



Lindsey Fussell
Consumer Group Director
Ofcom
Riverside House
2a Southwark Bridge Road
London, SE1 9HA

31 May 2019

Dear Lindsey

BT's price commitments

BT supports Ofcom's and the Government's objective to bring decent and affordable broadband to all UK citizens. We have set out before how we are ready to play our part in delivering this goal, including through the harnessing of fixed wireless access technology that can quickly bring essential connectivity to three quarters of the premises that do not yet have good broadband.

We understand that the rationale for the universal service obligation (USO) is to act as a safety net where market forces alone do not deliver access to a minimum set of communications services. We also recognise that access needs to be affordable, to prevent social and economic disadvantage.

As Ofcom notes, current prices in the UK market are generally affordable for the vast majority of consumers and we believe that Ofcom's proposals for an equivalent pricing requirement will provide the necessary protection for consumers in broadband USO areas.

We recognise, however, that in areas with little or no choice of provider there could be a risk that consumers are charged a price that Ofcom deems unaffordable. To demonstrate our commitment to the Government and Ofcom's policy goals, we will make available at least one broadband connection and service that meets the technical specifications set out by the UK Government in the USO legislation. We will initially offer this service at no more than £45 per month (including VAT) at November 2018 prices adjusted by Consumer Prices Index ("CPI"), where such service is not available from BT or another third party, or where it will not be made available through a publicly-funded intervention within a year.

Pete Oliver
Managing Director, Marketing

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We voluntarily commit to keep this maximum price in place for the duration of the Universal Service Conditions imposed by Ofcom, other than to reflect subsequent changes to CPI or changes to the Universal Service Conditions

Our voluntary price commitments are attached as an Annex to this letter

Regards,

A handwritten signature in black ink, appearing to be 'PO', followed by a long horizontal line extending to the right.

Pete Oliver
Managing Director, Marketing
Consumer

ANNEX

BT's price commitments

1. Subject to paragraph 2 below, BT shall make available upon request, at least one broadband connection and service ("Service") that meets the specification stipulated in Paragraph 1 Schedule 1 of the Electronic Communications (Universal Service) (Broadband) Order 2018 ("Order"), and that meets the following price commitments:
 - 1.1 BT shall initially price the Service at no more than £45 per month (including VAT) at November 2018 prices, adjusted by Consumer Prices Index ("CPI");
 - 1.2 BT may subsequently increase the price of the Service above the price at paragraph 1.1 to reflect:
 - 1.2.1 Changes in the CPI; and/or
 - 1.2.2 Changes to the Eligibility Threshold as defined in the Universal Service Conditions for BT (Schedule 1 of Annex 1 of Ofcom's final Statement on Delivering the broadband universal service 6 June 2019)("Universal Service Conditions").
2. BT's price commitments will apply:
 - 2.1 To at least one Service as referred to in paragraph 1 above, whether BT provides the Service under the Order in accordance with the timeframe and milestones set out in Universal Service Condition C6, or commercially within 30 calendar days of the customer's order date;
 - 2.2 Only to locations where the eligibility conditions stipulated in Paragraph 2 Schedule 1 of the Order are met, it will therefore not apply where a broadband connection and service with all the characteristics specified in Paragraph 1 Schedule 1 of the Order:
 - 2.2.1 Is available at no more than £45 per month (including VAT) at November 2018 prices adjusted by CPI, either from BT or a third party; or
 - 2.2.2 Will be made available to that location through a publicly-funded intervention within the period of one year beginning with the date on which the request is made; and
 - 2.3 For the duration of the Universal Service Conditions.
3. Other
 - 3.1 The "Service" means both a broadband connection and a service with the specification stipulated in Paragraph 1 Schedule 1 of the Order;
 - 3.2 The price for the Service at paragraph 1.1 above, is calculated as a monthly average payment over the fixed term of the contract, inclusive of all payments for the Service;
 - 3.3 The "Service" may include Fixed Wireless Access ("FWA"); and
 - 3.4 Migration from FWA to a cheaper Service will be free of charge(s).