

News Flash



BT Launches Handset That Operates As Both Cell Phone and Landline

BT PLC unveiled its attempt to bridge the landline and mobile phone divide by launching BT Fusion – a handset that operates on both networks.

The telecommunications company promised callers the “best of both worlds” from the cellphone-like handset that operates as a mobile outside and automatically switches to a broadband line once a user enters their home or office.

Subscribers will have to have both a BT landline and access to BT broadband. **A special access point installed in the home, called the BT Hub, will switch the handset to a broadband line using Bluetooth wireless technology.**

The company is banking on BT Fusion, which was dubbed Project Bluephone during its development, to attract customers by combining the convenience of a cell phone with cheaper fixed-line prices.

BT Fusion is part of the company's "new wave" services as it tries to entice back customers who abandoned its fixed line service for offerings from rival cell phone providers. Revenue from the company's traditional businesses such as fixed lines fell by 9 percent in the first three months of this year.

The wireless part of the Fusion service is being provided by Vodafone Group PLC since BT sold its own mobile business four years ago. The service is **initially available with Motorola Inc.'s v560 handset.**

The new service seamlessly joins landline and cellphone coverage. **When the user is on the move, the handset uses the Vodafone mobile network. But when a user reaches home or the office, the phone automatically switches to BT's fixed-line broadband connection** without interrupting the call. At that point, the call is being transmitted with Bluetooth, a short-range wireless technology, essentially transforming the device into a regular cordless phone rather than a mobile.



The new BT Fusion service uses a special phone and a wireless hub to offer landline and cell-phone service with the same handset

The call is switched over when the handset makes contact with a Bluetooth transmitter installed in the home or office. BT said the hub generally has a 20-to-25 yard reach, meaning the call is switched over to the land line when it comes within that range or out to the cellular network when handset moves beyond that range. The hub, which can support up to three handsets at a time, is also Wi-Fi enabled so customers can use it to connect computers, games consoles and printers to the Internet. The Motorola handset doesn't have Wi-Fi capability, but the hub will be able to connect with Wi-Fi enabled cell phones as they become available.

BT will offer two separate monthly packages, priced at 9.99 pounds (US\$18.07; €15.06) for 100 cross-network minutes or 14.99 pounds (US\$27.12; €22.6) for 200 minutes. Calls to land lines originating in the home will be charged at BT's normal landline rate of 5.5 pence (9.9 U.S. cents, 8.3 euro cents) for up to an hour.

Analysts at technology group Ovum welcomed Fusion as a breakthrough in technology, but said getting the pricing right will make or break the new service. They noted that the hubs are provided for free and that offering mobile-to-landline calls at the same price as BT's current landline rates would generate savings of up to 95 percent. But the 9.99 pound monthly fee compared less favorably to deals being offered by mobile phone operators, some as low as 3 pounds (\$5.45) a month.

BT is initially seeking just 400 customers for BT Fusion, followed by a more widespread consumer launch in September and a corporate package next year. BT refused to say how many customers it expects to sign up in the future, but noted that some 30 percent of the company's customers make mobile phone calls from their homes.

"The future will be convergence," Livingstone said. "This is going to be a market that grows fantastically over time even though it might take a while to get going. **We still expect many millions of converged handsets by the end of the decade.**"

Source: Associated Press