



Public

# Review of the telephony universal service obligation

BT response to Ofcom's consultation

11 January 2022



## Executive summary

BT is pleased to provide our response to Ofcom's review of the telephony universal service obligation. There have been significant changes across the market since this area was last reviewed and our ongoing improvements to the UK communications network mean now is a good time to decide how this obligation should work in the future.

Mobile phones are now the primary source of communication for most people, in addition there are now many alternative forms of communication available to people than when this universal service obligation was last reviewed in 2006. This means that the reasonable need for Public Call Boxes (PCBs) has changed significantly too. We note that several European countries have removed the universal service for PCBs altogether as a sign that their role in society is becoming increasingly irrelevant. However, we recognise that there are still a small number of scenarios where a PCB can provide a valuable service.

### Services provided by PCBs

Ofcom propose changes to the services which a PCB can provide. We agree that these proposals will allow PCBs to meet people's needs and propose measures to prevent regulatory creep into our commercial Street Hub estate where regulation continues to remain unnecessary.

### Process for PCB removals

The current process for the removal of PCBs is disproportionate, subjective and not working. We agree with Ofcom's proposals for a new process, with the aim of introducing clarity and objectivity. However, some of the proposed criteria are unreasonable and/or reintroduce subjectivity to the process:

- **Mobile coverage** – we think a PCB should be protected where there is no mobile coverage (total mobile not-spots), but requiring PCBs in partial coverage areas is not proportionate. We also propose a more objective alternative for measuring mobile coverage.
- **Accident and suicide hotspots** – we agree that PCBs should be protected in high frequency suicide locations and will continue to work with helplines to do this. However, we propose that accident hotspots are excluded as there is little evidence that PCBs are used in these circumstances and there is a lack of meaningful, objective data to define these.
- **Usage** – we agree that the legitimate usage of a PCB is an indicator of reasonable need but, where people have access to other ways of communicating. We think a requirement for PCBs should take account of the cost of providing them and think that 120 legitimate calls per year is an acceptable threshold.
- **Other exceptional circumstances** – we propose the removal of this criteria which, as currently proposed, would enable the subjective 'local veto' to continue via the back door. Exceptional circumstances should be outside of BT's control and beyond reasonable expectations.

### Resilience of PCBs

We have already agreed with Ofcom to provide consumers with resilient telephony in their home if they are dependent on landline services. We recognise a need for resilience of PCBs in circumstances where people are dependent on fixed-line communications too. In practice, we think this means that resilience should be linked to locations where there is no mobile coverage.

### Requests for new PCBs

We are concerned that the current proposal for requesting new PCBs could lead to the installation of PCBs (at significant cost) which are not needed and hardly ever used. We propose improvements to the process to make sure any new installation is linked to present and future need.

Confidential content has been redacted from this document, we have provided a separate, confidential version for Ofcom.

Comments should be addressed to:

BT Group Regulatory Affairs,  
One Braham,  
Braham Street,  
London E1 8EE

[regulatory.affairs@bt.com](mailto:regulatory.affairs@bt.com)

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# 1 Review of the Public Call Box USO

We welcome Ofcom's review of the Telephony universal service obligation (USO). Since Ofcom last reviewed these rules in 2006 the market has changed significantly. In addition, we are now upgrading the UK's telephone network to Internet Protocol (IP) meaning many of these services will need to be upgraded. Like Ofcom, we want to make sure we can continue to meet people's needs with certainty and clarity in future. To effectively consider this, it's important to reflect on the context of this review.

## People prefer mobile communication and data is replacing calls

Ofcom's 2021 Communications Market Report<sup>1</sup> shows that, in 2020 the UK spent more than four times as many minutes in mobile calls than fixed line calls. Since 2012, fixed line call minutes have fallen by 56% while mobile calls minutes have increased by 44%.

In the past eighteen years, usage of BT's PCBs has declined by 99% (from 800 million minutes in 2002 to 7 million in 2020). In research conducted for BT in 2020<sup>2</sup>, Populus found that only 8% of people claim to have used a payphone in the past year, while 88% of people who haven't used a payphone in the past ten years state this was because they "carry a mobile phone".

In addition, between 2012 and 2019 there were 34.5 million (15%) fewer call minutes<sup>3</sup>. This indicates a shift to alternative methods of communication. Ofcom's 2020 Declining Calls Research<sup>4</sup> identifies a migration to over the top (OTT) services as a possible cause for this, limited information from OTT providers also supports this view<sup>5</sup>.

## The future of Universal Service in the UK and Europe

Research<sup>6</sup> shows that across Europe, ten countries have entirely removed their USO in relation to PCBs<sup>7</sup>, a further ten have chosen not to designate a USO provider for PCBs<sup>8</sup> and four have USO designations which are due to end in the coming months<sup>9</sup>. This leaves very few European countries with an active USO in place for PCBs with many of these countries<sup>10</sup> benefiting from a state or industry fund to cover the costs associated.

The UK Universal Service Obligation (USO) is intended to ensure that communication services are available at an affordable price to all citizens and customers. Given the declining use of PCBs, increasing use of mobiles and OTT services, and the availability of affordable tariffs for consumers (e.g. BT Home Essentials<sup>11</sup>) it is important to consider whether a reasonable need remains for so many PCBs.

New technology continues to evolve at pace, while PCBs are used less and less, and incur significant costs to maintain. As people's needs change, some flexibility is needed in how providers meet the Universal Service Obligation.

We spend over £9m per year on providing PCBs in the UK. Like other countries, the UK Government and Ofcom should consider whether this money would be better spent on other priorities (e.g. our fibre rollout or to reduce prices for consumers).

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<sup>1</sup> [Communications Market Report 2021 – Interactive data - Ofcom](#)

<sup>2</sup> [Public-use-and-perceptions-of-payphones.pdf \(custhelp.com\)](#)

<sup>3</sup> In 2020 calls returned to 2012 levels – we believe this is a result of calls temporarily replacing face-to-face communications during the COVID-19 pandemic. We anticipate a continued decline as we emerge from the effects of the pandemic.

<sup>4</sup> [Declining Calls and Changing Behaviour: A qualitative research study \(ofcom.org.uk\)](#)

<sup>5</sup> [WhatsApp Completes 12 Years, Says It Handles Over 1 Billion Calls Each Day | Technology News \(ndtv.com\)](#)

<sup>6</sup> Research published in July 2021 by Cullen International SA – ref: CTTEEU20210064

<sup>7</sup> Belgium, Cyprus, Czech Republic, Denmark, Finland, France, Latvia, Slovakia, Sweden & Switzerland

<sup>8</sup> Estonia, Germany, Ireland, Luxembourg, Netherlands, Norway, Poland, Portugal & Romania

<sup>9</sup> Croatia, Greece, North Macedonia & Spain

<sup>10</sup> Austria, Greece, Italy, North Macedonia, Spain & Turkey

<sup>11</sup> [BT Home Essentials Broadband | Low Cost Broadband | Broadband on benefits](#)

## 2 Services provided by PCBs

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**Question 1:** *“Do you agree with our proposed changes to the requirements on BT and KCOM in respect of the pricing and services provided by their PCBs?”*

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We agree that changes to the requirements for PCB services are needed so that we have flexibility to continue innovating to meet people's needs.

We note that Ofcom's proposals would allow our Street Hubs to be categorised as PCBs. While this flexibility is welcome, we are concerned at regulatory creep into what is currently an entirely commercial proposition. We therefore propose a simple solution where BT would provide Ofcom with a register of all 'USO PCBs' on an annual basis, showing the type of unit/kiosk used and which PCBs have been changed/removed since the previous list.

### 2.1 Allowing free calls from PCBs

We agree with Ofcom's proposal to allow us the flexibility to offer free calls from PCBs.

We currently offer free calls to UK landline and mobile numbers from our Street Hubs – in 2019, almost 4 million calls were made from our Street Hubs, with each unit making around 38 times more calls on average than a traditional PCB.

Research<sup>12</sup> shows that 74% of people would be interested in PCBs offering free calls. People increasingly benefit from free or inclusive calls through inclusive bundles and call packages, meaning that the concept of paying 'per minute' for a telephone call is often unfamiliar.

We agree that being able to offer free calls from PCBs will help consumers and increases our flexibility to adapt to changing market conditions and user needs.

### 2.2 Removing the requirement for PCBs to offer incoming calls where outgoing calls are free

We agree that where outbound calls are free to users, there is no need to offer incoming calls to PCBs.

Only 15% of all PCB calls are incoming calls, and we believe these are often the result of people being low on cash or credit and asking to be called back. If outgoing calls are free, this wouldn't be necessary and a user could continue their call uninterrupted.

We occasionally receive reports of nuisance incoming calls to PCBs – where a PCB is repeatedly called, often during unsocial hours, disturbing people who live nearby. On a small number of occasions, in response to police requests, we temporarily remove the incoming call facility on individual PCBs to prevent this. The proposed change would provide another option to permanently prevent this nuisance to local communities.

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<sup>12</sup> <https://btbusiness.custhelp.com/euf/assets/pdf/Public-use-and-perceptions-of-payphones.pdf>

## 2.3 Removing the requirements for PCBs to offer outgoing calls to unbundled tariff numbers and international numbers

We agree that the requirement for PCBs to offer outgoing calls to unbundled tariff numbers and international numbers is no longer needed.

Only 1% of calls from our PCBs are made to unbundled tariff and international numbers, and we agree with Ofcom that there is little evidence of a reasonable consumer need for these services from PCBs.

Calls to premium and international numbers incur significant termination and service charges, which are ultimately passed on to consumers. People with frequent needs to call such services will often use free or cost effective solutions from their home, mobile or over-the-top provider to avoid such costs.

Continuing to provide unbundled tariff and international calls from PCBs would stop us being able to offer free calls from them in future. We think offering free calls would offer a much greater benefit to people than continuing to offer types of calls which are rarely used.

We welcome the flexibility to continue to offer international and premium calls where we know it is of benefit to people, for example close to airports or international transport hubs where we would typically expect a higher proportion of international calls.

## 2.4 Removing the requirement for 70% of PCBs to accept cash

We agree with Ofcom's proposal to replace the requirement for 70% of PCBs to accept cash payment with a more flexible requirement.

The cost of providing cash payment facilities is steadily increasing, particularly as call volumes decline. Therefore, we expect that it will be of more benefit all round to offer free calls from PCBs than to invest in alternative payment mechanisms. However, we welcome the flexibility to explore alternatives as we consider our PCB estate in future.

## 2.5 Street Hubs

We have successfully rolled out almost 500 Street Hub devices to towns and cities across the UK offering free UK calls, WiFi access, charging points, public information / advertising screens and air quality monitoring. Currently Street Hubs do not meet the requirements of a PCB, so we operate these separately to our PCB estate.

Our research shows that customers love Street Hubs and the functionality they provide. The fact that Ofcom's proposals reflect much of the functionality of our Street Hubs suggest that they are meeting people's telephony needs too.

We welcome Ofcom's proposals to provide more flexibility in the services provided by PCBs and note that this would allow a Street Hub (or similar device) to meet the requirements of a PCB. However, Street Hubs cost up to £40,000 to install and, due to their digital advertising space, require additional planning consent and compliance with associated regulations.

Because they currently don't meet the requirements of a PCB, all our current Street Hubs are 'fresh installs' (i.e. installed in new locations or where a PCB has been properly removed according to Ofcom regulation).

Having invested significantly in Street Hubs, we would be extremely concerned at an additional regulatory burden being placed on these units – forcing us to collect and report additional data and restricting our ability to change or remove the service in future.

We think that Street Hubs show that we are able to meet people's reasonable telephony needs through a viable, commercial product operated outside of the USO regulation.

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Street Hubs operate in a competitive market of outdoor street unit vendors, most of which contain an element of telephony and none of which are subject to USO regulations. It would be unjustified and disproportionate if these commercially operated Street Hubs were now subject to USO regulations.

We propose that devices which are operated commercially and outside of the USO should not become part of the Universal Service, restricting our ability to change our commercial proposition in future. To do this, we propose that we should provide Ofcom with a register of all 'USO PCBs' on an annual basis, showing the type of unit/kiosk used and which PCBs have been changed/removed since the previous list. This would ensure Ofcom can continue to regulate any devices used to meet the USO, while allowing CPs the flexibility to operate commercially viable street products without facing unnecessary regulation.

## 3 Process for PCB removals

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**Question 2:** *“Do you agree with our proposed new process for BT and KCOM to consult on proposed PCB removals?”*

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### 3.1 Proposed changes to the process for PCB removals

The current process for removing a PCB which is the last at a site<sup>13</sup> is subjective and in need of reform. The ability of public bodies to veto the removal of a PCB has resulted in many unused PCBs being kept for a variety of non-telephony reasons or often without reason at all. This has created a disparity between areas with different acceptance rates, which could ultimately lead to PCBs being removed due to the local public body's willingness to accept, while clearly unnecessary PCBs are maintained elsewhere.

We welcome Ofcom's proposals to create an objective removals process where criteria are clear to all stakeholders and based on reasonable telephony needs. This will enable a consistent approach across the UK and enable greater predictability and cost savings.

We are concerned with Ofcom's proposal to redefine a PCB which is the last at a site as a 'Protected PCB'. We think this term gives the impression that a PCB is protected from removal, and may lead to misunderstandings and distorted media coverage. We propose continuing to define PCBs with no other PCB within 400m as 'last at a site', only using the term 'protected' to refer to PCBs which do not meet the applicable removal criteria.

We agree with Ofcom's proposed process for consulting on proposed PCB removals with relevant public bodies and are pleased that this will mean that only relevant, telephony factors will be taken into consideration during a consultation.

It would be helpful to clearly define the minimum information which we are required to provide to the relevant public body as part of the consultation process – which should be directly linked to the assessment criteria. This will ensure that both parties have sufficient information and prevent objections based on limited data.

We agree with Ofcom's conclusion that it is important to provide relevant public bodies with an opportunity to challenge decisions to ensure the process is robust and transparent and think the proposed review mechanism is a reasonable way to ensure this.

We recognise that the current (2006) guidelines allow us to consult on the removal of **any** PCB, however Ofcom's current proposals would prevent us from consulting on the removal of any PCBs which does not meet the removal criteria. Occasionally there may be a need to remove a PCB which doesn't meet these criteria (e.g. we may agree with a relevant public body to remove a PCB with higher usage which is attracting significant anti-social behaviour, or which is in the way of a local redevelopment project etc.). We ask that Ofcom allows a consultation to be launched on any PCB which is the last at a site; with BT stating whether or not the PCB meets Ofcom's specified removal criteria. This would mean that PCBs which do not meet the removal criteria could only be removed if the relevant public body gives their consent (similar to the current process).

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<sup>13</sup> Meaning there are no other PCBs within a 400m walking distance.

## 3.2 Criteria for assessing PCB removals

We welcome objective criteria with clearly defined thresholds which will prevent misunderstanding, reduce administration and provide clarity to all parties.

We agree that mobile coverage, social need (such as a high frequency suicide location) and usage are relevant to establishing a reasonable need for a PCB service. However, we feel that some of the criteria remain subjective in nature and are not set at appropriate thresholds. We discuss each of the proposed criteria below.

### 3.2.1 Mobile coverage

Mobile is the preferred communication service for most people (see Section 1) and there are a small and diminishing number of partial and total mobile 'not-spots' across the UK. The reasonable need for a PCB is therefore likely to be higher in locations where people are not able to use their mobile.

#### **PCBs should only be protected in total 'not-spots'**

We disagree with Ofcom's proposal to require coverage from all UK mobile network operators before a PCB which is the last at a site can be proposed for removal. Given removals criteria will protect any PCB which is regularly used, we think additional protections for PCBs in partial mobile coverage areas (i.e. where 1-3 UK mobile network operators have coverage) is unnecessary and disproportionate.

People living in partial coverage areas are likely to select their mobile network operator according to coverage in their location. Tools such as Ofcom's mobile coverage checker, data on CP's websites and coverage guarantees are used to ensure that people can select an operator who provides coverage in the locations they are likely to need it. Given the alternative mobile network(s) available, people living in partial coverage area don't have a reasonable need for a PCB.

We recognise that some PCBs are located in areas which attract visitors (such as National Parks). In the event of an emergency, Emergency Call Roaming means that any visitor regardless of mobile coverage in that area can make an emergency call.

People visiting an area with partial mobile coverage are able to check mobile coverage in advance using the tools mentioned above. In addition, local residents and/or businesses (e.g. accommodation providers etc.) are likely to advise them of any coverage issues in advance of their visit. Many CPs and local businesses (cafes etc.) offer public Wi-Fi services (e.g. BT Wi-Fi which has over 5m Wi-Fi hotspots in the UK<sup>14</sup>), meaning people can connect for free or a small charge to make Wi-Fi calls and/or use 'over the top' communication services (e.g. WhatsApp etc.).

We don't think it is proportionate to incur the cost of PCBs solely for people visiting an area, who don't have coverage from their mobile network and who need to make a personally important call.

Ofcom express concerns that, if only one mobile network is present, an outage could prevent any calls from being made. On the whole, mobile networks are extremely reliable, of the 532 network incidents reported to Ofcom<sup>15</sup> in 2020, less than half of these related to mobile networks – and this was during a year in which mobile phone masts were being vandalised because of incorrect claims about 5G and the coronavirus<sup>16</sup>. The desire to increase mobile coverage, driven by customer demand and aided by initiatives such as the Shared Rural Network (SRN)<sup>17</sup> have led to an increase in mast sharing. In practice, particularly in rural areas, this means that an area with full mobile network coverage may be served from one mast, making a requirement for four networks meaningless in terms of network resilience.

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<sup>14</sup> [Get wireless Internet | Find wi-fi hotspots | BT Wi-Fi \(btwifi.co.uk\)](#) – BT Wi-Fi uses consumer and business broadband hubs to provide public Wi-Fi services.

<sup>15</sup> [Connected Nations 2020: UK report \(ofcom.org.uk\)](#)

<sup>16</sup> [Clearing up the myths around 5G and the coronavirus - Ofcom](#)

<sup>17</sup> [Home - Shared Rural Network \(srn.org.uk\)](#)

The protection of PCBs in partial coverage areas also gives rise to absurd scenarios – for example, a PCB which has never made a call could not be removed if only three of the four UK mobile network operators are present.

It is clear that people, whether residents or visitors, in a total mobile 'not-spot' will be completely unable to use a mobile network to communicate in an emergency and are therefore significantly more likely to depend on PCB services. We already protect our PCBs in these locations and think it is vital to make sure they are protected in future.

Given that Ofcom propose a usage criteria for removals which will protect any PCB which is regularly used, we think additional protections for PCBs in partial mobile coverage areas is unnecessary and disproportionate and ask Ofcom to reconsider this proposal.

## Measurement of mobile coverage

Ofcom's proposals for measuring mobile coverage at a PCB site would require a number of spot checks within a 50m radius of the PCB to ensure that it is possible to make a one minute call without interruption. In practice, because of the requirement for all mobile networks to be present, this would lead to the person responsible needing four mobile devices (one on each network) and making four one minute calls at multiple locations for each PCB inspected. We estimate that surveying our current PCB estate in this way would cost over £400k and distract our engineers from valuable work elsewhere (fixing customer faults and upgrading our network). In addition, with frequent changes to the mobile networks, this data would need refreshing frequently at further, significant cost. We do not think this approach is a proportionate or appropriate way to monitor mobile coverage of PCBs. In addition, the requirement for an engineer to visit a PCB to make these spot-checks before we can propose its removal significantly reduces the objectivity and predictability of the process.

We are aware that all mobile networks share coverage data with Ofcom on a monthly basis to inform their Mobile Coverage Checker tool. The threshold for 'good' mobile voice coverage in this tool is agreed with Ofcom and industry. The use of an industry-agreed data source provides objectivity and predictability with the added advantage that any successful challenge to the accuracy of the data can be fed directly back to Ofcom and operators. We ask that Ofcom bases their mobile coverage removal criterion on a more objective and independent data source such as their coverage checker, meaning a site visit is only required if this data is challenged.

### 3.2.2 Accident or suicide hotspot

We are committed to keeping PCBs in high frequency suicide locations, where there is a significantly increased chance they could save someone's life. We speak regularly with the Helplines Partnership<sup>18</sup> and listen to their members (many of the UK's leading helplines) about any PCBs which are important to them. Understandably there is limited public data on suicide locations, however we propose that we continue to work with our helpline partners to define and keep services in these locations.

We propose using the term 'high frequency suicide locations' instead of 'suicide hotspots' – in our discussions with the Helplines Partnership and the Samaritans, we share their concerns that the word 'hotspots' potentially glamorises these locations and could lead to people at significant risk being drawn to these locations.

Accident hotspots do not currently form part of our removal criteria. While relevant public bodies have sometimes claimed that a PCB is in an accident hotspot when objecting to its removal, there is extremely limited information about what constitutes an accident hotspot or their locations in the UK. To avoid disputes, accident hotspots must be clearly defined and a reliable, independent data source identified to determine them.

In the twelve months to November 2021, only 5 calls were made from PCBs in the UK to the AA or RAC breakdown services. This data strongly suggests that people do not generally consider that PCBs meet their reasonable needs when involved in a traffic incident or breakdown. We think people will use their mobile phone in these circumstances and Ofcom has already proposed requirements to keep PCBs in place where

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<sup>18</sup> [Home - Helplines Partnership](#)

there is no mobile coverage. In addition, Emergency Roadside Telephones, operated by the UK Highways Agency exist on most major roads<sup>19</sup> with the advantage that they can connect people directly to an operations centre where traffic can be managed or diverted etc.

We disagree with Ofcom's proposal to include accident hotspots in the removal criteria and feel that this requirement is not based on a proven, reasonable need. If the criteria must remain, it should be objectively defined using readily available data with a clear threshold to ensure certainty in the removal process.

### 3.2.3 Usage

We welcome Ofcom's proposal to include a PCB removal criteria based on usage. Outside of areas with other, specific needs for a PCB (i.e. no mobile coverage or high frequency suicide locations), it is practical to expect that a reasonable need for a PCB exists where it is in regular use. However, some caution should be applied when determining a threshold for reasonable use.

The anonymity provided by PCBs can sometimes attract anti-social behaviour, with one symptom of this being hoax/nuisance calls. We know that approximately one third of all 999 calls made from PCBs are identified as hoax calls by the emergency operator, but we believe the total number of hoax/nuisance emergency calls is higher, because many (including silent calls) will still be passed to the emergency services. We are also aware of hoax/nuisance calls from PCBs to helplines and other services (e.g. NHS 111). These hoax calls drain the resources of essential and emergency services, meaning vital help cannot be given to people in need. For example, in six months (May to November 2021), one PCB in [redacted] made almost seven thousand calls to NHS 111, compared to an average of 4 calls per PCB in the rest of our estate. We are also aware that the anonymity of PCBs can encourage illegal activity (e.g. drug dealing) although this is difficult to quantify.

In defining a usage criteria, Ofcom must consider the level of illegitimate usage to ensure that PCBs continue to meet people's reasonable and legitimate needs.

Ofcom provisionally propose a criterion of 52 calls (of any type) over 12 months to define reasonable usage and invite views on an alternative of 120 calls in the same period. We think that one call per week does not, on its own, justify a reasonable need for a costly PCB service to remain in place. As Ofcom have acknowledged, our ongoing programme to upgrade PCBs to our all IP network, will result in significant expense upgrading PCBs which are rarely used and will be used even less frequently in future, this is clearly not a proportionate approach.

It is also reasonable to expect that, if a usage criterion is set too low, a person who is passionately opposed to the removal of a local PCB (perhaps for aesthetic reasons) could 'game' the system simply by making a few short calls occasionally; this does not justify a reasonable telephony need. To reduce this risk, it would be necessary to assess the distribution of a PCB's usage such that peaks in usage, particularly around the time of a removal proposal could be discounted.

We estimate that a PCB needs to make 494 calls per year in order to be cost-neutral – this is based on our average revenue per PCB call and the average cost of maintaining a PCB. While we recognise that the purpose of the USO is to provide services which may not be commercially viable, we think this is a useful number to consider when proposing a usage criteria.

Based on Ofcom's proposals, we believe that PCBs will be in locations where alternative communications are readily available, so we think it's reasonable to expect any residual need for PCBs to take into account the cost of providing a PCB service.

We prefer Ofcom's alternative proposal of 120 calls per year, which approximately accounts for 25% cost-recovery. However, we note that this threshold is still open to misinterpretation and misuse. Any usage threshold should therefore exclude calls which could reasonably be shown to be illegitimate, and should require a distribution of calls throughout the year to avoid 'gaming'.

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<sup>19</sup> [standardsforhighways.co.uk](https://standardsforhighways.co.uk)

### 3.2.4 Other exceptional circumstances

Ofcom state that their proposals for removal criteria are intended to “provide greater certainty and clarity of the process as it will in effect mean that where it is apparent that a protected PCB meets one or more of the relevant criteria, BT and KCOM cannot propose it for removal”. The inclusion of a subjective criteria on ‘exceptional circumstances’ linked to “local factors” removes all certainty and clarity from the process and potentially re-introduces the ‘local veto’ via the back door.

The examples given (geographic location and the types of call made by the PCB) are known in advance and we therefore believe cannot be counted as ‘exceptional’. In our view, for a circumstance to be ‘exceptional’, it must be (a) outside of BT’s control; (b) beyond reasonable expectations and (c) implicitly linked to a need for telephony universal service.

The geographic location of a PCB is taken into account in both the mobile coverage and high frequency suicide location criteria proposed. Meaning that a PCB with no mobile coverage or in a known high frequency suicide location will already be protected.

We recognise that some PCBs are used to contact helpline numbers (such as Childline and the National Domestic Abuse Helpline) and the anonymity provided by a PCB can be helpful to people who need these services.

While any genuine call to a helpline is important, the way people contact helpline services is changing rapidly and PCBs account for a very small and decreasing proportion of this. Refuge say<sup>20</sup> that the National Domestic Abuse Helpline typically receives around 270 “calls and contacts” per day. Our data shows 389 calls from PCBs in 2019-20 (approx. 1 per day), this suggests that PCBs only account for 0.4% of all contact with the service. Childline report<sup>21</sup> that 74% of counselling sessions now take place online, a trend that has been continuing for some time. Helpline websites are increasingly sophisticated with web chat functions and ‘quick exit’ buttons which quickly direct users to inconspicuous websites.

Ofcom’s General Condition C3.10 requires all CPs to suppress calls to free to caller helplines from consumer’s fixed and mobile bills. We also know that helplines routinely provide advice to callers on how to remove records of their call from a device’s call history. A more proportionate response to aid helpline anonymity concerns could be to work with device manufacturers to ensure such calls are never logged on the device call history.

Although PCB usage is declining and people’s behaviours are changing, we recognise that even a small number of calls to a help line can be of significant social value. We have agreed to work with the Helplines Partnership and their members (who include Samaritans, Childline and the National Domestic Abuse Helpline) on a voluntary process which ensures that PCBs making frequent calls to helplines, or meeting a significant social need are protected.

We propose that a reference to protecting PCBs which are of significant value to helpline services is included in the suicide or usage criteria.

We strongly suggest that any exceptional circumstances criterion is removed altogether; or, as a minimum, removes any subjectivity such that it truly relates to circumstances which are exceptional (e.g. outside of our control, beyond reasonable expectations and implicitly linked to a need for telephony universal service).

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<sup>20</sup> [Refuge-Annual-Report-19-20.pdf](#)

<sup>21</sup> [Childline annual review 2018/19 \(nspcc.org.uk\)](#)

## 4 Resilience of PCBs

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**Question 3:** *“Do you agree with our proposal to impose new resilience obligations for PCBs? And do you agree with our proposed guidance that those PCBs which are more likely to be needed in the event of a power cut should have a solution which enables emergency calls to continue to be made for a minimum of three hours in the event of a power outage?”*

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We are currently upgrading the UK's fixed telecoms network to Internet Protocol (IP) technology and considering how this will impact our PCBs. We acknowledge that the switch off of the Public Switched Telephony Network (PSTN) will mean, in the absence of other measures, PCBs will not function in the event of a power cut. We continue to work closely with Ofcom to ensure that our vulnerable customers are able to make emergency calls in the event of a power cut for fixed telephony lines, and welcome clear guidance on similar measures for PCBs.

### 4.1 New resilience obligations for PCBs

Resilience obligations in the context of the USO must be linked to reasonable need. In an environment where most people rely on mobile communications and vulnerable consumers have resilient fixed-line services at home, there is limited need for PCB's to provide service in the event of a power cut.

Ofcom's guidance on consumer resilience<sup>22</sup> requires CPs to install a resilient solution for people “who are at risk as they are dependent on their landline” (e.g. because they have a disability or do not own a mobile phone). We think that this should be transposed to PCBs by requiring resilience only in locations which are at risk as they are dependent on fixed-line services such as PCBs.

We agree that a resilient PCB should, as a minimum, enable emergency calls during a power cut, but agree that it may be of benefit to allow other calls too (e.g. helplines or non-emergency services like NHS 111). It is likely that resilient PCBs will allow any free call to be made, as back-up power may not be sufficient to operate the PCB's cash mechanism – this will enable people to contact emergency services, helplines and the UK power cut reporting service, 105<sup>23</sup>.

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<sup>22</sup> [Guidance: Protecting access to emergency organisations when there is a power cut at the customer's premises - Ofcom](#)

<sup>23</sup> [UK Power Cut Call 105 Free | Find Your Electricity Provider \(powercut105.com\)](#)

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## 4.2 How long resilience should last

Given that PCBs typically serve a community, we agree with the conclusion that a resilient PCB should maintain power for longer than the one hour required for consumer resilience in a home. We think that the three hours proposed by Ofcom is a reasonable compromise given the available space within PCB kiosks and the fact that, on average, UK customers experience power loss for between 30 and 51 minutes per year<sup>24</sup>.

In the event of sustained power failures (e.g. as a result of extreme weather etc.), BT's Emergency Response Team<sup>25</sup> regularly help to restore telecommunication services to affected communities. We are always prepared to work with relevant public bodies to extend the duration of protection where possible, if there is a proven need for resilience and evidence of repeated long-duration power failures.

## 4.3 Where resilience is needed

We agree with Ofcom's provisional proposal (option 1) which would require resilience only in PCBs which are relied upon in the event of a power cut. This means that any resilience requirement must be linked to mobile coverage.

Vulnerable customers and those who are dependent on their landline are already able to request resilience in their homes under existing Ofcom guidelines<sup>26</sup>. Other people are likely to use their mobile phone to raise the alarm or seek assistance during a power cut. However, we recognise that communities in areas with no mobile coverage (i.e. total mobile 'not-spots'), could be cut off completely in the event of a power cut and therefore may depend on a nearby PCB to raise the alarm. We think that any PCB resilience requirement should only focus on these locations.

We disagree with Ofcom's alternative proposal for PCB resilience in "at least one PCB at a site". In addition to being costly to install and maintain (~£3m + over £0.5m/year respectively), assuming 10,000 PCBs need resilience), this would lead to thousands of resilient PCBs in town and city centres with excellent mobile coverage and very few power failures. We think it is impractical and unreasonable to believe that someone in a city centre will spend time searching between nearby PCBs to find the resilient one during an emergency when they can use a mobile phone instead.

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<sup>24</sup> [Retail market indicators | Ofgem](#)

<sup>25</sup> [Emergency Response Team - Civil Resilience & Incident Management | BT Plc](#)

<sup>26</sup> [Guidance: Protecting access to emergency organisations when there is a power cut at the customer's premises - Ofcom](#)

## 5 Requests for new PCBs

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**Question 4:** *“Do you agree with the proposed amendments to the conditions on BT and KCOM in respect of considering requests for new PCBs?”*

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We understand that a mechanism to install a new PCB is a required part of the universal service. However, we agree with Ofcom's conclusion *“that the circumstances in which a new PCB is likely to be necessary to meet end user needs is extremely limited”*. While we agree that the requirements should be updated to reflect this, we are concerned that the vague nature of Ofcom's current proposals will create confusion and potentially lead to new PCBs being installed and hardly ever used, at huge cost to the industry. The reality is that, even where there is an agreed reasonable need (i.e. no mobile coverage), PCB usage is still declining rapidly.

The minimum cost for installing a new PCB is around £8,000, but this could rise to more than £20,000 in remote locations if new telecommunications and power lines need to be laid. In order to justify such a large expense, there needs to be a very clear demonstration of reasonable need. In 2019, the Town and Country Planning Act (General Permitted Development) (England) Order (the “GDPO”) was amended to expressly exclude the installation of a public call box (Sch 2, Part 16, Class A, para A.1(10)). This would mean that, in England, even if an agreed reasonable need existed for a PCB, our ability to install one would be outside both ours and Ofcom's control, this restriction should be taken into account in any guidelines for considering new requirements for PCBs.

Ofcom have provided guidance on the reasonable need for a PCB through their proposed removal criteria and it seems appropriate to use these as a starting point when establishing a reasonable need for a new PCB. However, given the significant costs involved and the continued decline in PCB usage, we think that a requestor should also provide assurance that a reasonable need for a PCB will continue for an extended period of time (e.g. 10 years) after its installation. For this purpose, and because relevant circumstances are likely to be extremely limited, we think that Ofcom should restrict requests to relevant public bodies (who can accept representation from local citizens), acting as a guarantor to cover the cost of a PCB and its subsequent removal if it fails to meet the criteria for a reasonable need in the 10 years after its installation. Requiring a relevant public body to make such requests would also limit any conflict between Ofcom guidelines and planning regulations.

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## 6 Fax services

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**Question 5:** *“Do you agree that it is no longer appropriate for the universal service obligations to require provision of fax services in light of the impact of IP migration on the functionality of these services?”*

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We welcome Ofcom's proposal to remove the provision of fax services from the universal service obligations and agree that this is no longer appropriate in light of the impact of IP migration on these services.

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## 7 Itemised billing

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**Question 6:** *“Do you agree with our proposal to revoke the itemised billing requirement from the universal service conditions?”*

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We agree that obligations relating to itemised billing are suitably covered in the General Conditions and are therefore no longer required in the Universal Service Order.

## 8 Reporting and publication of quality of service information

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### Question 7: “Do you agree with our proposed reporting requirements on BT and KCOM?”

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We acknowledge Ofcom's desire to improve transparency in how we maintain our PCB estate. Our engineers service and repair other BT services as well as our PCBs and always prioritise faults which affect people's safety or leave them with no connectivity. We pro-actively visit over 60% of our PCBs twice a year<sup>27</sup> to inspect the equipment and ensure its safety.

Some PCBs can become a target for vandalism and anti-social behaviour; we think this is often as a result of them no longer being valued by their communities. A survey conducted by Populus for BT<sup>28</sup> found people value 'public payphones on the street' significantly less than access to other services such as 'personal mobile phones' or 'being able to take out a book for loan at a public library'. Our own data on PCB repairs reflects this too – for example PCBs in locations with mobile coverage are repaired around 50% more frequently than those in mobile coverage 'not-spots' (where their PCB is clearly of more value to the local community). As our PCB estate becomes more focussed on people's current, reasonable needs, we will spend less time repairing PCBs which are no longer valued and will be able to better focus our resources on keeping PCBs working where they are needed by their communities.

Ofcom propose a number of specific reporting metrics in relation to PCB maintenance. We have reviewed the data we currently collect about PCB faults and have commented on each metric below:

- a) **The total number of PCBs provided to meet obligations under the PCB universal service conditions**
  - We agree with the requirement to report this metric and note that (as discussed in Sec 2.5) this would only include Street Hubs where they have been used to directly replace a USO PCB.
- b) **Proportion of PCBs in working order (serviceability)**
  - We agree with continuing to provide serviceability data on our PCBs as we do currently. This is the % of PCBs able to make a chargeable call and excludes other payphones BT provides that are available at locations off the street e.g. at stations and airports. BT also provides free mobile and national calls from Street Hubs in cities and towns.
- c) **Number of PCBs reported as damaged or faulty**
  - We agree with Ofcom's proposal to report on the number of PCBs which are reported to us as damaged or faulty. This number will include all types of damage (e.g. anti-social behaviour), some of which do not make the PCB unusable or inaccessible.
    - For example, our data for the month of December 2021, shows that ~~10%~~ of our PCBs were reported as damaged or faulty.
- d) **Number of completed repairs to PCBs**
  - We disagree with Ofcom's proposal to report the number of completed repairs. At the point of reporting, there will always, inevitably be a gap between 'reported faults' and 'repaired faults' (i.e. those which have been recently reported and have not yet been fixed). We think reporting absolute numbers in this way gives an unfair reflection of our efforts and is potentially

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<sup>27</sup> All PCBs with external power require a safety check every six months. Our all IP migration will mean all PCBs will require external power in future.

<sup>28</sup> [Public-use-and-perceptions-of-payphones.pdf \(custhelp.com\)](#)

skewed by the timing of any reporting (e.g. there are generally more open faults during the winter).

- Instead, we propose reporting the 'average time taken to complete repairs to PCBs' – this would be calculated across all PCB faults reported to us which have been completed during the year and based on the time elapsed between the original report and completion. While some, complex, faults can take significantly longer to fix than others, there are also some external issues (e.g. power line faults) which are outside of our direct control. We feel that an average provides a good view of our response to PCB faults and provides an incentive to respond to these issues in a timely way.
  - For example, our data for the month of December 2021 shows that it took an average of **[X]** days to repair a PCB which was reported as being unusable or inaccessible.

**e) The number of protected PCBs removed, including the number that were removed following a request for review from a relevant public body (which was declined) and the number removed following a review decision**

**f) The number of protected PCBs that were subject to a consultation process and, where relevant, a review decision, but which BT or KCOM decided not to remove.**

- We recognise the need for oversight of the proposed changes to the removals process and propose that publishing the following information will provide a clear summary:
  - Total number of removal consultations conducted
  - Total number of PCBs removed following a consultation (where the public body accepted the final decision)
  - Total number of requests received for a review of BT's final decision
  - Total number of reviews conducted
  - Number of PCBs removed/kept after a review

We agree with Ofcom's proposal to require that this data is published every 12 months from 1 April to 31 March each year, with publication required within three months of the end of the relevant year. Given the additional metrics required, it is reasonable to reduce the frequency of reporting.

We also agree with Ofcom's proposal to require all relevant records to be kept for a minimum of six years. This is in line with our current practice and will make sure we are able to demonstrate compliance with the conditions.

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## 9 Other changes to tidy up the universal service conditions

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**Question 6:** *“Do you agree with our proposal to revoke the itemised billing requirement from the universal service conditions?”*

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We agree with Ofcom's proposals to tidy up the universal service conditions.

11 January 2022

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