Stuart McIntosh
Partner, Competition
Ofcom
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SE1 9HA

7 September 2009

Dear Stuart,

Re-prioritising BT's remaining Undertakings commitments on information systems separation

At paragraph 3.55 of its consultation of 29th May 2009 on this subject Ofcom referred to informal safeguards and reporting in relation to systems separation and EOI progress which would be developed to complement the revised formal obligations proposed in the variation. The purpose of these would be to provide assurance that BT was on track to deliver the revised formal Undertakings milestones.

We have reviewed these further with you since the consultation, and in light of the responses you received to that document.

Accordingly the approach that BT will adopt with regard to reporting systems separation and EOI progress is as follows.

1. BT and Ofcom review of the systems separation and migration plans, their component stages and progress will continue to be done through the existing, and unchanged, systems roadmap obligation.

2. The standing invite to the EAO for these roadmap review sessions is to be reinforced with the EAO requested to attend the BT/Ofcom roadmap review sessions - quarterly at minimum.

3. The four additional non-binding EAB milestones for the systems business stack will be

- Operational Trial Starts   30 April 2010
- Initial Live Deployment   31 December 2010
- Trial Migration Begun   31 March 2011
- Volume Migration Begun   31 December 2011

4. Although migration to systems will be customer/account code based, rather than product based, BT will advise Ofcom, copy to EAO if required, of 1) when the systems capability has been built and migration trials commenced, and 2) when live migrations at volume of customers using major product groupings has commenced. These major product groupings in the current outline business stack (others to be built in) plan are:-

- PSTN Single Line
- PSTN Multiple Line
- Simple CPE
- Featureline Standard/Compact
- Broadband & VAS
- ISDN2
- ISDN30
- Featureline Embark
- Complex CPE
- Ethernet (Migration of the Installed base to Openreach services on shared systems may take place first.)
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5. BT will advise the EAO in its existing programme reporting (this is currently on a monthly cycle) of progress towards the new formal Separation (CSR) and EOI (LE) milestone percentages.

6. These will also be covered in the Roadmap sessions with Ofcom.

7. At least every six months the Roadmap sessions will also look at available product based migration data given the disparity in volumes within the proposed new "measured product set".

Given the Consultation responses Openreach will also advise the EAO, at least quarterly, of the comparative performance stats between EOI and non-EOI for the main product sets (PSTN, ISDN2, ISDN30, WLR2, and WLR3 where the IBMC dates have been reset by the variation.

BT will adopt these reporting arrangements by 31 January 2010 at the latest but will aim to do so sooner.

BT understands that this letter will be published by Ofcom.

Yours sincerely,

Gaby Heppner-Logan
Director, Regulatory Affairs