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Dear Anne

BT Basic and the Retail Price Index

When BT's social tariff BT Basic was introduced, BT gave a commitment that prices for inland geographic calls and rental on BT Basic would not rise above the annual retail prices index (RPI). This is set out in paragraph 3.26 of Ofcom's statement of 14 March 2006:

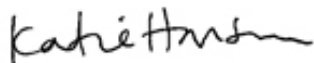
<http://stakeholders.ofcom.org.uk/binaries/consultations/uso/statement/statement.pdf>

As you may know, the Office of National Statistics recently removed the RPI's designation as a National Statistic because it had been found not to meet international standards and was considered to have an upwards bias (www.ons.gov.uk/ons/rel/mro/news-release/rpirecommendations/rpinewsrelease.html). We also note that the Consumer Prices Index (CPI) has replaced the RPI as the inflation index used to uprate benefits and pensions (www.parliament.uk/briefing-papers/SN05830/the-cpi-uprating-benefits-and-pensions).

Given this move away from the RPI, I am writing to ask if BT would be willing to revise its 2006 commitment so that it refers to the CPI rather than the RPI.

I look forward to hearing from you.

Yours sincerely



Katie Hanson

cc Chris Taylor, Director of Consumer Policy