



19 December 2007

STEVE ROBERTS  
Ofcom  
Riverside House  
2a Southwark Bridge Road  
London  
SE1 9HA

Dear Steve,

UNDERTAKINGS OF 22 SEPTEMBER 2005 GIVEN TO OFCOM PURSUANT TO  
THE ENTERPRISE ACT 2002 – “the Undertakings”

I am writing to request Ofcom's agreement pursuant to section 11.9 of the Undertakings that section 11.7 of the Undertakings shall not apply for a limited period relating solely to BT's provision of Network Access during BT's Pathfinder initiative for its Next Generation Network and the associated use of Copper MSANs at BT's Wick, Bedlinog, Southerndown, Bonviston, Peterston and Sully exchanges to the extent as described in this letter.

BT has previously requested and on 28 September 2007 Ofcom has granted an exemption up to and including 31 December 2007 for a range of activities associated with 21CN at these six exchanges. Since then BT has submitted a new exemption request relating to these six exchanges.

BT understands that Ofcom will need to fully consider BT's detailed submissions, including any stakeholder consultation, and BT therefore seeks Ofcom's temporary agreement under 11.9 for a limited period up to and including 31 May 2008 to allow for such full consideration of the detailed submissions.

BT also understands that should Ofcom after full consideration of the final request decide not to agree to it or to agree to a modified request, any implementation carried out by BT in the interim will need to be brought into compliance with the Undertakings within a reasonable time limit to be agreed with Ofcom.

The scope of the exemption requested and the exchanges impacted is unchanged from the 28 September 2007 agreement included in Ofcom's 3 October 2007

*Statement on exemptions and agreements to BT's Undertakings: Part 4.*

Gaby Heppner-Logan  
Director Regulatory Affairs

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Ofcom's agreement is sought solely to enable BT to consume the Openreach NGN backhaul product (Openreach Network Backhaul Service "ONBS") in these six exchanges on a non-EOL basis. It would not be reasonably practicable to consume the ONBS product on an EOL basis in these six exchanges as this would entail expenditure that is not required to implement Pathfinder as planned.

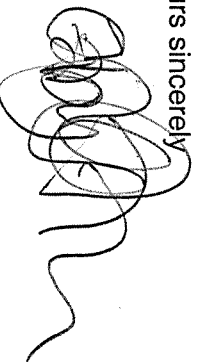
The standard ONBS product in these six exchanges is connected to a fibre port on a Copper MSAN rather than to a fibre port on a Fibre MSAN. This form of connection (i.e. to a fibre port on a Copper MSAN) is only available at a 21 CN site where there is no demand for services which require delivery over fibre and where only one CP is present. In a practical sense this 'one CP' would be BT Wholesale. The ONBS product itself is the same as is available to all CPs, including BT, other than in respect of its being connected to a fibre port in a copper MSAN rather than a fibre port in a fibre MSAN.

BT's view is that such consumption will not have a material adverse effect on other CPs and that consuming ONBS in an EOL manner during Pathfinder would not be reasonably practicable for the reasons set out above.

Words and expressions in this letter shall have the meaning assigned to them in the Undertakings.

Please let me know if you require any further information in relation to the above matters.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Gaby Heppner-Logan', with a wavy line underneath.

Gaby Heppner-Logan  
Director Regulatory Affairs

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