> June 2008 and 70% by 30<sup>th</sup> June 2009.

As part of these commitments, Openreach launched WLR3 on an equivalence of inputs (Eoi) basis to all CPs including BT in December 2006.

Installed base migration work started in 2006, well before the June 2007 milestone. Since then migrations have continued and so far BT has successfully migrated well over 130,000 BT customers to WLR3. About 1.55 million BT customers now use equivalently provided WLR3, approximately 10% of BT Retail's consumer base.

BT Retail's tests of accelerated migration processes have shown that it can migrate at pace and at rates of up to a maximum of 100k customers per night. Unfortunately downstream BT has not yet managed to fully eliminate the risk to customer experience due to the enormous scales involved.

Therefore BT's best view is that at 30<sup>th</sup> June 2008, about 12% (over 1.8M) of its end user customers will be served using WLR3 and that migrations will be completed by, or before, the 30<sup>th</sup> June 2010 committed date.