This form is to be completed by NTIA employees who are contacted by Federally-registered lobbyists in person in a non-public setting or by phone regarding policy issues concerning the Recovery Act (BTOP or DTV Converter Box Coupon Program). This report includes a written description of each contact, the date and time of the contact, and the names of the Federally-registered lobbyist(s) and the employee(s) with whom the contact took place. The information on this form will be available to the public on NTIA's recovery website.

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Name of the Employee(s) Contacted (Name and Title)

Assistant Secretary Strickling
Diane Steinour, OIA
Christina Speck, OIA

Brief Description of the Contact (attach separate sheet if necessary)

NTIA met with CEO and others from British Telecom (BT) to discuss NTIA's policy priorities on open access (in particular "special access") and competitive supply in U.S. broadband markets, as well as to discuss the UK's Digital Britain broadband plan.

Name of the Employee(s) who prepared this form:

Angela Simpson

Prepared Date:

09/17/09

Federally-registered Lobbyist(s) Name:

Jill Cocayne

Title:

VP Government Affairs

Firm or Organization, if applicable:

BT, PLC

Client:

BT, PLC

Submit Form
The UK's Experience
Bottlenecks and Broadband Penetration:
Relationship Between Effective Regulation of Access

BT
OECD

Italy

Japan

United States

Germany

France

United Kingdom

Canada

Source: OECD

0.0

5.0

10.0

15.0

20.0

25.0

30.0

35.0

2001-Q4

2002-Q2

2002-Q4

2003-Q2

2003-Q4

2004-Q2

2004-Q4

2005-Q2

2005-Q4

2006-Q2

2006-Q4

2007-Q2

2007-Q4

2008-Q2

2008-Q4

G7 to one of leadership second only to Canada

Propelled the UK from a lagged position in broadband penetration against the

Regulatory framework and functional separation of BT

Steep rate of broadband penetration following implementation of the EC’s

Driven accelerated broadband uptake in the UK

Effective regulation of access bottlenecks has
Broadband penetration in major economies

OECD Broadband Portal 2009

Broadband subscribers per 100 inhabitants, Dec 2008

Canada: 29.0
United Kingdom: 28.5
France: 28.0
Germany: 27.4
United States: 26.7
Japan: 23.6
Italy: 19.2
UK is 11th in OECD ranking today whereas it was 22nd place in 2001.

US 13th, UK 11th
2008

US 3rd, UK 22nd
2001 2A

Effective regulation of access bottlenecks
Improved UK broadband performance enabled by
prices for broadband subscribers has lowered

Intense intra/intraregional competition has lowered
Average retail broadband subscription price per month (US $ per month, Oct 2008)
Pricing driving broadband uptake
Result: More innovation in services &

- 5km of 90% of UK's businesses premises.
- BT has 61.4 Ethernet nodes rolled out across the UK.
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- BT has 61.4 Ethernet nodes rolled out across the UK.
- By 2012, approximately 40% of UK homes.
- BT to spend £1.5 billion to extend FTTC and FTTN to 10 million UK homes.
- 10 Mbps downstream.
- BT offering ADSL2+ to reach 55% of UK homes by 2010 providing up to 20 Mbps downstream.
- 99% of UK exchanges are enabled with ADSL Max.
- Up to 2 MHz Mbps available to UK homes as well as small, medium, and large businesses.
- Over 700 national and regional ISPs compete to serve a population of 25m the size of Oregon.
- Intense intra/intraregional broadband competition enabled by effective access regulation.

UK: Intense intra/intraregional broadband competition enabled by effective access regulation.
Pricing driving broadband uptake

Result: More innovation in services &

SMEs have access to innovative services such as Ethernet, SaaS, cloud computing, video conferencing, and unified communications.

- BT and others offer SMEs 20-24 Mbps broadband services at affordable prices.
- SMEs have access to affordable broadband and related services to SMEs.
- Dozens of national and sub-national providers competing to provide solutions allowing them to compete on a global stage.
- Small businesses (SMEs) have access to affordable large business customers but also by doctors' and dentists' offices.
- Affordability, widely deployed, and used by not only residential affordable, high-speed broadband is the real reason because high-speed broadband is competitive enabled by effective access regulation.

UK: Intense intra/intermodal broadband
US access bottlenecks need effective regulation.
Comparison of 100 Mbps Ethernet access rates to BT's equivalent offering.
Comparison of D33 (45 Mbps) special access to rate for BT's UK equivalent 45 Mbps PPC access
Comparison of DSI (1.5 Mbps) special access rates to BT's equivalent 2 Mbps PPC access.

5-Year Term Monthly Rates in Effect Sept 2009
After reduced prices, which gets fairly heavy use, includes the rental and cost of purchasing enhanced lines that whenever possible, which gets fairly heavy use, includes the rental and cost of purchasing enhanced lines that varied on a family of two parents and two children, who are cost-conscious and favor using the fixed-line phone service. The three largest operators by market share in each country: for 600 outgoing minutes, July 2008: PPI adjusted. International Communications Market, November 2006. O2.com: Weighted average of best-value tariff from each of the three services. Spain, United States, France, Italy, Germany, United Kingdom.

UK has lowest landline prices amongst major countries.
Ethernet chokepoints.

Effective regulation of special access and broadband deployment and take-up.

Proper regulation of network chokepoints accelerates conclusion.
Both nonrecurring and recurring charges were computed for Verizon's, BellSouth's, and BT's 100 Mbps Ethernet services and divided by the relevant denominator to produce annual charges.

Verizon's, BellSouth's, and BT's PPP rates are available at [https://www.openreach.co.uk/products/pricing/selected-product-detailed-information.do?data=KM1u5y9g1IPJ1YVTBE4fj0p%2Fv8h%2FV-MRc8FQ3dRcH4B%2Fw%24gC%2F14y9g1JFfK4z. BT's UK rate was converted to USD using the OECD's 2009 Purchasing Power Parities Rate of $1.00/£0.654. The OECD's PPP rates are available at [https://www.oecd.org/daf/er/tables/SNA-TABLE4.]

BT's Wholesale Ethernet access rate (WES/WEEES 100) is available at [https://www.openreach.co.uk/products/pricing/selected-product-detailed-information.do?data=KM1u5y9g1IPJ1YVTBE4fj0p%2Fv8h%2FV-MRc8FQ3dRcH4B%2Fw%24gC%2F14y9g1JFfK4z.]

Sec. 7.5.22.
1. Secs. 7.5.23 and 7.5.25 while BellSouth's rate is derived from its Interstate Access Guildebook at that is ten miles long and has two connections. Verizon's rates are derived from its Tariff FCC No. Verizon's and BellSouth's Ethernet rates are computed for a five-year term point-to-point circuit.
TABLE 4

Purchasing Power Parity Rates:

The OECD's PPP rates are available at:


like comparison was not possible. BT's UK rate was converted to USD using the OECD's 2009

Nonrecurring charges were not included in the US and UK pricing calculations because a like-for-

like comparison than a zone 3 or zone 5 rate comparison would be.

To these Bell companies than a Zone 3 or Zone 5 rate comparison would be.

Geographically, hence the price comparison to AT&T's and Verizon's Zone 1 rates are more favorable

Regardless of

rate. BT's rates are geographically neutral—i.e., BT's rates are the same regardless of

computed for five years and then divided by 60 to derive an equivalent monthly five-year term

contract on the incumbent BT and the competitive provider. BT's UK rates

and a handover charge between the incumbent BT and the competitive provider. BT's US rates

hypothetical circuit consisting of a main link, ten miles long (fixed and mileage charge for ten

miles), a local customer end of less than a mile (fixed and mileage charge for less than one mile)

Each rate includes a 12.9% USF charge.

Each rate includes a 12.9% USF charge.

Verizon's and AT&T's special access rates are derived from their applicable FCC Interstate