



Marina Gibbs
Ofcom
Riverside House
2a Southwark Bridge Road
London
SE1 9HA

4 April 2016

Dear Marina

As requested by Ofcom, I am writing about the pricing arrangements that will apply once the current Leased Lines Charge Control (LLCC) concludes on 31st March 2016. I understand that the final LLCC Statement is unlikely to be published before April, with the next control commencing on 1st May 2016 at the earliest.

In order to provide continuity and remove uncertainty for our customers, BT Wholesale will commit not to increase prices covered by the TI charge control between 1st April and 30th June 2016 or the start of the next control if this occurs prior to 30th June 2016.

The overall principle we are prepared to commit to is for BT Wholesale and its customers to be in the same position as if the control had started on 1st April 2016 rather than the start date of the next LLCC (currently assumed to be 1st May 2016).

Our commitment is that we will set prices governed by the TI charge control during Financial Year 2016/17 so that the time-weighted average price during 2016/17 would be the same as if the LLCC had become effective on 1 April 2016 (taking account of both the Starting Charge Adjustment and the CPI-X control).

I understand that you are keen for the first price change of the new LLCC to occur without undue delay as this will achieve a greater level of price stability whilst ensuring customers have the benefit of any reduced prices in the new LLCC as soon as possible. To achieve this we will need to act quickly to implement the new prices and the provisions contained in paragraphs 9.30 to 9.34 of section 9 of the Draft Statement (Volume II) are essential to allow this to happen.

If it appears likely that the conclusion of the review will stretch beyond 1 July we will reconsider these interim pricing arrangements and will make further announcements in good time. Finally, in the event that there is a material change between the draft notice and the final Statement, or if the final Statement is withdrawn, suspended or amended, BT reserves the right to withdraw any voluntary commitments it has made without advance notice and without incurring any liability.

Yours sincerely

Theresa Brown
Director Regulatory Affairs
BT Wholesale
PP 6.37
Faraday Building
1 Knightrider Street
LONDON
EC4V 5BT

British Telecommunications plc
Registered Office:
81 Newgate Street LONDON EC1A 7AJ
Registered in England no. 1800000
BT is an ISO 9001 Registered Company

www.btwholesale.com