EE's response to Ofcom's consultation on the approval of BT's NGTR

January 2014

EE welcomes the opportunity to respond to the consultation by Ofcom on approval of the BT Next Generation Text Relay Service (NGTR). We are committed to ensuring that advances in communications technology benefit all users, including those with disabilities, and we have assigned significant resources to doing so. We would like to comment on the following three issues:

1. The actual NGTR service;

2. Possible competition issues; and

3. Ofcom's KPIs to assess the NGTR service.

1. The actual NGTR service

BT are currently still developing the NGTR. In the absence of a working service or a prototype, it is not possible for us to assess whether the proposed service meets the criteria of GC15, and the KPIs defined by Ofcom. Documentation and information around the service have been limited, and we are unable to assess the service by a set of slides and some correspondence between Ofcom and BT.

2. Possible competition issues

The consultation does not address the impact of NGTR on possible competition in the NGTR market. As set out in a letter by UKCTA to Ofcom dated 12 August 2013, EE and other UKCTA members were concerned about the price increase for Text Relay services, and about the fact that BT offered reduced wholesale rates to operators who sign up for three years.

Ofcom's statement "Review of Relay Services" envisaged competition developing in the market for next generation relay services. We consider BT's wholesale pricing prevents competition from emerging in the NGTR market:

- By significantly increasing prices of the current text relay services before the NGTR is launched, BT will be at an advantage compared to any other provider who needs to fully recover its investment through its future charges. BT's investment has been at least partially funded by leveraging its current position.

- By contracting operators for 3 years to its service and incentivising take up by offering a 50% reduction on the price increase that Operators would otherwise suffer (29.7% versus 58.8%). That move, if successful and especially in light of the penalty provisions if an Operator uses another provider's service, is clearly aimed at removing the ability for a competing operator to establish itself in the NGTR market.

3. Ofcom's KPIs to assess the NGTR service

Apart from the competition issues set out above, we consider that the KPIs set out in the consultation are all around operational processes. There is a risk, especially in the light of the competition comments above, that there is little incentive for BT to provide this service in a cost-effective way (the ex-ante regulation of BT's price for text relay was removed in 2012). We would like Ofcom to consider including some cost-related KPIs when assessing the performance of NGTR to ensure cost-effectiveness.

In relation to the details of the NGTR, we would like to get some further clarity around the details of the service. We will discuss these questions separately.