

3/975/11/116

LICENCE GRANTED BY THE SECRETARY OF STATE FOR TRADE
AND INDUSTRY TO IONICA L3 LTD UNDER SECTION 7 OF THE
TELECOMMUNICATIONS ACT 1984

DE 099422(13)
DE 109407(SNS)

9 February 1993

£12.00

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LICENCE GRANTED TO IONICA L3 LTD TO RUN TELECOMMUNICATION
SYSTEMS UNDER SECTION 7 OF THE TELECOMMUNICATIONS ACT 1984

THE LICENCE

1 The Secretary of State, in exercise of the powers conferred on him by section 7 of the Telecommunications Act 1984 (hereinafter referred to as "the Act") and after consulting the Director hereby grants to Ionica L3 Ltd (hereinafter referred to as "the Licensee") a licence, for the period specified in paragraph 3, subject to the Conditions set out in the Schedule 1 and to revocation as provided for in paragraph 3 and in Schedule 2, to run telecommunication systems of every description within the United Kingdom ("the Applicable Systems") and authorises the Licensee to do all or any of the acts specified in Schedule 3.

2 The Telecommunications Code contained in Schedule 2 to the Act shall apply to the Licensee for all purposes except those not relating to the Applicable Systems and subject to the other exceptions and conditions set out in Schedule 4 for so long as this Licence is one to which section 8 of the Act applies.

Duration

3 This Licence shall enter into force on the date of signature and shall be of 25 years' duration in the first instance but, without prejudice to Schedule 2 to this Licence, shall be subject to revocation thereafter on ten years' notice in writing of such revocation and such notice shall accordingly not be given before the end of the fifteenth year after the granting of this Licence.

Interpretation

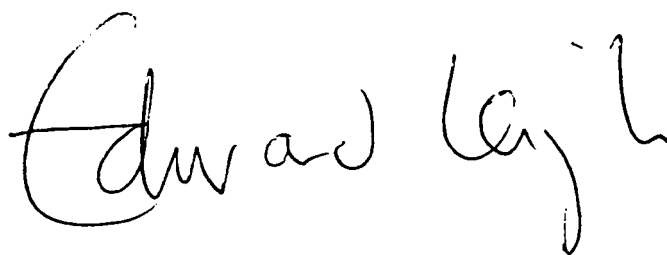
4 The Interpretation Act 1978 shall apply for the purpose of interpreting this Licence as if it were an Act of Parliament. In this Licence, except as hereinafter provided or unless the context otherwise requires, words or expressions shall have the meaning assigned to them and otherwise any word or expression shall have the same meaning as it has in the Act. For the purposes of interpreting this Licence, headings and titles shall be disregarded.

5 In this Licence, "Licence" means a licence granted or having effect as if granted under section 7 of the Act.

6 For the purposes of this Licence the "Applicable Systems" means any or all of the telecommunication systems run by the Licensee under this Licence unless the context otherwise requires.

7 Where this Licence provides for any power of the Secretary of State or the Director to give any direction or consent or make any specification, designation or determination, it implies, unless the contrary intention appears, a power, exercisable in the same manner and subject to the same conditions or limitations, to revoke, amend or give or make again any such direction, consent, specification, designation or determination.

8 Any notification which is required to be given under this Licence by the Secretary of State or the Director shall be satisfied by serving the document by post on the Licensee at the Licensee's registered office.

A handwritten signature in cursive script, reading "Edward Leigh". The signature is written in dark ink on a white background.

Parliamentary Under Secretary of State
for Trade and Technology

9 February 1993

SCHEDULE 1: CONDITIONS INCLUDED UNDER SECTION 7 OF THE ACT

PART 1: DEFINITIONS AND INTERPRETATION

1 In this Schedule unless the context otherwise requires:

- (a) "Applicable Terminal Equipment" means apparatus which is applicable terminal equipment within the meaning of regulation 4 of the Telecommunications Terminal Equipment Regulations 1992;
- (b) "Approved Apparatus" means in relation to any system apparatus approved under section 22 of the Act for connection to that system;
- (c) "Call Box" means any kiosk, booth, acoustic hood, shelter or similar structure at which apparatus is installed for the provision of voice telephony services to the public or a class of the public together with such apparatus;
- (d) "Call Box Services" means the installation, repair and maintenance of Call Boxes, the service of conveying by means of the Applicable Systems voice telephony messages to and from such Boxes, directory information services relating to switched voice telephony services available at such Boxes and Public Emergency Call Services so available;
- (e) "Call Office" means telecommunication apparatus not supplied by the Licensee to any particular person but made available for use by the public or a class of the public;
- (f) "Chatline Service" means a service which consists of or includes the enabling of more than two persons ("the Participants") simultaneously to conduct a telephone conversation with one another without either:
 - (i) each of them having agreed with each other; or
 - (ii) one or more of them having agreed with the person enabling such a telephone conversation to be conducted,

in advance of making the call enabling them to engage in the conversation the respective identities of the other intended Participants or the telephone numbers on which they can be called, provided that a service by which one or more additional persons who are known (by name or telephone number) to one or more of the parties conducting an established telephone conversation can be added to that conversation by means of being called by one or more such parties is not on that account a Chatline Service if it would not

otherwise be regarded as such a service;

- (g) "Compatibility" means that between the parties concerned there is no reasonably foreseeable risk of:
 - (i) duplication of any Number; or
 - (ii) any other related effect,
 such as would introduce ambiguity or errors or impose undue restrictions on any user or group of users;
- (h) "Compliant Terminal Equipment" means Applicable Terminal Equipment which satisfies the requirements of regulation 9 of the Telecommunications Terminal Equipment Regulations 1992;
- (i) "Condition" means a Condition in this Schedule;
- (j) "Connectable System" means a telecommunication system which is authorised to be run under a Licence which authorises connection of that system to the Applicable Systems;
- (k) "Connection Service" means a telecommunication service consisting in the conveyance of any Message which has been, or is to be, conveyed by means of the Applicable Systems;
- (l) "Controlled Service" means:
 - (i) a Chatline Service; or
 - (ii) a Live Conversation Message Service;
- (m) "Dwelling-House" has the same meaning as in section 202 of the Broadcasting Act 1990;
- (n) "Emergency" means an emergency of any kind, including any circumstance whatever resulting from major accidents, natural disasters and incidents involving toxic or radio-active materials;
- (o) "Emergency Organisations" means in respect of any locality:
 - (i) the relevant public police, fire, ambulance and coastguard services for that locality; and
 - (ii) any other similar organisation in respect of which any public telecommunications operator licensed to operate in the locality in question is providing a Public Emergency Call Service on the day on which this Licence enters into force;

- (p) "Essential Interface" means in respect of a Point of Connection an interface at which in the opinion of the Director it is essential that interoperability between the Applicable Systems and the respective Operator's systems is available;
- (q) "Exchange Line" means telecommunication apparatus (within the meaning of Schedule 2 to the Act) comprised in the Applicable Systems and installed for the purpose of connecting a telephone exchange run by the Licensee to a Network Termination Point comprised in Network Termination and Testing Apparatus installed by the Licensee for the purpose of providing voice telephony services at the premises at which the Network Termination and Testing Apparatus is located;
- (r) "Group" means a parent undertaking and its subsidiary undertaking or undertakings within the meaning of Section 258 of the Companies Act 1985 as substituted by section 21 of the Companies Act 1989; and the "Licensee's Group" means a Group in respect of which the Licensee is either a parent undertaking or a subsidiary undertaking;
- (s) "International Private Leased Circuit" means a communication facility which is:
 - (i) comprised both in a public telecommunication system and in an equivalent telecommunication system in a country or territory other than the United Kingdom;
 - (ii) for the conveyance of Messages between points, all of which are points of connection between telecommunication systems referred to in paragraph 1(s)(i) and other telecommunication systems;
 - (iii) made available to a particular person or particular persons;
 - (iv) such that all of the Messages transmitted at any of the points mentioned in paragraph 1(s)(ii) are received at every other such point; and
 - (v) such that the points mentioned in paragraph 1(s)(ii) are fixed by the way in which the facility is installed and cannot otherwise be selected by persons or apparatus sending Messages by means of that facility;
- (t) "International Simple Data Resale Services" means telecommunication services consisting in the conveyance of Messages which do not include two-way live speech, but include only such switching,

processing, data storage or protocol conversion as is necessary for the conveyance of those Messages in real time, which have been or are to be conveyed by means of all of the following:

- (i) a Public Switched Network;
- (ii) an International Private Leased Circuit; and
- (iii) the equivalent of a Public Switched Network in another country or territory;

provided that there shall be disregarded:

- (1) any service provided by means of a Public Switched Network consisting only in such conveyance and switching which when carried out by a customer of that Public Switched Network over a telecommunication system run by him could be carried out under the Class Licence for the Running of Self Provided Telecommunication Systems granted by the Secretary of State under section 7 of the Telecommunications Act 1984 on 30 July 1992; and

- (2) any service provided by means of the Applicable Systems consisting only in such conveyance and switching which when carried out by a person other than a public telecommunications operator over a telecommunication system run by him could be carried out under the Class Licence to Run Branch Systems to Provide Telecommunication Services granted by the Secretary of State under section 7 of the Telecommunications Act 1984 on 15 July 1992;

- (u) "International Simple Voice Resale Services" means telecommunication services consisting in conveyance of Messages which include two-way live speech which have been or are to be conveyed by means of all of the following:

- (i) a Public Switched Network;
- (ii) an International Private Leased Circuit; and
- (iii) the equivalent of a Public Switched Network in another country or territory;

provided that there shall be disregarded:

- (1) any service provided by means of a Public Switched Network consisting only in such conveyance and switching which when carried out by a customer of that Public Switched Network

over a telecommunication system run by him could be carried out under the Class Licence for the Running of Self Provided Telecommunication Systems granted by the Secretary of State under section 7 of the Telecommunications Act 1984 on 30 July 1992; and

- (2) any service provided by means of the Applicable Systems consisting only in such conveyance and switching which when carried out by a person other than a public telecommunications operator over a telecommunication system run by him could be carried out under the Class Licence to Run Branch Systems to Provide Telecommunication Services granted by the Secretary of State under section 7 of the Telecommunications Act 1984 on 15 July 1992;

(v) "Live Conversation Message Service" means a Message Service (other than a directory information service) which consists in the provision of live telephone conversation for any purpose, whether or not including the provision of information of any kind:

- (i) between the person providing the service (or a person acting on his behalf) and a person who obtains the service; or
- (ii) between a person who has independently called the service for the purpose of conducting a telephone conversation with one other such person, and such another person,

and, for the avoidance of doubt, it does not include a service provided by a human operator of the Licensee which is incidental to the conveyance of a voice telephony message;

(w) "Long Line Public Telecommunications Operator" means a public telecommunications operator who is authorised by a Licence to provide telecommunication services consisting in the conveyance of Messages by fixed links run by that operator over distances greater than 50 linear kilometres;

(x) "Major Office" means the Licensee's registered office and such other offices as the Director, having consulted the Licensee, may direct;

(y) "Message" means anything falling within paragraphs (a) to (d) of section 4(1) of the Act;

(z) "Message Service" means a service which consists of, or includes, the sending of speech, music or other sounds or signals to any person who obtains access to

that service by means of a Public Switched Network;

- (aa) "Minimum Figure" means £185 per annum or such other amount as the Director and the Licensee may agree for the time being in respect of any Call Box or any description of Call Boxes, after consultation with the advisory bodies established by the Secretary of State under section 54(1) of the Act;
- (ab) "Network Connecting Apparatus" means telecommunication apparatus comprised in the Applicable Systems which is not Network Termination and Testing Apparatus and is connected to another telecommunication system;
- (ac) "Network Termination and Testing Apparatus" means an item of telecommunication apparatus comprised in the Applicable Systems installed in a fixed position on Served Premises which enables:

- (i) Approved Apparatus to be readily connected to, and disconnected from, the Applicable Systems;
- (ii) the conveyance of Messages between such Apparatus and the Applicable Systems; and
- (iii) the due functioning of the Applicable Systems to be tested,

but the only other functions of which, if any, are:

- (1) to supply energy between such Apparatus and the Applicable Systems;
- (2) to protect the safety or security of operation of the Applicable Systems; or
- (3) to enable other operations exclusively related to the running of the Applicable Systems to be performed or the due functioning of any system to which the Applicable Systems are or are to be connected to be tested (separately or together with the Applicable Systems);

- (ad) "Network Termination Point" means any point:

- (i) within an item of Network Connecting Apparatus at which energy of any of the forms specified in section 4(1) of the Act is conveyed directly to or from apparatus comprised in a telecommunication system other than one in which that Network Connecting Apparatus is comprised; or
- (ii) within an item of Network Termination and Testing Apparatus at which such energy is conveyed directly to any Relevant Terminal

Apparatus;

- (ae) "Number" means any identifier which would need to be used in conjunction with any public switched service for the purposes of establishing a connection with any Network Termination Point, user, telecommunication apparatus connected to any Public Switched Network or service element, but not including any identifier which is not accessible to the generality of users of a public switched service;
- (af) "Numbering Plan" means a plan describing the method adopted or to be adopted for allocating and re-allocating a Number to any Network Termination Point, user, telecommunication apparatus or service element;
- (ag) "Operator" means any person who is authorised by a Licence to run a Relevant Connectable System;
- (ah) "Parent Undertaking" has the meaning given to it in section 258 of the Companies Act 1985 as substituted by section 21 of the Companies Act 1989;
- (ai) "Point of Connection" means a point at which the Applicable Systems and an Operator's system are connected;
- (aj) "Prepayment Apparatus" means telecommunication apparatus which has as its function, or one of its functions, the automatic enabling of Messages to be transmitted or received on the prior provision of consideration by means of the insertion of cash, or tokens, or cards, or by similar means;
- (ak) "Private Call Box" means a Call Box owned by or supplied to a person other than the Licensee or another public telecommunications operator at which Call Box Services are or may be provided;
- (al) "Private Leased Circuit" means a communication facility which is:
 - (i) provided by means of one or more public telecommunication systems;
 - (ii) for the conveyance of Messages between points, all of which are points of connection between telecommunication systems referred to in paragraph 1(al)(i) and other telecommunication systems;
 - (iii) made available to a particular person or particular persons;
 - (iv) such that all of the Messages transmitted at any of the points mentioned in paragraph

1(al)(ii) are received at every other such point; and

- (v) such that the points mentioned in paragraph 1(al)(ii) are fixed by the way in which the facility is installed and cannot otherwise be selected by persons or telecommunication apparatus sending Messages by means of that facility;
- (am) "Public Call Box" means a Call Box to which the public has access at all times which is neither a Private Call Box nor a Temporary Call Box and at which Call Box Services are or may be provided;
- (an) "Public Emergency Call Services" means a telecommunication service by means of which any member of the public may, at any time and without incurring any charge, by means of any item of telecommunication apparatus which is lawfully connected to the Applicable Systems and which is capable of transmitting and receiving unrestricted two way voice telephony services when so connected, communicate as swiftly as practicable with any of the Emergency Organisations for the purpose of notifying them of an Emergency;
- (ao) "Public Switched Network" means a public telecommunication system by means of which two-way telecommunication services are provided whereby Messages are switched incidentally to their conveyance, and, for the avoidance of doubt, a Public Switched Network does not include Private Leased Circuits or International Private Leased Circuits.
- (ap) "Relevant Apparatus" means any apparatus which is, or is to be, connected to any of the switched Applicable Systems;
- (aq) "Relevant Applicable System" means that part or those parts of the Applicable Systems used by the Licensee for the purpose of providing a Value Added Or Data Service but only to the extent that it is or they are so used;
- (ar) "Relevant Company" means:
 - (i) the Licensee; or
 - (ii) a Parent Undertaking in relation to the Licensee;
- (as) "Relevant Connectable System" means a Connectable System which is authorised to be run under a Licence which authorises the provision by means of that system of Connection Services for reward to the general

- (i) the running of the Applicable Systems except where such running is part of the Supplemental Services Business; and
 - (ii) the installation, maintenance, adjustment, repair, alteration, moving, removal or replacement of any apparatus comprised or to be comprised in the Applicable Systems where those activities are not part of the Supplemental Services Business;
- (bf) "Telephone" means an item of telecommunication apparatus capable when connected to the Licensee's public switched system, of transmitting and receiving uninterrupted simultaneous two way speech conveyed, or as the case may be to be conveyed, by means of the Applicable Systems;
- (bg) "Temporary Call Box" means a Call Box run by the Licensee which is mobile or is installed for a limited period or is permanently installed but at which Call Box Services are provided to the public or a class of the public for limited periods of time; and
- (bh) "Value Added Or Data Service" means any telecommunication service consisting in the conveyance by means of the Applicable Systems of Messages, other than:
- (i) the conveyance of television programmes or sound programmes or both comprised in services that require to be licensed under the Broadcasting Act 1990 for delivery or subsequent delivery to two or more Dwelling-Houses; and
 - (ii) a telecommunication service where it is provided to a person other than a member of the Licensee's Group and which forms the whole or part of a service, provided by means of the Applicable Systems, the only substantial element of which is conveyance of live speech or telex Messages.

2 Any reference in any Condition in this Schedule, however expressed, to the Director notifying the Licensee about any matter, affording the Licensee an opportunity to make representations, taking representations by the Licensee into account, or explaining, or giving reasons for, any matter to the Licensee, shall be without prejudice to any obligation of due process or similar obligation which the Director is or may be under by virtue of any rule or principle of law or otherwise.

3 Expressions cognate with those referred to in this Schedule shall be construed accordingly.

PART 2: SPECIAL CONDITIONS REFERRED TO IN SECTION 8 OF THE ACT

Condition 1

REQUIREMENTS TO PROVIDE TELECOMMUNICATION SERVICES

1.1 If:

- (a) the Licensee has become, in the opinion of the Director, a well established operator in the provision of any telecommunication service of a particular description in the United Kingdom or within any part or locality thereof; and
- (b) the arrangements made by the Licensee are inadequate to secure the availability of such a service within the United Kingdom or within that part or locality thereof to any person who may reasonably request it,

the Director may direct the Licensee to install, keep installed and run the Applicable Systems in such a way as to secure that such a service is available from the Licensee in the United Kingdom or within that part or locality thereof to any person who may reasonably request it and the Licensee shall comply with any such direction.

1.2 The Licensee shall, on and following the date seven years after the date on which this Licence enters into force, install, keep installed and run the Applicable Systems in such a way as to:

- (a) provide or offer to provide voice telephony services in an area where 75% of the United Kingdom population live; and
- (b) ensure that all reasonable demands for the provision by the Licensee of such services in that area are capable of being satisfied.

1.3 In this Condition, "well established operator" means that the Licensee has 25% or more of what is in the opinion of the Director the relevant market.

public, or any class of the general public, not being a system:

- (i) authorised to be run under a Licence granted to all persons or persons of any class; and
- (ii) for the connection of which, and for the provision of matters necessary for such connection, the Licensee offers standard terms and conditions which satisfy the requirements of Condition 5 of Schedule 1,

and not being a system which the Director has determined ought not to be deemed a Relevant Connectable System for the purposes of this Licence;

(at) "Relevant Consumer Body" means either:

- (i) a body recognised by the Secretary of State under section 27 of the Act, after consultation with the Licensee, as representing the interests of consumers and other users of such telecommunication services or apparatus; or
- (ii) an advisory body established by the Secretary of State under section 54(1) of the Act;

(au) "Relevant Local Authority" means the smallest unit of local authority for the area where the Public Call Box is located;

(av) "Relevant System" means a Connectable System which is, or is to be, connected to any of the switched Applicable Systems;

(aw) "Relevant Terminal Apparatus" means:

- (i) "Terminal Apparatus" that is to say any telecommunication apparatus installed on Served Premises by means of which Messages are initially transmitted or ultimately received except a Call Office; and
- (ii) any other telecommunication apparatus directly connected to Terminal Apparatus (including apparatus which is Terminal Apparatus by virtue of this paragraph) which would, if it were run with such Terminal Apparatus and any other apparatus by means of which it is so connected, constitute a system authorised to be run by the person running that Terminal Apparatus under a Licence;

(ax) "Revenue", in relation to services provided at any Public Call Box, means the actual amounts received by the Licensee in respect thereof, together with a

notional sum equal to 25 per cent (or such other percentage as the Director and the Licensee may agree for the time being) of the aggregate of such amounts representing revenue earned in respect of transfer charge, credit and similar facilities provided at that Call Box and of services provided and paid for elsewhere which involve conveyance of Messages to that Call Box;

- (ay) "Served Premises" means a single set of premises in single occupation where apparatus has been installed for the purpose of the provision of telecommunication services by means of the Applicable Systems at those premises;
- (az) "Shares" has the meaning given to it in section 259(2) of the Companies Act 1985 and the term "Shareholding" is to be construed accordingly;
- (ba) "Specified Numbering Scheme" means a scheme for the allocation and re-allocation of Numbers for the purposes of any of the switched Applicable Systems and the systems of other licensed operators which is specified by the Director for the purpose of this Licence and described in a list kept for that purpose by him and made available by him for public inspection;
- (bb) "Subscriber" means a person (other than a public telecommunications operator) to whom there are provided switched voice telephony services by means of the Applicable Systems;
- (bc) "Subsidiary" has the meaning given to it in section 736 of the Companies Act 1985, as substituted by section 144(1) of the Companies Act 1989;
- (bd) "Supplemental Services Business" means the following activities of the Licensee taken together:
 - (i) the provision in the United Kingdom by the Licensee of Value Added Or Data Services;
 - (ii) the installation, maintenance, adjustment, repair, alteration, moving, removal or replacement of any apparatus used solely to provide a Value Added Or Data Service; and
 - (iii) the conveyance of Messages by means of any Relevant Applicable System;
- (be) "Systems Business" means the following activities of the Licensee or of any wholly owned Subsidiary to the extent that they are undertaken in the United Kingdom taken together:

DIRECTORY INFORMATION

2.1 Subject to paragraph 2.5, the Licensee shall:

- (a) on receiving a request from a Subscriber, provide to that Subscriber a directory information service in respect of any other Subscriber; and
- (b) on the written request of any person in the United Kingdom supply to that person such directories as the Licensee, for the purpose of facilitating the use by others of any switched telecommunication service it provides by means of the Applicable Systems, publishes and makes available generally to persons to whom it provides those services.

2.2 Subject to paragraph 2.5, where the Licensee provides voice telephony services by means of the Applicable Systems that are connected to another public telecommunication system in the United Kingdom by means of which switched voice telephony services are provided ("the Other System"), it shall:

- (a) to the extent that the operator of the Other System makes available directory information to the Licensee and to persons to whom that operator provides voice telephony services, take all reasonable steps to ensure that Subscribers can obtain such directory information;
- (b) supply to the operator of the Other System directory information about Subscribers (whether by providing directories of the kind described in paragraph 2.1(b), by providing on-line access to an electronic database of the Licensee containing names, addresses and telephone numbers, or by providing all the relevant contents of that database in machine readable form), for the purpose of enabling that operator itself to provide such directory information and to route calls; directory information so supplied shall be in a form that is sufficient to meet any reasonable request of that operator for those purposes, having regard in particular to the cost to the Licensee, and the desirability of that operator being able to use complete and up to date directory information; and
- (c) where the operator of the Other System requests the Licensee in accordance with paragraph 2.2(b) to provide access to an electronic database, the Licensee shall grant such access on reasonable terms (which may include recovery of fully allocated costs and a reasonable return on capital employed) provided that:

- (i) that operator undertakes to use the information only to provide directory information services or to route calls; and
- (ii) the provision by the Licensee of such information is not unlawful and the Licensee is not in particular required to do anything contrary to the Data Protection Act 1984.

2.3 Subject to paragraph 2.5, where the Applicable Systems are connected to a public telecommunication system that in turn is connected to a telecommunication system outside the United Kingdom used to provide voice telephony services ("the Third System"), the Licensee shall supply to Subscribers information about how they may avail themselves of the directory information service provided in respect of the Third System, and shall take all reasonable steps to secure that that can be done.

2.4 The directory information service provided by the Licensee under paragraphs 2.1(a) and 2.3 and the information made available under paragraph 2.2(a) shall include a service or information as the case may be satisfactory to the Director whereby directory information is made available in a form which is appropriate to meet their needs to persons who are so blind or otherwise disabled as to be unable to use a telephone directory in a form in which it is generally available to persons to whom the Licensee provides services; and the service so provided to such persons shall from the date on which this Licence enters into force be provided free of charge or, if the Director is satisfied that that is not practicable, the Licensee shall provide, in accordance with arrangements agreed with the Director, appropriate reasonable compensation in respect of charges that are paid.

2.5 The obligations in paragraphs 2.1 and 2.2 shall not apply when the directory information requested relates to a person who has requested the Licensee or the operator of the connected telecommunication system not to provide such information in relation to him.

2.6 This Condition is without prejudice to Condition 5.

PUBLIC EMERGENCY CALL SERVICES

3.1 The Licensee shall ensure, except to the extent that the Director determines is not reasonably practicable, that both the numbers 999 and 112 are available as emergency call numbers so that any member of the public by dialling either the number 999 or the number 112 on telecommunication apparatus which is lawfully connected to the Applicable Systems at any place in the United Kingdom and which is capable of transmitting and receiving unrestricted two way voice telephony services when so connected is provided with a Public Emergency Call Service.

3.2 Where the Director has made a determination in accordance with paragraph 3.1 the Licensee shall take all reasonable steps to ensure that persons to whom there are provided by means of the Applicable Systems services which do not include a Public Emergency Call Service are notified in writing that the services so provided do not include a Public Emergency Call Service.

3.3 For the purposes of this Condition telecommunication apparatus shall be regarded as capable of transmitting and receiving unrestricted two way voice telephony services only if it is capable of both:

- (a) transmitting for conveyance by means of an Applicable System specific signals designated by the Licensee for the purpose of establishing communication with voice telephony apparatus controlled by the Emergency Organisations; and
- (b) transmitting and receiving uninterrupted simultaneous two way speech to be conveyed, or as the case may be conveyed, by means of that Applicable System.

3.4 In this Condition, the United Kingdom does not include any area to which the Act is extended under section 107.

PLANNING AND IMPLEMENTATION OF SPECIAL ARRANGEMENTS FOR
EMERGENCIES

4.1 The Licensee shall, after consultation with the authorities responsible for Emergency Organisations and such departments of central and local government as the Director may from time to time determine and whose names are notified to the Licensee by him for the purpose, make plans or other arrangements for the provision or, as the case may be, the rapid restoration of such telecommunication services as are practicable and may reasonably be required in Emergencies.

4.2 The Licensee shall, on request by any such person as is designated for the purpose in the relevant plans or arrangements, implement those plans or arrangements insofar as it is reasonable and practicable to do so.

4.3 Nothing in this Condition precludes the Licensee from:

- (a) recovering the costs which it incurs in making or implementing any such plans or arrangements from those on behalf of or in consultation with whom the plans or arrangements are made; or
- (b) making implementation of any plans or arrangement conditional upon the person or persons for whom or on whose behalf that plan or arrangement is to be implemented indemnifying the Licensee for all costs incurred as a consequence of the implementation.

REQUIREMENT TO PROVIDE CONNECTION SERVICES

5.1 Without prejudice to Condition 2 and subject to the following provisions of this Condition the Licensee shall, unless it is impracticable to do so, enter into an agreement with an Operator if that Operator requires it to do so:

- (a) to connect, and keep connected, to the Applicable Systems, or to permit to be so connected and kept connected, any Relevant Connectable System run by the Operator and accordingly to establish and maintain such one or more Points of Connection as are reasonably required and are of sufficient capacity and in sufficient number to enable Messages conveyed or to be conveyed by means of the Operator's system to be conveyed by means of the Applicable Systems in such a way as conveniently to meet all reasonable demands for the conveyance of Messages between the Relevant Connectable System and the Applicable Systems;
- (b) without prejudice to paragraph 5.1(a), where the Operator is a Long Line Public Telecommunications Operator, to establish and maintain such Points of Connection as will enable persons running telecommunication systems connected to the Operator's system and persons running telecommunication systems connected to the Applicable Systems to exercise freedom of choice as to the extent to which Messages are conveyed by means of the Applicable Systems and in routing Messages so conveyed; and
- (c) to provide such other telecommunication services (including the conveyance of Messages which have been, or are to be, transmitted or received at such Points of Connection), information and other services as the Director determines are reasonably required (but no more than reasonably required) to secure that Points of Connection are established and maintained and to enable the Operator effectively to provide the Connection Services which he provides or proposes to provide.

5.2 The Licensee shall not be obliged under paragraph 5.1 to enter into an agreement to do anything if:

- (a) in the opinion of the Licensee it would be liable to cause the death of or personal injury to, or damage to the property of, the Licensee or any person engaged in the Licensee's business, or materially to impair the quality of any telecommunication service provided by means of the Applicable Systems or any telecommunication system (other than the Operator's system) connected thereto and the Director has not

expressed a contrary opinion; or

(b) in the opinion of the Licensee:

- (i) it would require an adjustment to, or modification of, the Applicable Systems whether by incorporation of apparatus or otherwise or the provision by the Licensee of services or information which in any particular case would not be reasonably required; or
- (ii) it would not be reasonably practicable to require the Licensee to do that thing, or permit it to be done, at the time or in the manner required by the Operator, having regard to the state of technical development of the Applicable Systems or any other relevant matter,

and the Director has not expressed a contrary opinion.

5.3 The Licensee may require that an agreement to be entered into under paragraph 5.1 should be subject to terms and conditions, but only such terms and conditions as are permitted in relation to that agreement in accordance with paragraphs 5.4, 5.5 and 5.7.

5.4 Subject to paragraphs 5.5 and 5.7, terms and conditions are permitted if they are agreed between the Operator and the Licensee and relate to all or any of the following matters:

- (a) the charges to be paid by the Operator for anything done under an agreement of the kind described in paragraph 5.1 or as a result of such agreement;
- (b) the method adopted or to be adopted to make or maintain the connection;
- (c) the Points of Connection in the Applicable Systems at which the connection is or is to be made (including arrangements for determining the point at which Messages will be transferred from one system to another and arrangements for conveying and rerouting Messages in cases of Emergency or difficulty);
- (d) any restrictions on the telecommunication services to be provided by the Licensee or the Operator being restrictions needed to satisfy international obligations or recommendations applying to and accepted by Her Majesty's Government or to which the Director consents from time to time;
- (e) the time when and period for which the Licensee or the Operator is to be obliged to do anything or to permit anything to be done and any arrangements for reviewing

the terms and conditions of the agreement;

- (f) the form and manner in which Messages are to be transmitted or received at the Points of Connection including arrangements for numbering and the use of appropriate call progress tones and announcements;
- (g) the means of securing that any Message will be received by means of the connection with a signal quality which is in accordance with any obligations and recommendations of the International Telecommunication Union which apply to Her Majesty's Government and are accepted by them or with any other standard to which the Director consents for the purpose from time to time;
- (h) arrangements for charging customers and others in respect of Messages conveyed by virtue of the agreement;
- (i) arrangements for Messages conveyed or to be conveyed outside the United Kingdom;
- (j) provision by the Operator of a reasonable indemnity against any loss or damage sustained by the Licensee in consequence of the agreement in circumstances where the Licensee provides to the Operator an equivalent indemnity; and
- (k) any other matter of which the Director is satisfied that account should be taken in the special circumstances of any particular case or which is agreed between the Licensee and the Operator.

5.5 If after a period which appears to the Director to be reasonable for the purpose the Licensee has failed to enter into an agreement as required by the Operator under paragraph 5.1 then the Director shall, on the application of the Operator or the Licensee, determine the permitted terms and conditions for the purpose of that agreement which have not been agreed between the Licensee and the Operator being terms and conditions relating to the matters mentioned in paragraph 5.4 which appear to the Director reasonably necessary (but no more than reasonably necessary) to secure:

- (a) that the cost of anything done pursuant to or in connection with the agreement including fully allocated costs attributable to the services to be provided and taking into account relevant overheads and a reasonable rate of return on attributable assets is apportioned equitably between the Licensee and the Operator;
- (b) that the Licensee is properly indemnified against any liabilities to third parties or damage to the Applicable Systems or loss arising from such damage

which may result from the performance of the agreement;

- (c) that the Licensee is reasonably able in all the circumstances (including its obligations and reasonably foreseeable obligations to permit other Operators to provide services by means of points of connection under this Condition) to finance the other services which it is required by this Licence to provide and to recover costs which are incurred for the provision of those other services or are necessarily incidental thereto;
- (d) that the quality of any telecommunication services provided by means of the Applicable Systems and any systems (other than the Operator's system) connected thereto is maintained;
- (e) that the requirements of fair competition are satisfied;
- (f) that proper account is taken of any other matter reasonably required for the protection of the interests of the Licensee to the extent that no interest of the Operator is unduly prejudiced, including the need to ensure:
 - (i) that arrangements for connection accord with good engineering principles and practice;
 - (ii) that the commercial development of the Applicable Systems is not unduly impeded;
 - (iii) that charging arrangements take account of the overall pattern of the Licensee's costs;
 - (iv) that Messages which originate on one system and are conveyed by another should pass through a Point of Connection as near as reasonably practicable to the place from which they are initially sent or at which they are ultimately received;
 - (v) that the Operator does not rely unduly upon services provided by the Licensee as a means of satisfying his own obligations under his Licence;
 - (vi) that the Licensee's obligations to the Operator are determined having due regard to its obligations and reasonably foreseeable obligations to establish Points of Connection for others;
 - (vii) that arrangements made under this Condition are so far as circumstances allow in as similar a

form as practicable notwithstanding the variety of Operators entitled to such arrangements under this Condition;

- (viii) that commercial and confidential information of the Licensee is properly protected; and
- (ix) that the technical evolution and numbering arrangements of the Applicable Systems are not unreasonably constrained; and
- (g) that without prejudice to paragraph 5.6 the Licensee may be required to carry out any work which the agreement requires it to carry out within an appropriate period of time having regard to all the circumstances which would be reasonable for an efficient telecommunications operator who was not required to give the particular work priority over work for the Licensee's customers generally.

5.6 Where in pursuance of such an application as is referred to in paragraph 5.5 the Director determines any charge (or the means of calculating any charge) payable in respect of the establishment of a connection between the Applicable Systems and the system of the Operator, he shall do so in accordance with the following provisions:

- (a) any costs incurred in the establishment of such a connection, including (without limitation) the provision of dedicated capacity at a Point of Connection, but not transmission capacity, shall be shared between the parties according to the proportions in which each of them will bill the customers originating calls which are to be conveyed over the point of connection. These proportions shall be derived from forecasts by each party of the capacity required to convey those calls for which the respective parties will bill customers originating them. These costs shall be assessed on the basis of:
 - (i) the Licensee's or the Operator's respective fully allocated costs of the establishment of the connection including a reasonable contribution to relevant overheads; and
 - (ii) the application to relevant capital employed of a reasonable rate of return on attributable assets;
- (b) any determination of any charge (or the means of calculating the same) to be payable under paragraph 5.6(a) may include a provision that no such charge shall be payable where the party imposing the charge fails to provide the connection within six months (or such longer period as the Licensee and the Operator may agree) of the date of the request therefor,

provided that this provision shall not apply in any particular case unless it is reasonable in all the circumstances for it to apply. It shall be deemed not to be reasonable if:

- (i) it was not reasonably practicable for any reason, for the first party to provide the connection in time;
 - (ii) the other party's request for the connection was unreasonable in quantum having regard to its current and future needs; or
 - (iii) in order to comply with the time period the Licensee would have had to give priority to making the connection beyond that given to its own customers generally;
- (c) the period referred to in paragraph 5.6(b) shall be extended by such period as equates to or, if there is no period that equates, as is reasonably commensurate with, delays attributable to any default or lack of co-operation by the Operator, or to force majeure of any kind; and
- (d) where one party has in pursuance of a provision in the agreement, required the other party to provide a connection and subsequently cancels the order, it shall reimburse the other party for all costs (assessed on the basis of that party's fully allocated costs, together with a reasonable rate of return on attributable assets) incurred by the other party in the provision of the connection up to the date of cancellation.

5.7 Where the Licensee is required to enter into an agreement to do anything under paragraph 5.1(b) the permitted terms and conditions may relate to all or any of the matters mentioned in paragraph 5.4 but in determining the terms and conditions in the event of failure to agree, under paragraph 5.5 the Director shall have regard to (in addition to the matters specified in paragraph 5.5) the need to ensure:

- (a) that, insofar as any freedom of choice is conferred upon persons running telecommunication systems connected to the Operator's system as to the extent to which Messages are conveyed by means of the Applicable Systems and in routing messages so conveyed, a corresponding freedom of choice is conferred so far as reasonably practicable on persons running telecommunication systems connected to the Licensee's system; and
- (b) that the requirements of fair competition, including the need for those to whom telecommunication services are provided to have a reasonable means of learning by

whom the Messages sent by them are conveyed, are satisfied,

but paragraph 5.5 shall have effect for this purpose with the omission of paragraph 5.5(f)(iv).

5.8 The Licensee shall not be obliged to enter into any agreement under paragraph 5.1 if he refuses to do so, giving his reasons in writing to the Operator and to the Director, and the Director determines that those reasons are proper ones having regard to the matters mentioned in paragraph 5.5.

5.9 Where:

- (a) an agreement has been entered into under paragraph 5.1 but for any reason (whether breach of that agreement or otherwise) anything which the Licensee is required to do under the agreement is not being done;
- (b) the Director considers that that thing ought to be done in order to ensure that a connection made pursuant to that agreement is maintained or that a connection is established pursuant to that agreement, and that Messages are conveyed by means of the connection in accordance with the agreement; and
- (c) the Director is satisfied that the Operator is not able satisfactorily to enforce the agreement so that that thing is done within such time as the Director considers necessary,

then, if the Director so directs, the Licensee shall do that thing subject to such conditions as the Director determines to be reasonable in the circumstances, having regard, in particular, to the permitted terms and conditions which apply and to any thing which he may reasonably require the Operator to do in order to mitigate the effects of the Licensee's failure to do the thing which he is required to do.

5.10 Where:

- (a) an Operator establishes a prima facie case that the Licensee is unreasonably not performing an obligation which he is required to perform under an agreement entered into under paragraph 5.1;
- (b) the Director considers that:
 - (i) the obligation ought to be performed in order to achieve the purposes of paragraph 5.1;
 - (ii) the Operator is not able satisfactorily to enforce the agreement so that the obligation is performed within such time as the Director considers necessary and the balance of convenience requires the Director to take

action under this paragraph rather than leave it to the Courts; and

- (iii) the Operator has performed all its obligations which are relevant to the Licensee's obligation that is allegedly not being performed; and

- (c) paragraph 5.9 does not apply,

the Director may require the Licensee to perform the obligation subject to such conditions as are reasonable in the circumstances having regard, in particular, to the permitted terms and conditions which apply and to anything which the Operator may reasonably be expected to do in order to mitigate the effects of the Licensee's failure to perform its obligation.

5.11 Before making a requirement under paragraph 5.10 the Director shall notify the Licensee of the prima facie case established by the Operator, his conclusions thereon, and on the matters referred to in paragraph 5.10(b) and the direction he proposes to make, affording the Licensee adequate time in which to make representations.

5.12 Notwithstanding, and without prejudice to, any of the foregoing provisions of this Condition, if the Director considers that there is likely to be a category comprising a sufficient number of Operators seeking determinations under paragraph 5.5 for whom standard terms and conditions would be appropriate, he may require the Licensee to publish standard provisions (including, without limitation, charges and the method for calculating them) which set out the terms on which the Licensee will enter into an agreement under this Condition with Operators of that particular category.

5.13 If on an application by an Operator in the category mentioned in paragraph 5.12 the Director is satisfied that the Operator has established a prime facie case that any such standard term or condition proposed by the Licensee is unreasonable and that the Licensee has acted unreasonably in relation to negotiations on that term or condition, the Director may, if he considers it necessary to do so, either determine that the Licensee shall modify that standard provision in such a way as to make the term reasonable, in any agreement with the Operator, or modify that standard provision in such a way as in the provisions published under paragraph 5.12.

5.14 In applying paragraph 5.13:

- (a) any such standard provision shall be confined to the subject matter of the term or condition proposed by the Licensee except that, where the Director considers that a term or condition is essential in relation to subject matter not covered by any term or condition proposed by the Licensee, he may determine a term or

condition to cover the subject matter;

- (b) the Licensee shall not be deemed to have acted unreasonably merely by virtue of having proposed the term or condition in question; and
- (c) no determination may be made in relation to any provision which would be subject to the Unfair Contract Terms Act 1977.

5.15 Before making a determination under paragraph 5.13 the Director shall notify to the Licensee and the Operator the grounds of the Operator's application and his conclusions thereon and the modification he proposes to make or require the Licensee to make, and shall afford the Licensee and the Operator adequate time, being not less than 28 days, in which to make representations.

5.16 Where an Operator makes an application to the Director under paragraph 5.5 the Director may treat the application as an application under paragraph 5.13 and act accordingly.

5.17 For the avoidance of doubt the provisions of paragraphs 5.5 and 5.6 shall apply in respect of any determination made under paragraph 5.13 as they apply in relation to a determination made under paragraph 5.5.

5.18 An agreement made pursuant to this Condition shall not contain any restrictive provision unless, before the agreement is made, the Director has expressly consented to the inclusion of such a provision or has determined that that provision should be included under paragraph 5.5 and, for the purposes of this paragraph, a provision in an agreement is a restrictive provision if by virtue of the existence of such a provision (taken alone or with other provisions) the agreement is one to which the Restrictive Trade Practices Act 1976 would apply but for paragraph 1(1) of Schedule 3 to that Act.

5.19 Where the Director so directs the Crown shall be treated for the purposes of this Condition as a person authorised to run a Relevant Connectable System and where he does so he may also direct that the Crown is to be treated as a Long Line Public Telecommunications Operator for those purposes.

CONNECTION OF OTHER SYSTEMS AND APPARATUS

6.1 Subject to the provisions of this Condition the Licensee:

- (a) shall connect or have connected, at a Network Termination Point within Network Termination and Testing Apparatus situated on Served Premises, the Applicable Systems to:
 - (i) any item of telecommunication apparatus which is approved for the time being for connection to that Applicable System under section 22 of the Act or is Compliant Terminal Equipment; or
 - (ii) any other telecommunication system to which this Condition applies which is or is to be run by the Crown or which is composed of apparatus which is approved for connection to that system or is Compliant Terminal Equipment,

which is owned by or supplied to another person, at the written request of such person, where such connection is or is to be made by means requiring the use of a tool;

- (b) shall not discontinue such connection of any such apparatus or system lawfully made; and
- (c) shall permit any person to connect, or to keep connected, at a Network Termination Point within Network Termination and Testing Apparatus comprised in any Applicable System any such apparatus or other such system where such connection is or is to be made by means that do not require the use of a tool.

6.2 Apparatus shall not be regarded as approved for connection to any system for the purposes of paragraph 6.1 unless that apparatus is Compliant Terminal Equipment or has been so approved:

- (a) by the Secretary of State; or
- (b) by some other person by virtue of an authorisation given by the Secretary of State being an authorisation which required the person authorised, before approving any apparatus or designating any standard to which apparatus must conform if it is to be approved, to be satisfied that connection of the apparatus to the system would not be likely:
 - (i) to cause the death of, or personal injury to, or damage to the property of the Licensee or

any person engaged in the running of that system; or

- (ii) materially to impair the quality of any telecommunication service provided by means of that system or any system connected to it (other than the system being connected).

6.3 No apparatus or system is required under paragraph 6.1 to be, or to be permitted to be, connected or kept connected to the Applicable Systems if that apparatus, or any apparatus comprised in that system, as the case may be:

- (a) conformed to the relevant standard or standards at the time when the connection to the Applicable Systems was made but no longer does so and does not conform to the relevant standard or standards (if any) for the time being designated under section 22(6) of the Act; or
- (b) was at the time when the connection to the Applicable Systems was made but has since ceased to be Compliant Terminal Equipment; or
- (c) while continuing to conform to the relevant standard is in the opinion of the Licensee liable to cause the death of, or personal injury to, or damage to the property of, the Licensee, or any person engaged in the running of the Applicable Systems or materially to impair the quality of any telecommunication service provided by means of the Applicable Systems and the Director has not expressed a contrary opinion.

6.4 For the purposes of this Condition apparatus shall not be regarded as constituting a system if it would not, but for its connection to the Applicable Systems, constitute such a system, and this Condition applies to any apparatus or system which is not a Relevant Connectable System.

PROVISION BY OTHERS OF SERVICES BY MEANS OF THE APPLICABLE SYSTEMS

7.1 The Licensee shall permit any person, who is licensed to run a Connectable System under a Licence which authorises it to provide telecommunication services to others, including Connection Services, to provide such services whilst that Connectable System is connected to the relevant Applicable System.

7.2 Subject to the provisions of Condition 18, the Licensee shall permit any person:

- (a) using telecommunication apparatus which has been lawfully connected to the Applicable Systems or which has been connected to another telecommunication system which itself is lawfully connected to the Applicable Systems; or
- (b) running a telecommunication system which is so connected,

to provide by means of the Applicable Systems any service other than the installation, maintenance, adjustment, repair, alteration, moving, removal or replacement of telecommunication apparatus comprised in the Applicable Systems.

7.3 Where the Director determines that the Licensee has 25% or more of what is in the Director's opinion the relevant market as respects the provision of any telecommunication service of a particular description in any part or locality of the United Kingdom paragraphs 7.4 to 7.9 of this Condition shall come into force in respect of such services in such part or locality of the United Kingdom specified in that determination and on such date as the Director shall specify.

7.4 The Licensee shall, following a request by any Service Provider to do so, provide to that Service Provider any description of telecommunication service specified in any determination made under paragraph 7.3 and which the Licensee at the time the request is made offers to its customers generally and which is specified in the request, on terms which would not prohibit the Service Provider from contracting with another person to provide that person with that description of service.

7.5

- (a) If on an application by a Service Provider the Director is satisfied that the Service Provider has established a prima facie case that any charge, term or condition proposed by the Licensee is unreasonable

and that the Licensee has acted unreasonably in relation to negotiations on it, the Director may, if he considers it necessary to do so, determine that the Licensee shall modify that provision in such a way as to make it reasonable, in the agreement with the Service Provider.

In applying this paragraph:

- (i) no determination made shall affect any exclusion or restriction equivalent to one which is, at the relevant time, included in the Licensee's current usual terms and conditions upon which the Licensee provides the same description of service to the generality of the Licensee's customers in a way which would or might have the effect of rendering the position of the Licensee in relation to the provision of the service the subject of the determination worse than the position of the Licensee in relation to the provision of the same description of service to the generality of the Licensee's customers;
 - (ii) any such modified provision shall be confined to the subject matter of the term or condition proposed by the Licensee except that, where the Director considers that a term or condition is essential in relation to subject matter not covered by any term or condition proposed by the Licensee, he may determine a term or condition to cover that subject matter;
 - (iii) the Licensee shall not be deemed to have acted unreasonably merely by virtue of having proposed the term or condition in question; and
 - (iv) no determination may be made in relation to any provision which would be subject to the Unfair Contract Terms Act 1977.
- (b) Before making a determination under paragraph 7.5(a) the Director shall notify to the Licensee and the Service Provider the grounds of the Service Provider's application and his conclusions thereon and the modification he proposes to make or require the Licensee to make, and shall afford the Licensee and the Service Provider adequate time, being not less than 28 days, in which to make representations.

7.6

- (a) Subject to the terms of this paragraph, any charge determined under paragraph 7.5 by the Director shall be determined by reference to the Licensee's usual charge ("the usual charge") for the provision to its

customers generally of the service of the description in question ("the Service").

- (b) Any charge determined under paragraph 7.5 by the Director shall not be:
 - (i) less than the usual charge for the Service by an amount which exceeds any cost savings of the Licensee which are shown to be likely; or
 - (ii) less than the usual charge for the Service plus any additional costs of the Licensee which are shown to be likely.
- (c) Where the cost to the Licensee of the provision of a service to a Service Provider exceeds the usual charge no charge determined under paragraph 7.5 shall be less than the usual charge.
- (d) In this paragraph "costs" means fully allocated costs and a reasonable rate of return on capital employed.

7.7 If at any time it appears to the Director that the Service Provider no longer satisfies the criteria within paragraph 7.9(a), the Director may, on giving not less than three months notice to both the Licensee and the Service Provider of his intention to do so, direct the Licensee to cease providing that description of telecommunication service to the Service Provider.

7.8 Where a direction given by the Director under paragraph 7.7 contains a statement that it appears to him that the need to protect the customers of the Service Provider or to protect any other person requires that the direction should be made without delay, the Director shall not be required to give the notice required to be given by paragraph 7.7 or any notice.

7.9 In this Condition "Service Provider" means:

- (a) any person proposing to carry on the business of re-selling any description of telecommunication service proposed to be provided to that person by the Licensee and in respect of whom the Licensee has no reason to believe that such person will be unable to carry on that business effectively, economically and efficiently; or
- (b) any person actually carrying on that business from time to time; or
- (c) where, on the application of any person proposing to carry on that business to whom the Licensee has refused to provide any telecommunication service, the Director is satisfied that such service has been refused and has determined that such service should be provided by the Licensee to such person, that person;

but does not in any case mentioned in paragraph 7.9(a), 7.9(b) or 7.9(c) include any person who carries on or would carry on that business by means which necessarily involve the running of a telecommunication system by that person or on that person's behalf.

PUBLICATION OF CHARGES, TERMS AND CONDITIONS TO BE APPLIED

8.1 The Licensee shall, except insofar as the Director may otherwise consent in writing and except in respect of terms and conditions which have been or could be determined under Condition 5:

- (a) publish in the manner and at the times specified in paragraph 8.3 a notice specifying, or specifying the method that is to be adopted for determining, the charges and other terms and conditions on which it offers:
 - (i) to provide each description of telecommunication services by means of the Applicable Systems in accordance with an obligation imposed by or under this Licence; or
 - (ii) to maintain, adjust, repair or replace any apparatus comprised in the Applicable Systems in accordance with an obligation imposed by or under this Licence; or
 - (iii) to connect to the Applicable Systems any other system which is not and is not to be comprised in the Applicable Systems in accordance with an obligation imposed by or under this Licence; or
 - (iv) to grant permission to connect such systems to, or to provide services by means of, the Applicable Systems in accordance with an obligation imposed by or under this Licence; and
- (b) where it does any of the things described in paragraph 8.1(a)(i) to 8.1(a)(iv), do those things at the charges and on the other terms and conditions so published and not depart therefrom.

8.2 The requirement to publish under paragraph 8.1 shall not apply in respect of any service which is materially different from any service already provided by the Licensee by means of the Applicable Systems until such time as it is provided and a copy of the notice shall be sent to the Director at that time.

8.3 Publication of the notice shall be effected by:

- (a) sending a copy thereof to the Director to arrive not more than 28 days after the date on which the Licensee first provides services under the Licence and thereafter not less than 28 days before any proposal to amend any charge, term or condition or the method of determining the same is to become effective;

- (b) placing as soon as practicable thereafter a copy thereof in a publicly accessible part of every Major Office of the Licensee in such a manner and in such a place that it is readily available for inspection free of charge by members of the general public during such hours as the Secretary of State may by order prescribe under section 19(4) of the Act that the register of Licences and final and provisional orders is to be open to public inspection, or in the absence of any such order having been made by the Secretary of State, during normal office hours; and
- (c) sending a copy thereof or such part or parts thereof as are appropriate to any person who may request such a copy.

PROHIBITION ON UNDUE PREFERENCE AND UNDUE DISCRIMINATION

9.1 The Licensee shall not (whether in respect of the charges or other terms or conditions applied or otherwise) show undue preference to, or exercise undue discrimination against, particular persons or persons of any class or description (including in particular persons in rural areas) as respects:

- (a) the connection to the Applicable Systems of any other system which is not and is not to be comprised in the Applicable Systems in accordance with an obligation imposed by or under this Licence; or
- (b) the maintenance, adjustment, repair or replacement of any apparatus comprised in the Applicable Systems in accordance with an obligation imposed by or under this Licence; or
- (c) the provision by means of the Applicable Systems of any telecommunication service in accordance with an obligation imposed by or under this Licence; or
- (d) the granting of permission to connect such systems to, or to provide services by means of the Applicable Systems in accordance with an obligation imposed by or under this Licence.

9.2 The Licensee may be deemed to have shown such undue preference or to have exercised such undue discrimination if it unfairly favours to a material extent a business carried on by it in relation to the doing of any of the things mentioned in paragraph 9.1 so as to place at a significant competitive disadvantage persons competing with that business.

9.3 Any question relating to whether any act done or course of conduct pursued by the Licensee amounts to such undue preference or such undue discrimination shall be determined by the Director, but nothing done in any manner by the Licensee shall be regarded as undue preference or undue discrimination if and to the extent that the Licensee is required to do the thing in that manner by or under any provision of this Licence.

PART 3: OTHER CONDITIONS INCLUDED UNDER SECTION 7 OF THE ACT

Condition 10

ESSENTIAL INTERFACES

10.1 This Condition operates without prejudice to the provisions of Condition 5.

10.2 The Director may, having first notified the Licensee of his proposal and given the Licensee not less than 28 days in which to make representations, specify an Essential Interface.

10.3 Where in pursuance of paragraph 10.2 the Director specifies an interface as an Essential Interface, and the Licensee thereafter makes that interface available to an Operator in relation to its Applicable Systems, it shall do so in such a manner as it considers appropriate, but shall ensure such availability in compliance with a Relevant Standard if the Operator so requires.

10.4 For the purposes of paragraph 10.3 "Relevant Standard" means:

- (a) an appropriate European or other international standard; or
- (b) in the absence of such a standard, any other standard specified by the Director after he has notified the Licensee of his proposal to make the specifications in question and allowed the Licensee not less than 28 days in which to make representations, provided that the Director shall not specify a standard if an appropriate European or other international standard is expected to be promulgated within a reasonable time, including, by way of example, if the European Telecommunications Standard Institute have published a work programme for the development of such a standard,

to the extent that such a standard is necessary to ensure interoperability.

10.5 Where in pursuance of paragraph 10.4(b) the Director specifies a standard as a Relevant Standard, he shall include in that Relevant Standard a technical specification, using all reasonable endeavours to obtain the agreement of the Licensee and other relevant licensees to a technical specification applicable to that Relevant Standard, being a specification defined if possible by reference to:

- (a) an appropriate European or other international specification; or
- (b) in the absence of such a specification, a specification defined by reference to any other standard having

currency within the European Community at the time.

10.6 Where after a reasonable time the Director has been unable in accordance with paragraph 10.5 to secure the agreement of the Licensee and other relevant licensees to a technical specification, the Director shall adopt for inclusion in the Relevant Standard an appropriate technical specification selected by him which has been promulgated by a recognised standards body, including, by way of example, the European Telecommunications Standards Institute, or the British Standards Institute, or other such body as is recognised by the Director as representative of all relevant telecommunications interests.

10.7 The Director shall specify a Relevant Standard in pursuance of paragraph 10.4 only if the owners of relevant intellectual property rights have agreed to grant any necessary licences in respect thereof to the Licensee on reasonable terms.

10.8 For the avoidance of doubt this Condition shall not:

- (a) without prejudice to paragraph 10.3, prevent the Licensee using such interfaces as it considers appropriate in relation to the Applicable Systems; or
- (b) where it makes available to an Operator an interface which the Director has specified as an Essential Interface, require the Licensee to comply with the Relevant Standard if the Operator does not require it to do so.

10.9 When implementing an Essential Interface, the Licensee shall not be obliged to conform with the Relevant Standard:

- (a) if to do so would necessitate the Licensee:
 - (i) acquiring apparatus, software or other goods or supplies of any kind, or implementing any operation, incompatible with, as the case may be, apparatus, software or such other goods or supplies already in use at the time, or the subject of contracts for their procurement for use, in connection with the Applicable Systems, or, in the case of an operation, incompatible with any other operation being carried out at the time in connection therewith; or
 - (ii) incurring any cost, or having to resolve technical difficulties, disproportionate to the benefits to be gained from the implementation of the Relevant Standard,

provided that the Licensee shall take reasonable steps to incorporate the Relevant Standard in its plans for network development, with a view to implementation of

that Standard in connection with the Applicable Systems, but without the Licensee incurring any incremental expenditure which, but for the implementation of the Relevant Standard, would not have been incurred;

- (b) if the Relevant Standard is inappropriate for the particular application for any reason, including, without limitation:
 - (i) that it does not afford the Licensee adequate protection for the security of the Applicable Systems;
 - (ii) that its implementation would be liable to cause material impairment in the quality of any telecommunication service provided by means of the Applicable Systems;
 - (iii) that it does not cater adequately for billing, metering or other customer administration systems; or
 - (iv) that it is technically inadequate in the light of technical developments which have taken place since it was originally created;
- (c) if the Essential Interface concerned is of a genuinely innovative nature and accordingly the use in connection with it of the Relevant Standard would not be appropriate;
- (d) if compliance with the Relevant Standard would involve the infringement by the Licensee of any intellectual property right vested in any person; or
- (e) if the Director so agrees.

10.10 Where paragraph 10.9(b) or 10.9(c) applies, the Licensee shall notify the Director thereof in writing, providing an explanation why.

10.11 It is a precondition of any obligation on the Licensee under this Condition that an equivalent Condition to this Condition is included in the respective Licences of all Operators running telecommunication systems that are connected to the Applicable Systems.

CUSTOMER INTERFACE STANDARDS

11.1 The Licensee shall ensure that on each occasion on which it introduces an interface provided or to be provided at a Network Termination Point on the Applicable Systems not previously so provided a notice is published specifying the technical characteristics of the interface introduced.

11.2 The technical characteristics to be included in such a notice shall include:

- (a) physical, electrical and other relevant characteristics;
- (b) network interworking and service management protocols; and
- (c) reference to national and international standards and recommendations with which the interface complies

in sufficient detail for compatible terminal apparatus to be produced, tested and approved.

11.3 Subject to paragraph 11.4, any notice under this Condition shall be published in a manner appropriate for bringing the matters to which the notice relates to the attention of persons likely to be affected by or to have an interest in them.

11.4 Where the Director following any representation or observation made to him reasonably concludes that a notice under paragraph 11.1 has not been published in an appropriate manner he may direct the Licensee to carry out such further publication as he considers reasonably necessary to meet the requirements of paragraph 11.3.

METERING AND BILLING ARRANGEMENTS

12.1 As regards any description of meter in use on a date specified by the Director in connection with the Applicable Systems and which has been specified by the Director, the Licensee shall apply for approval as soon as is practicable and in any case not later than such date as the Director may determine in relation to that description of meter.

12.2 As regards any description of meter specified by the Director and not in use in connection with the Applicable Systems on the date specified under paragraph 12.1, the Licensee shall, unless the Director consents otherwise, apply for approval not later than such date as is further specified by the Director or not fewer than six months before the date on which the Licensee intends to bring that meter into such use, whichever shall be the later.

12.3 The Licensee shall not after such date as the Director may determine in relation to any description of meter so specified by him, keep in use or bring into use in connection with the Applicable Systems, any meter of a description so specified which is not approved or for which the Licensee has not made an application for approval.

12.4 Where approval is not granted to or is withdrawn from a particular description of meter the Licensee shall, as soon as is reasonably practicable, either:

- (a) inform the Director of the action to be taken by the Licensee to remedy the absence of approval in relation to that description of meter and the anticipated date of such approval; or
- (b) inform the Director that the Licensee intends to cease use of that description of meter in connection with the Applicable Systems within a time reasonably practicable for the Licensee whereupon, on request of the Director, the Licensee shall provide the Director with a timetable for the withdrawal of that description of meter.

12.5 The Licensee shall not render any bill in respect of any description of telecommunication service provided by means of the Applicable Systems unless every amount (other than an indication of unit charge) stated in that bill is no higher than an amount which represents the true extent of any such service actually provided by the Licensee to the customer in question. In this paragraph, 12.5, "customer" does not include an Operator.

12.6 Without prejudice to the generality of paragraph 12.5 the Licensee shall at all times maintain in operation such a

billing process as facilitates compliance by the Licensee with, and is calculated to prevent contravention by it of, that paragraph.

12.7 The Licensee shall not be regarded as being in contravention of its obligation under paragraph 12.5 except where the failure is in relation to the billing process and the Licensee has failed to take all reasonable steps to prevent a contravention of that obligation.

12.8 The Licensee shall keep such records as may be necessary or as may be determined by the Director to be necessary for the purpose of satisfying the Director that the billing process has the characteristics required by paragraph 12.6, provided that nothing in this paragraph shall require the Licensee to retain any records for more than 2 years from the date on which they came into being.

12.9 For the purpose of giving the Director an independent quality assurance from time to time that the billing process has the characteristics required by paragraph 12.6, the Licensee shall where the Director has prima facie grounds to believe the billing process does not have those characteristics and has so notified the Licensee, extend its prompt co-operation to the Director and, in particular, on request by the Director shall:

- (a) furnish the Director in accordance with the Director's reasonable requirements any information, document (including any facility enabling him to read data not held in readable form) or other thing;
- (b) carry out (or cause to be carried out by such person having such special expertise as the Director may specify and to whom the Licensee has raised no reasonable objection) in such manner as the Director may specify an examination of the whole or of any part of the billing process and as soon as practicable after the conclusion of such examination furnish to the Director a written report by the Licensee or that specified person, as the case may be, of the results of such examination;
- (c) on reasonable notice by him allow at all reasonable times the Director and, in the case of any member of his staff, on production of his special authority in that behalf, access to any relevant premises, plant or equipment of the Licensee;
- (d) on reasonable notice by him allow at all reasonable times the Director and, in the case of any member of his staff, on production of his special authority in that behalf, to examine or test the whole or any part of the billing process including any plant or equipment whether or not forming part of the Applicable Systems;

- (e) for the purpose of paragraphs 12.9(c) and 12.9(d), allow the Director to be accompanied by any person as the Director may specify and to whom the Licensee has raised no reasonable objection whose assistance he might reasonably require for the purpose described at the beginning of this paragraph provided that the Director shall have given the Licensee notice (save in exceptional circumstances of at least 5 working days) of the identity of that person; and
- (f) install and keep installed any equipment (whether or not supplied by the Director) for the purpose of verifying:
 - (i) the accuracy and reliability of any equipment or apparatus (including any meter) of the Licensee; and
 - (ii) in the case of any meter which is or is required to be approved and is in use in connection with the Applicable Systems, compliance with any conditions or other matters which may be required as regards such use of that meter.

12.10 When this Condition first comes into force paragraphs 12.1, 12.2, 12.3 and 12.4 shall apply only to any description of meter for voice frequency switched telecommunication services.

12.11 In this Condition:

- (a) "approved" means approved under section 24 of the Act;
- (b) "billing process" means metering systems and billing systems taken together, where "billing system" means the totality of all apparatus, data, procedures and activities which the Licensee employs to determine the charges to be sought for service usage recorded by a metering system based on published or previously negotiated pricing structures and to present these charges on customers' bills and "metering system" means the totality of all apparatus, data, procedures and activities which the Licensee employs to determine the extent of any telecommunication services provided by means of the Applicable Systems;
- (c) "information" includes accounts, estimates and returns;
- (d) "meter" means any system or apparatus constructed or adapted for use in ascertaining the extent of telecommunication services provided by means of the Applicable Systems; and
- (e) "service" includes any service provided by any person to whom the Licensee is bound to account for any part of the amount charged by the Licensee.

SUPPLY AND CONNECTION OF APPARATUS FOR DISABLED PEOPLE

13.1 The Licensee shall consult the Director from time to time about the arrangements made, or to be made, for the connection to the Applicable Systems of telecommunication apparatus designed or adapted to assist disabled people to obtain telecommunication services and shall, if requested by the Director to do so:

- (a) discuss with the Director the availability of telecommunication apparatus designed or adapted to meet the reasonable demands of disabled people; and
- (b) participate in the work of the advisory body established by the Director under section 54(4) of the Act for matters affecting people who are disabled or of pensionable age.

NUMBERING ARRANGEMENTS

14.1 The Licensee shall from the day on which it first provides a switched telecommunication service or any other telecommunication service in connection with which the Licensee allocates to users Numbers adopt a Numbering Plan and shall furnish details thereof to the Director and on request to any other person having a reasonable interest.

14.2 The Numbering Plan shall describe the method adopted and to be adopted for allocating and re-allocating in respect of each Network Termination Point such Number or Numbers as may be necessary for each item of Relevant Apparatus or each Relevant System that is or is to be connected by means of that Network Termination Point to any of the switched Applicable Systems.

14.3 The Licensee shall install, maintain or adjust its switched Applicable Systems so that those Systems convey Messages to Network Termination Points in respect of which Numbers have been allocated in accordance with the Numbering Plan.

14.4 The Licensee shall from time to time consult:

- (a) the Director about the arrangements for the allocation and reallocation of Numbers within the Numbering Plan; and
- (b) in one body approved by the Director for the purpose and representative of public telecommunications operators and other persons whom the Director considers appropriate about any developments of, additions to or replacements of, the Numbering Plan.

14.5 The Licensee shall from time to time prepare, taking into account the consultations mentioned in paragraph 14.4(b) and furnish to the Director proposals for developing, adding to or replacing the Numbering Plan and changing the switched Applicable Systems to the extent necessary to secure that:

- (a) sufficient Numbers are made available, having regard to the anticipated growth in demand for telecommunication services, for a Number or Numbers to be allocated without undue delay;
- (b) Numbers include as few digits as practicable and their allocation does not confer any undue advantage on the Licensee or undue disadvantage on persons running Relevant Systems;
- (c) the cost of changing any of the switched Applicable Systems or any Relevant Apparatus or Relevant System in

order to accommodate the revised Numbering Plan is reasonable; and

- (d) inconvenience caused by the alteration of the Numbering Plan to the Licensee and to persons using Relevant Apparatus or Relevant Systems in respect of which Numbers have previously been allocated is minimised.

14.6 If the Director determines that the Numbering Plan with any developments, additions and replacements submitted in accordance with paragraph 14.5 is sufficient to provide compatibility with the numbering arrangements applied or to be applied by other public telecommunications operators and to meet the objectives specified in paragraph 14.5 the Licensee shall adopt the Numbering Plan but, if the Director determines that it is not compatible with numbering arrangements applied or to be applied by another public telecommunications operator or will not be sufficient to achieve the objectives specified in paragraph 14.5, then the Licensee shall adopt the Numbering Plan with such developments, additions or replacements as the Director may determine are best calculated to secure the objectives specified in paragraph 14.5.

14.7 Before making a determination under paragraph 14.6 the Director shall take account of:

- (a) the state of technical development of the Applicable Systems and the Licensee's plans for their commercial development;
- (b) the balance of advantage between:
 - (i) making developments of, additions to or replacements of numbering arrangements applied or to be applied, or making changes to systems run, by others; and
 - (ii) making any requirement of the Licensee;
- (c) the cost to the Licensee and to those to whom the Licensee provides telecommunication services arising from any determination;
- (d) any obligations and recommendations of the International Telecommunications Union which apply to Her Majesty's Government and are accepted by it and any other standard to which the Director consents for the purpose from time to time; and
- (e) the views of the Licensee and such other persons (including operators of public telecommunication systems, those to whom telecommunication services are provided or telecommunication apparatus is supplied and producers of telecommunication apparatus) as appear to the Director to have an interest in the matter.

14.8 Where the Licensee has adopted a Numbering Plan in accordance with paragraph 14.6, or the Director has made a determination under that paragraph (by virtue of which the Licensee shall adopt the Numbering Plan), the Numbering Plan so adopted shall be the Licensee's Numbering Plan until the Licensee adopts a Numbering Plan pursuant to the following provisions of this Condition. The Numbering Plan referred to in the following provisions of this Condition is the Numbering Plan adopted pursuant to those provisions.

14.9 The Director may determine a Specified Numbering Scheme (the "Scheme") in accordance with the National Numbering Conventions (the "Conventions") published in accordance with paragraph 14.13 and he will allocate Numbers from this Scheme to the Licensee in accordance with the Conventions. The initial allocation of Numbers to the Licensee shall be of those Numbers to which the Numbering Plan referred to in paragraph 14.2 relates and of any other Numbers to which any other Numbering Plan in force immediately before such allocation relates, provided that, at such time of initial allocation, those Numbers are currently in use by the Licensee, and where not so in use, the Director shall have due regard to the Licensee's plans and future requirements for its use and allocation of additional Numbers. The Director shall, at the request from time to time of the Licensee, allocate to it:

- (a) such quantity of additional Numbers as it may require; and
- (b) in accordance with the Conventions, such specific Numbers as it may request and which the Director is satisfied are not required for other purposes.

14.10 The Licensee shall adopt a Numbering Plan for such Numbers as the Director may allocate to it from time to time in accordance with the Conventions. It shall within three months of being notified of such allocation furnish details of the Numbering Plan to the Director, and keep him informed of material changes to the Numbering Plan as they occur. The Licensee shall also furnish details of the Numbering Plan together with any material changes to that Numbering Plan on request to any other person having a reasonable interest. Except where the Director agrees otherwise, the Numbering Plan shall be consistent with the Conventions published in accordance with paragraph 14.13. If the Numbering Plan is not consistent with those Conventions, the Director may direct the Licensee to adopt and furnish him with a new Numbering Plan or to take such other reasonable remedial action which does not cause undue inconvenience to the Licensee's customers, as may be necessary to ensure consistency.

14.11 The Licensee shall install, maintain and adjust its switched Applicable Systems so that those Systems route Messages and otherwise operate in accordance with the Numbering Plan, including any requirement relating to

Portability contained in a direction made under paragraph 14.15. The Licensee shall not use Numbers other than those allocated to it from the Scheme except:

- (a) with the written consent of the Director; or
- (b) where the use of those Numbers is the subject of an agreement to which Condition 5 applies.

14.12

- (a) The Licensee shall provide to the Director on request, such information about its operations under its Numbering Plan as he may reasonably require to administer the Scheme and in particular on:
 - (i) the percentages of Numbers in significant ranges which have already been allocated to end-users or which for other reasons are unavailable for further allocation;
 - (ii) any allocation of blocks of Numbers to any person for purposes other than end use;
 - (iii) Numbers whose use has been transferred at an end-user's request to another Operator; and
 - (iv) the Licensee's current forecasts of all of the above matters.
- (b) The Licensee shall not be required to provide information about individual end-user customers.
- (c) In making any such request the Director shall ensure that no undue burden is imposed on the Licensee in procuring and furnishing such information and, in particular, that the Licensee is not required to procure or furnish information which would not normally be available to it, unless the Director is satisfied that such information is essential to the administration of the Scheme.

14.13

- (a) The Conventions referred to in this Condition will be a set of principles and rules published from time to time by the Director after consultation with interested parties who are members of the Telecommunications Numbering and Addressing Body and, if deemed appropriate, with end-users.
- (b) In consulting the said interested parties, the Director shall afford a reasonable period, not being less than 28 days, for them to make representations, and he shall take the said representations into account when publishing the Conventions. The Conventions shall

govern the specification and application of the Scheme and the Numbering Plan of the Licensee and may also include such other matters relating to the use and management of Numbers as (but not limited to):

- (i) criteria and procedures relating to the application for, allocation of and withdrawal of Numbers;
 - (ii) dialling plans;
 - (iii) access codes;
 - (iv) prefixes;
 - (v) standard ways of recording Numbers for convenience or ease of use, such as the grouping of digits in Numbers of particular lengths;
 - (vi) methods of enabling end-users to understand the meaning implicit in Numbers or other dialled digits, and in particular the rate at which a call to a particular Number will be chargeable; and
 - (vii) arrangements for the transfer of Numbers between Operators as a result of Portability.
- (c) The Director may from time to time amend or withdraw a Convention already published, after consultation with interested parties who are members of the Telecommunications Numbering and Addressing Body. The Licensee shall not be required to comply with any such amendment or withdrawal unless the Licensee has been given a reasonable period of notice, such notice not being less than three months. Numbers allocated to the Licensee may only be withdrawn after similar consultation and notice, and the Director shall consult end-users affected by such withdrawal. Subject to overriding national interests, or where there is no alternative solution available, the power to withdraw Numbers shall not apply to any Numbers which the Director has approved from time to time as part of a specific service of the Licensee, which, as a result of investment by the Licensee, has a recognised identity and quality associated with that particular Number and which the Licensee is using and plans to continue to use.

14.14 In deciding on the details of and any subsequent changes to the Scheme and the Conventions, and when making or changing Number allocations within the Scheme or making determinations under this Condition, the Director shall ensure that the Scheme complies with the Conventions and shall have regard to:

- (a) the need for sufficient Numbers to be made available, having regard to the anticipated growth in demand for telecommunication services, together with the need for good husbandry of that supply at any time;
- (b) the need to ensure Compatibility with the Numbering Plans adopted or to be adopted by other public telecommunications operators;
- (c) the convenience and preferences of end-users;
- (d) the requirements of effective competition;
- (e) the practicability of implementing the Conventions in licensed systems by the date when the Conventions are intended to apply;
- (f) any costs or inconvenience imposed on the Licensee, other network operators, end-users and other interested parties (including those overseas);
- (g) any relevant international agreements, recommendations or standards;
- (h) the views of the Licensee and other interested parties; and
- (i) any other matters he regards as relevant.

14.15 If directed to do so by the Director, the Licensee shall provide Portability to the extent set out in paragraph 14.16.

14.16 The Portability referred to in paragraph 14.15 shall be such as will enable either:

- (a) a person provided with a telecommunication service by the Licensee and requiring the allocation of a Number at a fixed point at a set of premises to retain the same Number at that fixed point if, instead of that service, he should arrange for such telecommunication or other telecommunication service to be provided by the operator of a telecommunication system run under a separate Licence; and
- (b) a person provided with a telecommunication service by the operator of a telecommunication system run under a separate Licence and requiring the allocation of a Number at a fixed point at a set of premises to retain the same Number at that fixed point if he should arrange for an alternative telecommunication service to be provided instead by the Licensee.

14.17 A direction or determination under this Condition will not determine how the costs of Portability are to be borne and a direction under paragraph 14.15 will not be made in respect

of a geographical area unless:

- (a) it is technically feasible for such Portability to be provided by the Applicable Systems throughout the said geographical area;
- (b)
 - (i) the Director has carried out a cost-benefit analysis comparing the likely benefits to telecommunications customers to be gained from the introduction of Portability in the whole of the United Kingdom with all costs likely to be incurred, including opportunity costs, which analysis indicates that in the geographical areas (taken together) where Portability is expected to be provided the gains outweigh the likely costs; and
 - (ii) when carrying out the cost-benefit analysis referred to in paragraph 14.17(b)(i), the Director shall consult the Licensee and the other relevant telecommunications operators, affording them each a reasonable period, being not less than 28 days, in which to make representations. On conclusion of the analysis, it shall be made available to the Licensee and those telecommunications operators; and
- (c) any operator of a telecommunication system run under a separate Licence referred to in paragraph 14.16 is willing to enter into an agreement with the Licensee to introduce and provide reciprocal Portability, and provides Portability accordingly.

14.18 A direction under paragraph 14.15 may specify the geographical areas and dates on which such Portability is to be introduced and any agreement or determination under Condition 5 may specify the methods by which calls are to be routed between the Applicable Systems and any Relevant Connectable System run by another telecommunications operator for the purposes of providing Portability.

14.19 The Licensee shall not, unless the Director consents otherwise, charge any person for a Number which is allocated to him (other than a coveted Number allocated to a person who is not a public telecommunications operator at the request of such a person), but nothing in this Condition shall preclude the Licensee from recovering from the operator of a Relevant System the reasonable costs associated with allocating Numbers to and routing calls to that System; save that in the case of any dispute or difference as to those costs the Director may determine them and the Licensee shall not be obliged so to allocate Numbers and route calls unless such operator agrees to bear the costs so determined.

14.20 For the purposes of this Condition, "Telecommunications Numbering and Addressing Body" means a body approved by the Director as representative of the Licensee, other public telecommunications operators and other persons whom the Director considers it appropriate to include in consultations about the content of the Conventions and the Scheme.

14.21 For the avoidance of doubt, it is hereby declared that this Condition applies notwithstanding any arrangements for numbering arising by virtue of any agreement to which Condition 5 applies. But nothing in this paragraph shall affect the operation of any such agreements entered into before the coming into force of this Licence.

14.22 The Numbers to which this Condition applies are Numbers:

- (a) of a class described in CCITT Recommendation E.160, E.163, E.164, E.165 or E.166 or their functional successors; or
- (b) which are of a class described in CCITT Recommendation X.121 and which include any Data Network Identification Code which has been:
 - (i) allocated before 14 November 1986 in accordance with a Numbering Plan furnished to the Director; or
 - (ii) specified by the Director for the purposes of this Licence and described in a list kept for that purpose by the Director and made available by him for inspection to the general public.

NUMBERING ARRANGEMENTS IN RESPECT OF VALUE ADDED OR DATA SERVICES

15.1 The Licensee shall from the date on which it first provides by means of the Applicable Systems a Value Added Or Data Service adopt a Numbering Plan ("the Value Added Or Data Services Numbering Plan"), in respect of the Value Added Or Data Services provided or to be provided, for the allocation of any Numbers which:

- (a) are not allocated in accordance with a Specified Numbering Scheme;
- (b) are used or are intended to be used:-
 - (i) by any licensee under a Licence, other than a public telecommunications operator, who provides a Value Added Or Data Service which the Licensee could provide in accordance with the provisions of this Licence; or
 - (ii) by any other public telecommunications operator; and
- (c) are necessary for access to each separately distinguishable element of each Value Added Or Data Service.

15.2 The Value Added Or Data Services Numbering Plan shall describe the method adopted and to be adopted for allocating and re-allocating Numbers of a kind described in paragraph 15.1. That method shall allow for sufficient Numbers to be available in relation to all telecommunication services, having regard to the reasonably foreseeable growth in demand for such services.

15.3 The Licensee shall on or before the date on which it first provides a Value Added Or Data Service or as soon as practicable thereafter, furnish details of the Value Added Or Data Services Numbering Plan to the Director and, on request, to any other person having a reasonable interest.

15.4 The Licensee shall furnish to the Director details of any proposals that the Licensee may have from time to time to change the arrangements for allocating or re-allocating Numbers within, or to develop, add to or replace, the Value Added Or Data Services Numbering Plan adopted and furnished in accordance with paragraphs 15.1, 15.2 and 15.3.

15.5 Where any arrangements for allocating or re-allocating Numbers within the Value Added Or Data Services Numbering Plan or any developments, additions or replacements furnished in

accordance with paragraph 15.4:

- (a) are insufficient to provide Compatibility with the numbering arrangements applied or to be applied by any other public telecommunications operator or by any licensees under a Licence, other than a public telecommunications operator, who provides a Value Added Or Data Service which the Licensee could provide in accordance with the provisions of this Licence;
- (b) do not allow for sufficient Numbers to be available in relation to all telecommunication services, having regard to the reasonably foreseeable growth in demand for such services; or
- (c) are not consistent with any obligations and recommendations of the International Telecommunication Union which apply to and are accepted by Her Majesty's Government,

the Licensee shall adopt the Value Added Or Data Services Numbering Plan with such developments, additions or replacements as are best calculated to secure such Compatibility, availability or consistency.

15.6 The Licensee shall allocate and re-allocate Numbers in accordance with the Value Added Or Data Services Numbering Plan that it has adopted.

15.7 In this Condition "Number" means any identifier (including any name or address) of any user, telecommunication apparatus, or telecommunication service-related element.

15.8 The Numbers to which this Condition applies do not include Numbers which -

- (a) are of a class described in CCITT Recommendations E.160, E.163, E.164, E.165 or E.166 or their functional successors; or
- (b) are of a class described in CCITT Recommendation X.121 and which include a Data Network Identification Code which has been specified by the Director for the purposes of Condition 14 or the equivalent Condition in any Licence granted to a public telecommunications operator and described in a list kept for that purpose by the Director and made available by him for inspection by the general public.

PUBLIC CALL BOX SERVICES

16.1 The Licensee shall not provide Call Box Services at any Public Call Box comprised in or connected to any of the Applicable Systems unless the Director has determined on the application of the Licensee that there is a reasonable demand for such services to be provided.

16.2 If the Director determines that there is a reasonable demand for such Services the Licensee shall before providing any Call Box Services at any Public Call Box comprised in or connected to any of the Applicable Systems and from time to time thereafter publish in accordance with Condition 8.3 guidelines for determining when Public Call Boxes should be installed (whether to be comprised in or connected to any of the Applicable Systems) which have been approved by the Director and shall thereafter:

- (a) install Public Call Boxes in accordance with those guidelines;
- (b) provide Call Box Services or permit Call Box Services to be provided at any Public Call Box so installed; and
- (c) secure that any Call Box Services provided by it at Public Call Boxes continue to be provided.

16.3 The Licensee may cease to provide Call Box Services at any Temporary Call Box at any time but may cease to provide such Services to any Public Call Box only if:

- (a) their continued provision is impracticable;
- (b) the Revenue from the services provided at that Call Box in any period of twelve months ending not more than six months before the cessation has fallen below the Minimum Figure applying to that Call Box or Call Boxes of that description and the Licensee is not entitled to receive the difference between the Revenue and that Figure from any other person;
- (c) the Call Box in question is located near another Public Call Box at which such Services continue to be provided and which is readily accessible from the place where the Call Box at which Services will cease to be provided is situated;
- (d) the Licensee has, before the cessation, agreed with the Director that it will provide such Services at another Public Call Box to be installed near to, and readily accessible from, the place where the Call Box at which they are no longer to be provided is situated;

(e) such Services are available to the public at a Private Call Box:

- (i) which is near to, and readily accessible from, the place where the Public Call Box at which Services will cease to be provided is situated; and
 - (ii) the person controlling that Private Call Box has entered into a contract with the Licensee undertaking to give the public unrestricted access to the Private Call Box at all times (or for such periods of each day as the Director determines in relation to that Call Box or all Call Boxes of that description) for the purpose of obtaining such Services and that that Private Call Box has installed in it apparatus enabling persons using hearing aids designed for use in conjunction with Telephones to use such hearing aids when voice telephony services are provided to them, and the Licensee takes all reasonable steps necessary to ensure that the terms of any such contract are observed;
- (f) any person with power to require the removal of the Call Box in question requests the Licensee to remove it;
- (g) the Director is satisfied that all reasonable demands for Call Box Services in any particular area are being met at Public Call Boxes installed there by another public telecommunications operator or under arrangements made by such an operator similar to those described in paragraph 16.3(e); or
- (h) the Director agrees that such Services need no longer be provided at the Call Box in question for any other reason

16.4 Where the Licensee ceases to provide Call Box Services at any Public Call Box on the ground that their continued provision there is impracticable, it shall use its best endeavours to provide such Services at another Public Call Box near to, and readily accessible from, the place where the first mentioned Call Box was situated, failing which it shall send by registered post or recorded delivery or by hand to the Director and to the Relevant Local Authorities and Relevant Consumer Bodies for the area in which the Public Call Box is situated a notice specifying the reasons why it considers that the continued provision of Call Box Services at that Public Call Box is no longer practicable and inviting those Authorities and Bodies to make representations in regard to the proposed cessation to the Director within a period of 42 days from the giving of notice. The Licensee shall as soon as reasonably practicable resume the provision of Services at a Public Call Box installed in the same place as, or in a place

which is near to, and readily accessible from, the place where the Public Call Box at which Services are no longer provided was situated, if the Director, after considering the terms of the notice and any representations and objections received by him in connection with it, concludes that the provision of Call Box Services either in the place where the first mentioned Call Box was situated or in a place near to, and readily accessible therefrom, is practicable and within 70 days of the giving of the notice requires the Licensee to do so.

16.5 Where the Licensee proposes to cease to provide Call Box Services at any Public Call Box on the ground set out in paragraph 16.3(b) of this Condition, it may cease to provide those Services at that Call Box only if it has:

- (a) posted prominently in or on that Call Box a notice specifying:
 - (i) that the Licensee is proposing to cease to provide Services there;
 - (ii) the reasons for the proposal;
 - (iii) the Minimum Figure;
 - (iv) the steps (whether in the form of financial contributions or the provision of services) which if taken by others would oblige the Licensee to continue to provide Services at that Call Box;
 - (v) the address of the Licensee's office to which representations and objections with respect to the proposal may be made; and
 - (vi) the period (not being less than 28 days commencing with the date when the notice is first posted in or on that Call Box) within which representations and objections with respect to the proposal may be made;
- (b) sent by registered post or recorded delivery or by hand a copy of that notice to the Relevant Local Authority and Relevant Consumer Bodies for the area in which that Call Box is situated;
- (c) considered any representation or objection duly made with respect to the proposal within the period specified in paragraph 16.5(a)(vi); and
- (d) sent to the Director by registered post or recorded delivery or by hand a copy of the notice described in paragraph 16.5(a) together with copies of any representations and objections that the Licensee has received with respect to the proposal and its comments

and conclusions thereon,

and 28 days have elapsed after the material specified in paragraph 16.5(d) has been sent to the Director.

16.6 The Licensee shall install and take all reasonable steps to keep installed in all Public Call Boxes at which it provides Call Box Services apparatus enabling persons using hearing aids designed for use in conjunction with Telephones of the kind installed in Public Call Boxes to use such hearing aids when voice telephone services are provided at Public Call Boxes.

16.7 Except in so far as the Director may otherwise consent in writing, the Licensee shall secure that any Prepayment Apparatus which the Licensee installs in a Public Call Box or Temporary Call Box is for the time being approved for connection to any of the Applicable Systems under section 22 of the Act.

ARRANGEMENTS FOR INTERNATIONAL SIMPLE RESALE SERVICES

17.1 This Condition shall apply only:

- (a) if it appears to the Secretary of State to be requisite or expedient for this Condition to apply in the interests of maintaining or promoting effective competition in the conveyance of Messages to or from one or more countries or territories designated under paragraph 3(a) of Schedule 3;
- (b) if, having consulted the Director, the Secretary of State has given the Licensee 28 days' notice of his intention that this Condition should apply; and
- (c) in respect of such countries or territories as the Secretary of State has specified in that notice and has not, by a further notice given before the expiry of the first notice, cancelled that specification.

17.2 Any notice given under paragraphs 17.1(b) or 17.1(c) shall appear in a list kept by the Director and made available by him for inspection by the general public.

17.3 Subject to paragraph 17.4, in respect of each country or territory specified in a notice given under paragraph 17.1(b) as varied by a notice (if any) given under paragraph 17.1(c), the Licensee shall secure that in any period specified in the notice ("the first period") the ratio ("the first ratio") between:

- (a) the volume of Messages comprised in International Simple Data Resale Services and International Simple Voice Resale Services which are conveyed by means of the Applicable Systems and are delivered to the United Kingdom from that country or territory; and
- (b) the volume of Messages comprised in International Simple Data Resale Services and International Simple Voice Resale Services which are conveyed by means of the Applicable Systems and are sent from the United Kingdom to that country or territory

does not differ from the ratio ("the second ratio") for the previous specified period ("the second period") (the second ratio and the second period both being specified in the notice) between:

- (c) the total volume of all Messages delivered to the United Kingdom from that country or territory; and
- (d) the total volume of all Messages sent from the United Kingdom to that country or territory.

17.4 Where the Secretary of State is unable for any reason to specify the second ratio, and has informed the Licensee accordingly, the Licensee shall secure that in the first period the volume of Messages of the sort described in paragraph 17.3(a) shall be equal to the volume of Messages of the sort described in paragraph 17.3(b).

CONTROLLED SERVICES

18.1 The Licensee may provide a Controlled Service in whole or part by means of the Applicable Systems (whether or not Messages comprised in, or resulting from the provision of, such Services have previously been or are subsequently conveyed by any other public telecommunication system) only where the Relevant Condition is satisfied.

18.2 The Licensee may provide a telecommunication service to another person by means of the Applicable Systems by means of which that person, to the knowledge of the Licensee, provides a Controlled Service (whether or not Messages comprised in, or resulting from the provision of, such Services have previously been or are subsequently conveyed by any other public telecommunication system) only where the Relevant Condition is satisfied.

18.3 The Relevant Condition is that there is in effect at the time the Controlled Service concerned is provided a Code of Practice governing the provision of such a Service, which has been recognised by the Director for the purposes of this Condition after consultation with the Licensee and with any body which he considers to be representative of those wishing to provide such Services.

18.4 A Code of Practice shall be recognised for the purposes of paragraph 18.3 only if the Director is satisfied that:

- (a) its provisions are capable of properly regulating the provision of the Controlled Services to which it relates and, without prejudice to the generality of the foregoing, make adequate provision for compensating those who suffer as a result of the provision of such Services; and
- (b) adequate arrangements have been made for the constitution of a body of persons to apply and administer the Code.

18.5 A Code of Practice is recognised for the purposes of this Condition where it is specified as such in a determination made by the Director, and the Director may, at any time after such a Code is recognised and after giving not less than one month's notice in writing of his intention to the body of persons applying and administering the code, determine that its recognition be revoked if he is satisfied that its provisions are not capable of properly regulating the provision of the Controlled Services to which it relates or that it is not being properly applied and administered.

18.6 For the purposes of this Condition the Director may recognise a Code of Practice in relation to any description of

Controlled Service or to all Controlled Services and the provisions of this Condition shall apply accordingly.

18.7 If a recommendation is made to the Director by the body of persons applying and administering a Code of Practice recognised under paragraph 18.3 that any person (including the Licensee) should no longer be permitted or should not be permitted to provide a particular Controlled Service or any Controlled Services (whether or not he is providing it or them when the recommendation is made) and the Director considers it appropriate, he may direct the Licensee to cease to provide, or, as the case may be, not to provide that person or any other person with any service facilitating or enabling the provision of the relevant Controlled Service or Services or, as the case may be, itself cease to provide, or, as the case may be, not to provide the relevant Controlled Service or Services.

18.8 The Director may determine, subject to such conditions as he thinks fit, that:

- (a) any Controlled Service of any description, or any individually specified such Service provided by a person named in the determination, is not to be treated as a Controlled Service for the purposes of this Condition; and
- (b) any individually specified Controlled Service in respect of which a determination under paragraph 18.8(a) has been made or which is within a description of Controlled Services in respect of which such a determination has been made, is to be treated as a Controlled Service for those purposes notwithstanding such determination,

and where a determination of the kind specified in paragraph 18.8(b) is made the provisions of this Condition shall apply to such a Service from the date specified in the determination.

18.9 Subject to paragraph 18.8, the provisions of this Condition apply only to a Controlled Service in respect of which:

- (a) the person providing the Service obtains the whole or any part of his revenue from the Licensee (or, where that person is the Licensee, that part of the Licensee's business which provides the Service is credited with revenue from that part of its business which conveys the Message comprised in, or resulting from the provision of, the Service); and
- (b) the person responsible for paying the charges for the telephone calls by means of which the Service is obtained is billed by means of his telephone bill for any amount in respect of the provision of the Service.

18.10 The provisions of this Condition shall cease to have effect on the making of a direction by the Director under Condition 19 to the extent specified in the direction.

18.11 The provisions of this Condition and Condition 19 shall come into force on such day as the Director may determine and different days may be so determined for different provisions or different purposes.

PROVISION OF SPECIAL FACILITIES

19.1 The Licensee shall comply with any direction made under this paragraph which requires the Licensee to make available such of the facilities listed in paragraph 19.2 as are specified in the direction. A direction under this paragraph shall be made by the Director after consultation with the Licensee and shall specify only facilities which the Director considers it will be technically and economically practicable for the Licensee to provide. The direction shall specify the date by which each facility is to be provided and the class or description of customer (whether described by reference to area or otherwise) to whom it is to be provided and shall be subject to such conditions as the Director thinks fit.

19.2 The facilities referred to in paragraph 19.1 are:

- (a) the provision to any customer of the Licensee for voice telephony services who requests it of a bill or invoice showing, by reference to the number used to access the service, and the date and time on which access was obtained, the amount of any charge imposed by the Licensee for a telephone call to any service to which this Condition applies;
- (b) the notification to such a customer who requests it, as soon as reasonably practicable, of:
 - (i) the date on which the total charges accrued within the standard billing period of the Licensee for voice telephony services and any other service to be included in the bill or invoice for such services exceed an amount specified by that customer being an amount, or one of a number of amounts, from time to time specified by the Licensee as being suitable for the purpose; or
 - (ii) the date on which the aggregate charges accrued in any such period in respect of services to which this Condition applies exceed an amount determined from time to time by the Director; and
- (c) the barring, by means of apparatus forming part of the Applicable Systems, on request by any such customer, of access from any Exchange Line specified by that customer and in respect of which that customer is the customer of the Licensee, to all services to which this Condition applies.

19.3 The services to which this Condition applies are those Chatline Services and Message Services in respect of which:

any amount in respect of the provision of the Service.

19.10 The provisions of this Condition shall cease to have effect on the making of a direction by the Director under Condition 20 to the extent specified in the direction.

19.11 The provisions of this Condition and Condition 20 shall come into force on such day as the Director may determine and different days may be so determined for different provisions or different purposes.

recognise a Code of Practice in relation to any description of Controlled Service or to all Controlled Services and the provisions of this Condition shall apply accordingly.

19.7 If a recommendation is made to the Director by the body of persons applying and administering a Code of Practice recognised under paragraph 19.3 that any person (including the Licensee) should no longer be permitted or should not be permitted to provide a particular Controlled Service or any Controlled Services (whether or not he is providing it or them when the recommendation is made) and the Director considers it appropriate, he may direct the Licensee to cease to provide, or, as the case may be, not to provide that person or any other person with any service facilitating or enabling the provision of the relevant Controlled Service or Services or, as the case may be, itself cease to provide, or, as the case may be, not to provide the relevant Controlled Service or Services.

19.8 The Director may determine, subject to such conditions as he thinks fit, that:

- (a) any Controlled Service of any description, or any individually specified such Service provided by a person named in the determination, is not to be treated as a Controlled Service for the purposes of this Condition; and
- (b) any individually specified Controlled Service in respect of which a determination under paragraph 19.8(a) has been made or which is within a description of Controlled Services in respect of which such a determination has been made, is to be treated as a Controlled Service for those purposes notwithstanding such determination,

and where a determination of the kind specified in paragraph 19.8(b) is made the provisions of this Condition shall apply to such a Service from the date specified in the determination.

19.9 Subject to paragraph 19.8, the provisions of this Condition apply only to a Controlled Service in respect of which:

- (a) the person providing the Service obtains the whole or any part of his revenue from the Licensee (or, where that person is the Licensee, that part of the Licensee's business which provides the Service is credited with revenue from that part of its business which conveys the Message comprised in, or resulting from the provision of, the Service); and
- (b) the person responsible for paying the charges for the telephone calls by means of which the Service is obtained is billed by means of his telephone bill for

- (a) the person providing the service obtains the whole or any part of his revenue from the Licensee (or, where that person is the Licensee, that part of the Licensee's business which provides the Service is credited with revenue from that part of its business which conveys the Messages comprised in, or resulting from the provision of, the Service); and
- (b) the person responsible for paying the charges for the telephone calls by means of which the Service is obtained is billed by means of his telephone bill for any amount in respect of the provision of the Service.

NOTIFICATION OF CHANGES IN SHAREHOLDINGS

20.1 The Licensee shall notify the Secretary of State if an undertaking becomes a Parent Undertaking in relation to the Licensee.

20.2 Subject to paragraph 20.3, the Licensee shall notify the Secretary of State of:

- (a) any change in the proportion of the Shares held in a Relevant Company by any person; or
- (b) the acquisition of any Shares in a Relevant Company by a person not already holding any such Shares, and the proportion of any such Shares held by that person immediately after that acquisition.

20.3 The Licensee shall be obliged to notify the Secretary of State of any acquisition of Shares or change in the Shareholding of a Relevant Company by any person only if, by reason of that acquisition or change, the total number of Shares in that Relevant Company held by that person together with any shares held by any nominee or trustee for that person immediately after that change or acquisition:

- (a) exceeds 15 per cent of the total number of Shares in that company (where it did not exceed 15 per cent prior to that change or acquisition);
- (b) exceeds 30 per cent of the total number of Shares in that company (where it did not exceed 30 per cent prior to that change or acquisition); or
- (c) exceeds 50 per cent of the total number of Shares in that company (where it did not exceed 50 per cent prior to that change or acquisition),

provided that where a Relevant Company is a public company as defined in section 1 of the Companies Act 1985, the obligation shall be discharged by forwarding to the Secretary of State as soon as practicable all information in respect of that acquisition or that change as is entered on or received for entry on the register required to be maintained by that Relevant Company under section 211 of the Companies Act 1985.

20.4 In any case referred to in paragraph 20.1 or 20.2, notification shall be given by a date which is 30 days prior to the taking effect of such change or acquisition, as the case may be, or as soon as practicable after that date.

LICENSEE'S GROUP

21.1 Without prejudice to the Licensee's obligations under these Conditions in respect, in particular, of anything done on its behalf, where:

- (a) any member of the Licensee's Group does anything which the Licensee is prohibited from doing under these Conditions or fails to do anything which the Licensee is in the circumstances required to do; and
- (b) the Director is of the opinion that the Licensee is in a material and substantial way thereby seeking to avoid or is avoiding obligations which would apply under these Conditions if the thing had been done or had not been done by the Licensee,

then the Licensee shall take such reasonable steps to ensure that that member of the Licensee's Group does or ceases to do that thing or otherwise to remedy the matter as the Director directs the Licensee to take.

21.2 Where these Conditions apply in respect of the Applicable Systems they do not apply in respect of any other telecommunication system, whether run by the Licensee or another.

21.3 Where any person becomes a member of the Licensee's Group then the Licensee shall not be subject to paragraph 21.1 before that is reasonably practicable but shall be so not later than one year after that person becomes such a member or such later date as the Director may determine.

21.4 This Condition shall not apply to any particular member of the Licensee's Group if and to the extent that the Director so determines.

PRE-NOTIFICATION OF JOINT VENTURES

22.1 Unless the Director otherwise agrees the Licensee shall notify the Director not later than 30 days before the taking effect of any of the agreements or arrangements to which this Condition applies giving particulars of those agreements or arrangements.

22.2 Those agreements and arrangements are:

- (a) an agreement with any person for the establishment or control of any body corporate for the purpose of:
 - (i) the running of a telecommunication system which requires a Licence; or
 - (ii) providing telecommunication services in the United Kingdom which necessarily involve the running of such a system; or
 - (iii) the production of telecommunication apparatus for supply in the United Kingdom where that production would lead to a monopoly situation which would not otherwise exist in relation to the supply of telecommunication apparatus of any description in the United Kingdom; or
- (b) an agreement for the establishment of a partnership for any of those purposes and in those circumstances; or
- (c) any other agreement or arrangement in the nature of a joint venture for the purpose of running a telecommunication system which requires a Licence or for the purpose of providing telecommunication services in the United Kingdom which necessarily involve the running of such a system.

22.3 Paragraphs 22.2(a) and 22.2(b) apply in relation to an agreement or arrangement for the establishment or control of any body corporate or partnership where the Licensee has or is to have not less than 20% of the voting power in any organ controlling that body.

22.4 For the purposes of this Condition a monopoly situation shall be taken to exist where such a situation would be taken to exist for the purpose of any of the provisions of section 6 of the Fair Trading Act 1973 but with the substitution of the words "one fifth" for the words "one quarter" whenever they appear in that section.

22.5 In any case where circumstances beyond the Licensee's control require it to enter into an agreement or arrangement, if it is to enter into it at all, without having made a

notification in accordance with paragraph 22.1 the Licensee shall notify the Director as soon as reasonably practicable but otherwise in accordance with the provisions of this Condition.

PAYMENT OF FEES

23.1 The Licensee shall pay the following amounts to the Secretary of State at the times stated:

- (a) on the grant of this Licence the sum of £34,500;
- (b) on 1 April 1993 and annually thereafter a renewal fee of (at the option of the Director) either £20,000 (the second and subsequent renewal fees being adjusted to take account of any fall or increase in the value of money since that date) or such amount which shall represent a fair proportion, to be determined each year by the Director according to a method that has been disclosed to the Licensee, of the estimated costs to be incurred in that fiscal year by the Director in the regulation and enforcement of telecommunication licences and in the exercise of his other functions under the Act. The first renewal fee shall be increased by the proportion which the period from the date of granting of this Licence until the next following 1 April bears to the period of one year; and
- (c) where the Director so determines, on 1 January 1994 and annually thereafter a special fee which shall represent a fair proportion, to be determined each year by the Director according to a method that has been disclosed to the Licensee of that amount, if any, by which the aggregate of:
 - (i) the costs estimated to have been already incurred in that fiscal year by the Director in the regulation and enforcement of telecommunication licences and in the exercise of his other functions under the Act;
 - (ii) the costs estimated to have been already incurred in that fiscal year by the Monopolies and Mergers Commission following licence modification references under section 13 of the Act; and
 - (iii) the estimated costs to be incurred in the remainder of that fiscal year:
 - (A) by the Director in the regulation and enforcement of telecommunication licences and in the exercise of his other functions under the Act; and
 - (B) by the Monopolies and Mergers Commission following licence modification references under section 13 of the Act,

exceeds the renewal fee for that year,

save always that the aggregate of the renewal fee and the special fee for any fiscal year shall not exceed 0.08% of the annual turnover of the Systems Business in the financial year before the last complete financial year of the Licensee before the renewal fee is payable, or £35,000 (adjusted in the manner described in paragraph 23.1(b)), whichever is the greater (the "normal aggregate fee"), unless the Director determines that the costs incurred in any fiscal year by him and the Monopolies and Mergers Commission in respect of the Licensee's activities exceeds the normal aggregate fee, in which case the aggregate of the renewal fee and the special fee for the following year shall be such amount (not exceeding 0.4% of the annual turnover of the Systems Business in the financial year before the last complete financial year of the Licensee before the renewal fee is paid) as the Director determines is sufficient to take account of that excess as well as of the other costs to be incurred as mentioned in this paragraph.

REQUIREMENT TO FURNISH INFORMATION TO THE DIRECTOR

24.1 The Licensee shall furnish to the Director, in such manner and at such times as the Director may reasonably request, such documents, accounts, estimates, returns or other information and procure and furnish to him such reports as he may reasonably require for the purpose of exercising the functions assigned or transferred to him by or under Parts II and III of the Act.

24.2 In making any such request the Director shall ensure that no undue burden is imposed on the Licensee in procuring and furnishing such information and, in particular, that the Licensee is not required to procure or furnish a report which would not normally be available to it unless the Director considers the particular report essential to enable him to exercise his functions.

24.3 Without prejudice to the generality of paragraph 24.1 and notwithstanding paragraph 24.2, the Licensee shall, in such manner and at such times as he may reasonably request, furnish to the Director:

- (a) accounts which show separately the annual turnover of the Systems Business; and
- (b) particulars of a sample of retail call revenues disaggregated by categories of call.

EXCEPTIONS AND LIMITATIONS ON OBLIGATIONS IN SCHEDULE 1

25.1 Unless the context otherwise requires and subject to paragraph 25.9, the Licensee's obligations under these Conditions have effect subject to the following exceptions and limitations.

25.2 The Licensee is not obliged to do anything which is not practicable.

25.3 The Licensee shall not be held to have failed to comply with an obligation imposed upon it by or under these conditions if and to the extent that the Licensee is prevented from complying with that obligation by any physical, topographical or other natural obstacle, by the malfunction or failure of any apparatus or equipment due to circumstances beyond the control of the Licensee, by the act of any national authority, local authority or international organisation or as the result of fire, flood, explosion, accident, emergency, riot or war.

25.4 An obligation to provide any telecommunication service shall not apply:

- (a) where there is no reasonable demand for it; or
- (b) where provision of the service requested would expose any person engaged in its provision to undue risk to health or safety; or
- (c) where the Licensee is unable to obtain (either because it has not been developed or for some other reason beyond the Licensee's control) anything necessary to provide a service of the quality or standard required by the person who requests the provision of the service and, in the event of dispute, the Director's decision as to whether anything is necessary shall be final; or
- (d) where the person to whom the Licensee would otherwise be under an obligation to provide any service requests a service at a place in which the apparatus necessary to provide that service in that area has not been installed (or in which the installation of such apparatus has not been completed) or as the case may be such apparatus has not been adapted or modified to make it capable of providing that service or the trained manpower necessary to provide that service is not available in that area, provided that in every case where the Licensee declines to provide a service to which this paragraph relates it shall have published, or furnished to the Director, or within 28 days (or such longer period as the Director considers reasonable) following receipt by it of the request that

service be provided shall have furnished to the Director, proposals for:

- (i) progressively installing or completing the installation or the adaptation or the modification of the apparatus; or
 - (ii) the allocation of the trained manpower, necessary for the provision of that service in that area and the Director has not determined that those proposals are unreasonable or are not being effectively carried out; or
- (e) where the person to whom the Licensee would otherwise be under an obligation to provide any service requests a service at a place in an area in which the demand or the prospective demand for the service is not sufficient, having regard to the revenue likely to be earned from the provision of the service in that area, to meet all the costs reasonably to be incurred by the Licensee in providing the service there, including:
- (i) the cost of apparatus necessary for the provision of the service there;
 - (ii) the cost of the installing, maintaining and operating such apparatus for the purpose of providing the service there; and
 - (iii) the cost of trained manpower necessary to provide the service there; or
- (f) where in the opinion of the Director it is not reasonably practicable in all the circumstances for the Licensee to provide the service requested at the time or place demanded.

25.5 The Licensee shall not be obliged to connect, or to keep connected to the Applicable Systems, or to permit to be so connected or kept connected any telecommunication system or telecommunication apparatus or to provide telecommunication services or to permit the provision of any service if the person to or for whom that is or is to be done:

- (a) has not entered or will not enter into a contract for the purpose with the Licensee for reasons other than the unreasonable refusal of the Licensee to agree terms for the purpose but this paragraph does not apply in a case where the Director is satisfied that:
 - (i) the Licensee has not published standard terms and conditions which it proposes to apply for the purpose in question, or the transaction is not fit to be governed by such terms and conditions; and

- (ii) the Licensee has unreasonably refused to agree terms and conditions for the purpose;
- (b) is, or in the Director's opinion has given reasonable cause to believe that he may become:
 - (i) in breach of a contract with the Licensee for the provision of telecommunication services by the Licensee; or
 - (ii) in default in regard to any debt or liability owed to the Licensee in respect of any such contract;
- (c) is using, or permitting the use of, apparatus so supplied for any illegal purpose or has done so in the past and is likely to do so again; or
- (d) has obtained, or attempted to obtain, any telecommunication service from the Licensee by corrupt, dishonest or illegal means at any time.

25.6 Nothing in these Conditions shall prevent the Licensee from withdrawing from, or declining to provide to, any person any telecommunication service which the Licensee has notified the Director that it is providing in a limited area, or to a limited class of customers, for the purpose of evaluating the technical feasibility of, or the commercial prospects for, that service.

25.7 Nothing in these Conditions shall require the Licensee to provide any telecommunication service, or to provide any telecommunication service of any particular class or description, if it provides instead a service, or a service of a class or description, which satisfies the purposes of that requirement at least to the same extent.

25.8 This Condition shall apply without prejudice to any limitation or qualification of the requirements imposed by or under any other Condition.

25.9 This Condition does not apply to Condition 5 or 9 or paragraph 12.1, and:

- (a) only paragraphs 25.1, 25.2, 25.3 and 25.8 apply to Conditions 8, 12.2, 12.3, 13, 21, 22, 23 and 24;
- (b) only paragraphs 25.1, 25.5(a) and 25.8 apply to Condition 4.2;
- (c) only paragraphs 25.1, 25.2, 25.3, 25.5 and 25.8 apply to Condition 14;
- (d) only paragraphs 25.1, 25.2, 25.3, 25.4(b), 25.5(a) and 25.8 apply to Condition 3;

- (e) only paragraphs 25.1, 25.2, 25.3, 25.4(b) and 25.8 apply to Condition 16; and
- (f) only paragraphs 25.1, 25.2, 25.3, 25.4, 25.6 and 25.8 apply to Condition 4.1.

SCHEDULE 2: REVOCATION

1 Notwithstanding paragraph 3 of the Licence the Secretary of State may at any time revoke this Licence by at least 30 days' notice given to the Licensee in writing in any of the following circumstances:

(a) if the Licensee agrees in writing with the Secretary of State that this Licence should be revoked; or

(b) if either

(i) an undertaking has become a Parent Undertaking in relation to the Licensee; or

(ii) a change or acquisition of a description specified in paragraphs 20.2 and 20.3 of Condition 20 of Schedule 1 to this Licence has taken place;

and either

(iii) the Licensee has duly notified the Secretary of State in accordance with those paragraphs; or

(iv) the Licensee has failed to notify the Secretary of State that such event, change or acquisition has taken place in accordance with an obligation under that Condition;

and

(v) the Secretary of State has notified the Licensee in writing that he is minded to revoke this Licence on the grounds either that:

(A) the event, change or acquisition would in his opinion be against the interests of national security or relations with the government of a country or territory outside the United Kingdom; or

(B) the Licensee has committed a breach of Condition 20 of Schedule 1; and

(vi) the event, change or acquisition has not been reversed or remedied within 30 days of the receipt by the Licensee of such notification.

(c) if, following a change or acquisition of the type referred to in Condition 20 of Schedule 1 to this Licence, the Secretary of State considers, or the Director has notified the Secretary of State that

the Director considers, that the Licensee is relying, has relied or is likely to rely on this Licence in circumstances in which an effect of such reliance is, was or may be that the Licensee or any member of the Licensee's Group is or was relieved wholly or in part of any obligation, limitation or restriction imposed by a Licence issued to the Licensee or any member of the Licensee's Group; or

- (d) where the Licensee has failed to comply with a final order (or a provisional order confirmed) under section 16 of the Act and the Secretary of State has given the Licensee not less than 30 days' notice in writing that, if the Licensee fails to comply with the order within that period of 30 days, he intends to revoke the Licence, provided that no such notice of intention shall be given where the question of the validity of the order is the subject of any court proceedings, and where that question becomes so subject during the 30 day notice period, that period shall cease to run until the final disposal of those proceedings (including any Appeal); or
- (e) if the Licensee:
 - (i) is deemed to be unable to pay its debts (within the meaning of section 123 of the Insolvency Act 1986 as applied for the purposes of this Licence by paragraph 2(b)), convenes any meeting with its creditors generally with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of its creditors generally; or
 - (ii) enters into administration, receivership or liquidation; or
 - (iii) ceases to provide telecommunication services of the type authorised in paragraph 3 of Schedule 3 to this Licence; or
- (f) if the Licensee or any other person takes any action for the voluntary winding-up or dissolution of the Licensee; or
- (g) if the Licensee enters into any scheme of arrangement under the Insolvency Act 1986 (other than in any such case for the purpose of reconstruction or amalgamation upon terms and within such period as may previously have been approved in writing by the Secretary of State); or
- (h) if an administrator, receiver, trustee or similar officer of the Licensee, or of all or any material part of the revenues and assets of it, is appointed;

or

- (i) if any order is made for the compulsory winding-up or dissolution of the Licensee; or
- (j) if any amount payable under Condition 23 of Schedule 1 is unpaid 30 days after it becomes due and remains unpaid for a period of 14 days after the Secretary of State notifies the Licensee that the payment is overdue.

2 For the purposes of paragraph 1(e)(i), in applying section 123 of the Insolvency Act 1986:

- (a) if a written demand served on the Licensee is satisfied prior to the expiry of the notice of revocation the Secretary of State shall not revoke the Licence; and
- (b) the figure of "£750", or such other money sum as may be specified from time to time pursuant to sections 123(3) and 416 of the Insolvency Act 1986, shall be deemed to be replaced by "£250,000" or such higher figure as the Director may from time to time determine.

3 In this Schedule:

- (a) "Group" means a parent undertaking and its subsidiary undertaking or undertakings within the meaning of Section 258 of the Companies Act 1985 as substituted by section 21 of the Companies Act 1989; and the "Licensee's Group" means a Group in respect of which the Licensee is either a parent undertaking or a subsidiary undertaking; and
- (b) "Parent Undertaking" has the meaning given to it in section 258 of the Companies Act 1985 as substituted by section 21 of the Companies Act 1989.

4 For the purposes of this Schedule "Appeal" includes further appeal and application for leave to appeal or further to appeal.

**SCHEDULE 3: AUTHORISATION TO CONNECT OTHER
TELECOMMUNICATION SYSTEMS AND APPARATUS TO THE
APPLICABLE SYSTEMS AND TO PROVIDE
TELECOMMUNICATION SERVICES BY MEANS OF THE
APPLICABLE SYSTEMS**

1 Nothing in this Licence removes any need to obtain any other licence that may be required under any other enactment.

Connection Authorisation

2 Subject to paragraph 1, this Licence authorises the connection to the Applicable Systems of:

- (a) any telecommunication system run under a Licence;
- (b) any telecommunication system run by the Crown;
- (c) telecommunication apparatus of every description which is comprised in a telecommunication system mentioned in paragraphs 2(a) to 2(b);
- (d) any telecommunication apparatus not comprised in the Applicable Systems which is for the time being Compliant Terminal Equipment or approved for connection to the Applicable Systems in accordance with section 22 of the Act; and
- (e) any hearing aid.

Service Authorisation

3 Subject to paragraph 1, this Licence authorises the provision by means of the Applicable Systems of any telecommunication services except:

- (a) International Simple Voice Resale Services, unless such services involve the conveyance of Messages conveyed by the Applicable Systems which have been or are to be conveyed also by telecommunication systems in any country or territory:
 - (i) which the Secretary of State has designated for the purpose of this Licence and is included in a list kept for the purpose by the Director and made available by him for inspection by the general public;
 - (ii) in respect of which the Secretary of State has notified the Licensee that he has made such a designation; and
 - (iii) which is not a country or territory in respect

of which the Secretary of State has revoked such designation having given the Licensee not less than 3 months' notice of his intention to do so;

- (b) International Simple Data Resale Services, unless the Secretary of State has specified a description of such Services which may be provided by means of the Applicable Systems and such specification is described in a list kept for the purpose by the Director and made available by him for inspection by the general public;
- (c) conveyance of Messages for the delivery of one or more of the services specified in paragraphs (a) to (c) of section 72(2) of the Broadcasting Act 1990 for simultaneous reception in two or more Dwelling-Houses; and
- (d) any Mobile Radio Tails Service.

Definitions and interpretation

4 In this Schedule unless the context otherwise requires:

- (a) "Applicable Terminal Equipment" means apparatus which is applicable terminal equipment within the meaning of regulation 4 of the Telecommunications Terminal Equipment Regulations 1992;
- (b) "Compliant Terminal Equipment" means Applicable Terminal Equipment which satisfies the requirements of regulation 9 of the Telecommunications Terminal Equipment Regulations 1992;
- (c) "Dwelling-House" has the same meaning as in section 202 of the Broadcasting Act 1990;
- (d) "International Private Leased Circuit" means a communication facility which is:
 - (i) comprised both in a public telecommunication system and in an equivalent telecommunication system in a country or territory other than the United Kingdom;
 - (ii) for the conveyance of Messages between points, all of which are points of connection between telecommunication systems referred to in paragraph 4(d)(i) and other telecommunication systems;
 - (iii) made available to a particular person or particular persons;

- (iv) such that all of the Messages transmitted at any of the points mentioned in paragraph 4(d)(ii) are received at every other such point; and
- (v) such that the points mentioned in paragraph 4(d)(ii) are fixed by the way in which the facility is installed and cannot otherwise be selected by persons or apparatus sending Messages by means of that facility;
- (e) "International Simple Data Resale Services" means telecommunication services consisting in the conveyance of Messages which do not include two-way live speech, but include only such switching, processing, data storage or protocol conversion as is necessary for the conveyance of those Messages in real time, which have been or are to be conveyed by means of all of the following:
 - (i) a Public Switched Network;
 - (ii) an International Private Leased Circuit; and
 - (iii) the equivalent of a Public Switched Network in another country or territory;

provided that there shall be disregarded:

- (1) any service provided by means of a Public Switched Network consisting only in such conveyance and switching which when carried out by a customer of that Public Switched Network over a telecommunication system run by him could be carried out under the Class Licence for the Running of Self Provided Telecommunication Systems granted by the Secretary of State under section 7 of the Telecommunications Act 1984 on 30 July 1992; and
- (2) any service provided by means of the Applicable Systems consisting only in such conveyance and switching which when carried out by a person other than a public telecommunications operator over a telecommunication system run by him could be carried out under the Class Licence to Run Branch Systems to Provide Telecommunication Services granted by the Secretary of State under section 7 of the Telecommunications Act 1984 on 15 July 1992;
- (f) "International Simple Voice Resale Services" means telecommunication services consisting in conveyance of Messages which include two-way live speech which

have been or are to be conveyed by means of all of the following:

- (i) a Public Switched Network;
- (ii) an International Private Leased Circuit; and
- (iii) the equivalent of a Public Switched Network in another country or territory;

provided that there shall be disregarded:

- (1) any service provided by means of a Public Switched Network consisting only in such conveyance and switching which when carried out by a customer of that Public Switched Network over a telecommunication system run by him could be carried out under the Class Licence for the Running of Self Provided Telecommunication Systems granted by the Secretary of State under section 7 of the Telecommunications Act 1984 on 30 July 1992; and
 - (2) any service provided by means of the Applicable Systems consisting only in such conveyance and switching which when carried out by a person other than a public telecommunications operator over a telecommunication system run by him could be carried out under the Class Licence to Run Branch Systems to Provide Telecommunication Services granted by the Secretary of State under section 7 of the Telecommunications Act 1984 on 15 July 1992;
- (g) "Message" means anything falling within paragraphs (a) to (d) of section 4(1) of the Act;
 - (h) "Mobile Radio Tails Service" means a telecommunication service consisting in the conveyance of Messages through the agency of Wireless Telegraphy to or from the Applicable Systems directly from or to any apparatus designed or adapted to be capable of being used while in motion;
 - (i) "Private Leased Circuit" means a communication facility which is:
 - (i) provided by means of one or more public telecommunication systems;
 - (ii) for the conveyance of Messages between points, all of which are points of connection between telecommunication systems referred to in

paragraph 4(i)(i) and other telecommunication systems;

- (iii) made available to a particular person or particular persons;
 - (iv) such that all of the Messages transmitted at any of the points mentioned in paragraph 4(i)(ii) are received at every other such point; and
 - (v) such that the points mentioned in paragraph 4(i)(ii) are fixed by the way in which the facility is installed and cannot otherwise be selected by persons or telecommunication apparatus sending Messages by means of that facility;
- (j) "Public Switched Network" means a public telecommunication system by means of which two-way telecommunication services are provided whereby Messages are switched incidentally to their conveyance, and, for the avoidance of doubt, a Public Switched Network does not include Private Leased Circuits or International Private Leased Circuits; and
- (k) "Wireless Telegraphy" has the same meaning as in the Wireless Telegraphy Act 1949.

5 Expressions cognate with those referred to in this Schedule shall be construed accordingly.

SCHEDULE 4: EXCEPTIONS AND CONDITIONS RELATING TO THE APPLICATION OF THE TELECOMMUNICATIONS CODE

DEFINITIONS AND INTERPRETATION

1 In this Schedule, unless the context otherwise requires:

- (a) "Agricultural" has the meaning given to it by paragraph 1 of Schedule 2 to the Act;
- (b) "Appropriate Authority" means a public authority of a type described in subsection 49(6) of the New Roads and Street Works Act 1991;
- (c) "The Broads" means the area in which the Broads Authority exercises power of development control;
- (d) "Condition" means a Condition in this Schedule;
- (e) "Cost Price" means the cost of any item of Telecommunication Apparatus, including the full cost of its installation, calculated before any charges for depreciation by the Licensee and modified to take account of any alteration in the CSO Price Index for Buildings and Works since it was installed;
- (f) "Duct" means a structure or apparatus (with appropriate entry points) installed underground in such a way that Lines can be installed in it without having to break up the surface of the highway;
- (g) "Emergency" means an emergency of any kind, including any circumstance whatever resulting from major accidents, natural disasters and incidents involving toxic or radio-active materials;
- (h) "Emergency Organisations" means in respect of any locality:
 - (i) the relevant public police, fire, ambulance and coastguard services for that locality; and
 - (ii) any other similar organisation in respect of which any public telecommunications operator licensed to operate in the locality in question is providing a Public Emergency Call Service on the day on which this Licence enters into force;
- (i) "Emergency Works" has the meaning given to it by paragraph 1 of Schedule 2 to the Act;
- (j) "Gross Book Value", in relation to any period, means the sum of the Cost Price of each piece of Telecommunication Apparatus installed by or on behalf of the Licensee under paragraph 9 of the

Telecommunications Code before the beginning of that period;

- (k) "Highway Authority" means, in England and Wales, the highway authority as defined in section 1 of the Highways Act 1980, in Scotland, the highway authority as defined in section 151 of the Roads (Scotland) Act 1984 and, in Northern Ireland, the Department of the Environment for Northern Ireland;
- (l) "Line" has the meaning given to it by paragraph (a) of the definition of "Telecommunication Apparatus" in paragraph 1 of Schedule 2 to the Act;
- (m) "Maintainable Highway" has the meaning given to it by paragraph 1 of Schedule 2 to the Act, as amended by paragraph 113(1) of Schedule 8 of the New Roads and Street Works Act 1991;
- (n) "Major Office" means the Licensee's registered office and such other offices as the Director, having consulted the Licensee, may direct;
- (o) "New Forest" means the area defined in the New Forest Act 1964;
- (p) "Planning Authority" means:
 - (i) in relation to England and Wales, the local planning authority for the area in question within the meaning of section 1 of the Town and Country Planning Act 1990;
 - (ii) in relation to Scotland, at a regional level the general planning authority, otherwise known as the regional planning authority, and at a district level the general planning authority, otherwise known as the district planning authority for the area in question within the meaning of section 172 of the Local Government (Scotland) Act 1973; and
 - (iii) in relation to Northern Ireland, the Department of the Environment for Northern Ireland;
- (q) "Public Emergency Call Services" means a telecommunication service by means of which any member of the public may, at any time and without incurring any charge, by means of any item of telecommunication apparatus which is lawfully connected to the Applicable Systems and which is capable of transmitting and receiving unrestricted two way voice telephony services when so connected, communicate as swiftly as practicable with any of the Emergency Organisations for the purpose of notifying them of an Emergency;

(r) "Relevant Area" means:

- (i) in relation to England and Wales, any area designated as a conservation area under sections 69 and 70 of the Planning (Listed Buildings and Conservation Areas) Act 1990;
- (ii) in relation to Scotland, any area designated as a conservation area under section 262 of the Town and Country Planning (Scotland) Act 1972;
- (iii) in relation to Northern Ireland, any area designated as a conservation area under Article 50 of the Planning (Northern Ireland) Order 1991; and
- (iv) a park within the meaning of the Parks Regulation Acts 1872 to 1974;

(s) "Relevant Event" means:

- (i) the revocation of this Licence;
- (ii) where the Licensee is not immediately granted another similar licence to run the Applicable Systems, the expiry of this Licence; or
- (iii) any of the events specified in paragraph 1(e) of Schedule 2 to this Licence; provided that paragraph 2 of that Schedule shall have effect for the purposes of this definition as it has for the purposes of paragraph 1 of that Schedule;

(t) "Relevant Supplier" means in relation to an area in which the Licensee has installed or proposes to install any apparatus the person who is authorised by a licence granted under paragraph (b) or (c) of section 6(1) of the Electricity Act 1989 to transmit or supply electricity;

(u) "Relevant Undertaker" has the meaning given to it by paragraph 23 of Schedule 2 to the Act but as if the words "or for the supply of heat" were added at the end of paragraph (a)(iii) of paragraph 23(10);

(v) "Service Line" means any line placed or intended to be placed for the purpose of providing any telecommunication service to the occupier from time to time of any land, as distinct from lines placed or intended to be placed for the general purposes of any telecommunication system;

(w) "Statutory List of Buildings" is the list of buildings of special architectural or historic interest compiled by the Secretary of State under section 1(i) of the

Planning (Listed Buildings and Conservation Areas) Act 1990 or under section 52 of the Town and Country Planning (Scotland) Act 1972 or Article 31 of the Planning (Northern Ireland) Order 1972;

- (x) "Street" has the meaning given to it by paragraph 1 of Schedule 2 to the Act, as amended by paragraph 113(1) of Schedule 8 of the New Roads and Street Works Act 1991;
- (y) "Street Authority" has the meaning given to it by section 49 of the New Roads and Street Works Act 1991;
- (z) "Telecommunication Apparatus" shall have the extended meaning given to it by paragraph 1(1) of Schedule 2 to the Act; and
- (aa) "Traffic Authority" has the same meaning as in the Road Traffic Regulation Act 1984.

2 Expressions cognate with those referred to in this Schedule shall be construed accordingly.

3 For the avoidance of doubt, it is hereby declared that the Conditions in this Schedule apply in addition to any obligations of the Licensee under the New Roads and Street Works Act 1991 and the Public Utilities Street Works Act 1950, insofar as not superseded by the New Roads and Street Works Act 1991.

CONSERVATION AREAS

1.1 Subject to paragraph 1.2 and except in the case of Emergency Works, any Line installed by the Licensee after the date on which this Licence enters into force in any Relevant Area shall be installed underground and no pole shall be installed in any such area after that date.

1.2 Notwithstanding paragraph 1.1, nothing in this Condition shall prevent the installation on or above the ground of:

- (a) a Line or pole required temporarily for the purpose of Emergency Works;
- (b) an overhead Service Line flown from a pole installed:
 - (i) before the area was designated a conservation area; or
 - (ii) under paragraphs 1.2(e) or 1.2(f),provided that the Line is of not noticeably larger diameter than that of the majority of the Licensee's overhead Service Lines in the same locality;
- (c) an overhead Service Line flown from a building in a locality where overhead Service Lines attached to poles or buildings are already installed in adjacent Streets or on neighbouring land by the Licensee for the purpose of providing telecommunication services, provided that the Line is of a not noticeably larger diameter than that of the majority of such other overhead Service Lines;
- (d) any other Line replacing an existing Line provided that the replacement Line is of a not noticeably larger diameter than that of the Line it replaces;
- (e) a replacement pole in a position not substantially different from the pole it replaces;
- (f) subject to paragraph 1.3, a pole (other than one mentioned in paragraph 1.2(e)) in a Street or on neighbouring land where overhead Service Lines attached to poles are already installed by the Licensee in that Street or on that neighbouring land for the purpose of providing telecommunication services; or
- (g) a Service Line affixed to and lying on the surface of the exterior structure of a building provided that the Line is of a not noticeably larger diameter than the

majority of Service Lines affixed to and lying on the surface of the exterior structures of buildings in the same locality.

1.3 Before installing a pole under paragraph 1.2(f) the Licensee shall give the Planning Authority written notice of its intention to do so describing the proposed works and shall consider any written representations made by the Planning Authority within 28 days of the giving of the notice.

LISTED BUILDINGS AND ANCIENT MONUMENTS

2.1 Except in the case of Emergency Works, the Licensee shall before installing Lines, poles or other Telecommunication Apparatus in proximity to a building shown as Grade 1 or, as the case may be, Category A in the Statutory List of Buildings give written notice to the Planning Authority. Where the installation would detrimentally affect the character of appearance to the building, or its setting, and the Planning Authority indicates within 28 days of the giving of the notice that the installation should not take place, the Licensee may install the Apparatus only if the Secretary of State (after having consulted the Planning Authority) so directs in writing, or with the agreement of the Planning Authority.

2.2 For the avoidance of doubt it is hereby declared that nothing in this Licence affects:

- (a) the statutory requirement that the consent of the Secretary of State or, in the case of Northern Ireland, the Department of the Environment (NI), shall be obtained before any work is carried out which will affect the site of an ancient monument scheduled under sections 1 and 2 of the Ancient Monuments and Archaeological Areas Act 1979 or section 7 of the Historic Monuments (Northern Ireland) Act 1971; or
- (b) the obligation imposed on the Licensee by virtue of section 7 of the Planning (Listed Buildings and Conservation Areas) Act 1990 (or by section 53 of the Town and Country Planning (Scotland) Act 1972 or by Article 44 of the Planning (Northern Ireland) Order 1991) to obtain listed building consent for any works which affect the character of a building in the Statutory List of Buildings, or involve the demolition of any part of such a building.

OVERHEAD LINES

3.1 Without prejudice to Condition 1.1, the Licensee shall take steps to ensure that, wherever practicable, taking into account the need to provide telecommunication services at the lowest reasonable cost, new Lines (other than overhead Service Lines flown from poles) installed after the date on which this Licence enters into force are installed underground.

3.2 The Licensee shall consider carefully a request by any person that any of its existing Lines be resited underground. If the Licensee is satisfied that the person making the request will pay the costs of placing any such Line underground, the Licensee shall, wherever it is reasonable and practicable, so place the Line. In other cases, except where the request is frivolous, the Licensee shall be obliged within 28 days of receiving it, to give notice in writing of its decision whether or not to accede to the request to the person making the request giving, where it decides to refuse, reasons.

3.3 Where telecommunication services are to be provided to a person occupying or proposing to occupy a new development the Licensee shall consider in conjunction with those responsible for the development and any other statutory undertaker providing or proposing to provide a service to persons occupying that development whether Lines can be installed underground on a shared cost basis.

NATIONAL PARKS ETC

4.1 Subject to paragraph 4.2, and except in the case of Emergency Works, before installing overhead Telecommunication Apparatus in any National Park, Area of Outstanding Natural Beauty, National Scenic Area, the New Forest, or the Broads, and before installing any Apparatus in any Limestone Pavement Area, Site of Special Scientific Interest or Area of Special Scientific Interest, the Licensee shall give the Relevant Authority written notice of its intention to do so describing the proposed works.

4.2 Where:

- (a) the Licensee has given notice of proposed works in accordance with paragraph 4.1; and
- (b) the Relevant Authority has, within 28 days of giving of the notice, made written representations to the Licensee about the proposed works,

the Licensee shall consider those representations and if it considers that, notwithstanding those representations, the proposed works which are the subject of that notice should be carried out in the form proposed in that notice or with modifications to take account of those representations it shall, before carrying out the proposed works, give written notice to the Relevant Authority of its intentions to carry out the proposed works and of the modifications, if any, of the proposed works and the reasons for its decision to do so.

4.3 The Licensee shall also comply with any direction given to it in writing by the Secretary of State or, in the case of Northern Ireland, the Department of the Environment (NI), relating to giving notice to and considering representations made by any other authority exercising statutory functions in relation to any of the areas specified in paragraph 4.1 or such other environmentally sensitive areas as may be specified in the direction.

4.4 The Licensee shall not be required to give notice pursuant to paragraph 4.1 where the Apparatus to be installed consists solely of:

- (a) an overhead Service Line affixed to and lying on the surface of the exterior structure of a building or flown from a pole provided that the Line is of a not noticeably larger diameter than that of the majority of such overhead Service Lines in the same locality; or
- (b) a replacement pole installed in a position not substantially different from the pole it replaces.

4.5 In this Condition:**(a) in relation to England, Wales and Scotland:**

- (i) "National Park" and "Area of Outstanding Natural Beauty" respectively mean any area designated and confirmed as such under section 5 or section 87 of the National Parks and Access to the Countryside Act 1949 and the Relevant Authority in relation thereto shall be the Planning Authority;
- (ii) "Site of Special Scientific Interest" means an area designated as such under section 28 of the Wildlife and Countryside Act 1981 or an area in respect of which the Secretary of State has made an order under section 29 of that Act; and in both cases the Nature Conservancy Council established under the Nature Conservancy Council Act 1973 shall be the Relevant Authority in respect of any such area;
- (iii) "Limestone Pavement Area" means an area designated by the Secretary of State or relevant authority under section 34 of the Wildlife and Countryside Act 1981; and the Relevant Authority in England and Wales is the Planning Authority and in Scotland is the Planning Authority exercising district planning functions; and
- (iv) "National Scenic Area" means any area in Scotland designated as such under the Town and Country (Planning) Scotland Act 1972; and the Relevant Authority in relation thereto is the Planning Authority; and

(b) in relation to Northern Ireland:

- (i) "National Park" means any area designated as such under Article 12(1) of the Nature Conservation and Amenity Lands (NI) Order 1985;
- (ii) "Area of Outstanding Natural Beauty" means any area designated as such under Article 14(1) of the Nature Conservation and Amenity Lands (NI) Order SI 1985/170 (NI 1); and the Relevant Authority in relation thereto shall be the Department of the Environment for Northern Ireland; and
- (iii) "Area of Special Scientific Interest" means an area designated under Article 24(1) of the Nature Conservation and Amenity Lands (NI) Order SI 1985/170 (NI 1) as amended by the Nature Conservation and Amenity Lands Amendment (NI) Order 1989; and the Relevant Authority in

relation thereto means the Department of the
Environment for Northern Ireland.

NATIONAL TRUST AND NATIONAL TRUST FOR SCOTLAND

5.1 Except in the case of Emergency Works, before installing any Telecommunication Apparatus for the purpose of providing a service to the occupier of any land which the National Trust or the National Trust for Scotland has notified the Licensee that it owns, or holds any interest in, the Licensee shall give the relevant regional office of whichever of those bodies is concerned written notice of its intention to do so, describing the proposed works; and shall consider any written representations made within 28 days of the giving of such notice to it by either of those bodies.

MAINTAINABLE HIGHWAYS

6.1 Except in the case of Emergency Works, before executing any works involving the breaking up of a Maintainable Highway in connection with the installation, inspection, maintenance, adjustment, repair or alteration of any Telecommunication Apparatus in that highway the Licensee shall:

- (a) in the case of an overhead Line or an underground Service Line, consider any written representations made by the Highway Authority within eight working days after the giving of any such notice as is required to be given to the Highway Authority under section 55 of the New Roads and Street Works Act 1991;
- (b) in all other cases, consider any such written representations made within 29 working days of the giving of any such notice; and
- (c) unless the Highway Authority consents otherwise, shall not commence those works until the expiry of eight or 29 days as the case may be.

PLACING OF UNDERGROUND LINES IN DUCTS

7.1 All Lines installed underground after the date on which this Licence enters into force, in a part of a Maintainable Highway which is paved or in a Street which the Highway Authority has notified the Licensee is to be paved, shall, whenever practicable, be installed in Ducts.

HEIGHT OF OVERHEAD LINES

8.1 Lines installed over the carriageway of a Maintainable Highway shall be placed at a height of not less than 5.5 metres above the carriageway (or in the case of a designated high load route not less than 6.7 metres), except where the Highway Authority has previously otherwise agreed in writing.

MAINTENANCE AND THE SAFETY OF APPARATUS

9.1 The Licensee shall from time to time inspect its Telecommunication Apparatus which is not inside a building and which is on or above the surface of the ground with a view to ensuring that it will not cause physical harm to other persons or property; and the Licensee shall notify the Director and the Highway Authority of its arrangements for inspecting such Apparatus.

9.2 In addition to carrying out inspections of its own Apparatus on or above the surface of the ground the Licensee shall take such steps as are appropriate in the circumstances to investigate any report (other than a frivolous one) of any of its Apparatus (wherever situated) being in a dangerous state and to remove any danger.

ARRANGEMENTS WITH ELECTRICITY SUPPLIERS

10.1 Before exercising any rights under the Telecommunications Code in the authorised area of any Relevant Supplier, the Licensee shall use its best endeavours to enter into an agreement with that Relevant Supplier as to the engineering principles to be adopted and the allocation and apportionment of costs which arise:

- (a) when the Licensee installs and keeps installed apparatus in proximity to plant which is already installed and which is the responsibility of a Relevant Supplier; and
- (b) when a Relevant Supplier gives notice to the Licensee that it proposes to install its plant in proximity to any of the Licensee's apparatus which is already installed.

10.2 The Licensee shall:

- (a) within three months of this Licence coming into force; and
- (b) after the expiry of the period of three months beginning on the date when this Licence comes into force, within three months of the commencement of any negotiations for the making of any such agreement as is mentioned in paragraph 10.1,

inform the Director of the steps taken to implement paragraph 10.1 and of the terms of any agreement entered into by it with the Relevant Supplier.

10.3 Where the Licensee has not offered to enter into such an agreement as is mentioned in paragraph 10.1 being an agreement which makes reasonable provision for securing that:

- (a) the Licensee will, when installing its apparatus in proximity to plant of the Relevant Supplier which is already installed, protect its apparatus from electrical interference from that plant; and
- (b) the Relevant Supplier will, when installing its plant in proximity to apparatus of the Licensee which is already installed, protect that apparatus of the Licensee from electrical interference from that plant,

the Licensee shall only install apparatus of such a kind and in such a position as will not be adversely affected by or itself adversely affects any plant of the Relevant Supplier which is already installed.

10.4 In this Condition, the words "authorised area" have the meaning ascribed to them in section 6(9) of the Electricity Act 1989.

INSTRUCTIONS FOR THE INSTALLATION OF APPARATUS

11.1 Without prejudice to any of its statutory obligations the Licensee shall take all reasonable steps to secure (in particular by giving instructions to its employees and agents) that:

- (a) where apparatus is to be installed underground in a Maintainable Highway or Street, the normal practice will be to place it in the verge or footway (or the prospective verge or footway in the case of a Street), if any, rather than the carriageway;
- (b) provision is made for any new Ducts installed after the date on which this Licence comes into effect to contain sufficient spare capacity to meet demand which is reasonably foreseeable by the Licensee for telecommunication services provided by it;
- (c) where apparatus is to be installed underground in a Maintainable Highway or Street the Highway Authority, Street Authority and Relevant Undertakers are consulted about the appropriate depth of cover for the apparatus and its lateral position in that highway or Street;
- (d) effective liaison is maintained with Highway Authorities with a view to ensuring that works which entail breaking up the surface of a Maintainable Highway are carried out in advance of scheduled resurfacing works or together with other schemes affecting the highway;
- (e) effective liaison is maintained with Relevant Undertakers with a view to avoiding the disruption of the services provided by those persons;
- (f) effective liaison is maintained with the Street Authority in order to ensure that
 - (i) all works are executed in accordance with the provisions of and made under sections 65 to 69 of the New Roads and Street Works Act 1991; and
 - (ii) following the execution of the works, the Licensee discharges its duties of reinstatement of the Street under sections 70 to 74 of the New Roads and Street Works Act 1991; and
 - (iii) the Street Works Register contains such information in respect of the works carried out as may be required under section 53 of the New Roads and Street Works Act 1991.

- (g) with a view to reducing to a minimum the need for the erection of new poles or the construction of new Ducts, before installing any such poles or Ducts steps will be taken to investigate the possibility of using poles, Ducts or other conduits which are already installed;
- (h) the minimum practicable number of poles and other items of apparatus is installed, allowing for estimated growth in demand for telecommunication services;
- (i) the visual amenity of properties (in particular buildings in the Statutory List of Buildings which have been notified by the Planning Authority to the Licensee as deserving special consideration) in proximity to which poles or other items of apparatus are installed is protected as far as practicable;
- (j) Telecommunication Apparatus is placed so that it does not present safety hazards; and
- (k) underground Lines to be installed in Agricultural land are installed at such a depth that they will not interfere with the use of the land for Agricultural purposes, unless the occupier, any superior lessee and the freeholder agree otherwise.

11.2 The Licensee shall within three months of the date on which this Licence enters into force, and thereafter from time to time as the Director may require, furnish details to the Director of the instructions given in accordance with paragraph 11.1.

11.3 The requirement specified in paragraph 11.1(i) is without prejudice to Condition 2.1.

RECORDS OF APPARATUS

12.1 The Licensee shall keep records of any of its apparatus installed underground after the date on which this Licence enters into force which can be made available in the form of route plans based on Ordnance Survey map backgrounds of one of the following scales (1:500, 1:625, 1:1,250, 1:2,500, 1:10,000) according to the density of development in the area concerned.

12.2 The Licensee shall provide by means of a telecommunication system free of charge, to any Highway Authority or other person who is intending to undertake works in the vicinity of any Telecommunication Apparatus it has installed underground, a service furnishing information about the location of that Apparatus and shall whenever practicable:

- (a) respond to bona fide enquiries; and
- (b) where necessary confirm its advice in diagrammatic form and make trained staff available to give on-site advice about such Apparatus so installed,

and shall also respond to any other reasonable request from a Highway Authority for information about the location of the Licensee's apparatus installed underground.

12.3 The Licensee shall co-operate in any joint projects involving the Highway Authority or Relevant Undertakers which have as their purpose the recording and making available of information about underground apparatus, unless the Director agrees that it would be inappropriate having regard to its existing practice in the area concerned for it to do so.

FUNDS FOR MEETING LIABILITIES

13.1 Subject to paragraph 13.3 the Licensee shall make arrangements which are adequate to ensure that sufficient funds are available after the Relevant Event occurs for meeting the liabilities described in paragraph 13.2 which have arisen on or before the date on which that Event occurred or may arise thereafter from the exercise of rights conferred upon the Licensee by paragraph 9 of the Telecommunications Code.

13.2 The liabilities referred to in paragraph 13.1 are:

- (a) liabilities, including those for the payment of indemnities in respect of costs or expenses incurred, or arising under the New Roads and Street Works Act 1991 towards:
 - (i) any Appropriate Authority, Traffic Authority or other responsible authority under that Act;
 - (ii) any other person having authority to execute works in, or having apparatus in, a Street;
 - (iii) any concessionaire within the meaning of section 1 of that Act;
- (b) any other costs or expenses reasonably incurred by any Appropriate Authority or other responsible authority in making good any damage caused by the installation or removal of Telecommunication Apparatus, whether such damage occurs before or after the Relevant Event;
- (c) any other costs or expenses reasonably incurred by any Appropriate Authority or other responsible authority after the Relevant Event occurs in removing any Telecommunication Apparatus:
 - (i) which is installed under, over, along or across a Street;
 - (ii) which is not, or is no longer, used for the purposes of any telecommunication system and in relation to which there is no reasonable likelihood that it will be so used; and
 - (iii) the removal of which is desirable having regard to any harm it may cause to other persons or property, or to the visual amenity of properties in proximity to which the Apparatus is installed.

13.3 The funds available under paragraph 13.1 shall

include, in relation to the period extending from the date on which this Licence enters into force until 31 March 1993 and, thereafter, in relation to every period of one year beginning on 1 April:

(a) an amount which is equal to:

(i) 10 per cent of the Gross Book Value; or

(ii) £1,000,000,

whichever is the lesser, or such greater amount as the Director may direct; and

(b) an amount which, having regard to any works begun by the Licensee before the beginning of the period in question, is sufficient to meet any liabilities of the kinds described in paragraph 13.2(a) which may arise.

13.4 The Licensee shall:

(a) within three months of this Licence coming into force; and

(b) once a year thereafter,

inform the Director of the steps taken to implement this Condition.

13.5 Where:

(a) the Licensee has failed to inform the Director in accordance with paragraph 13.4; or

(b) the Director is not satisfied that the arrangements made by the Licensee are adequate to secure that sufficient funds are available after the Relevant Event occurs for meeting the liabilities described in paragraph 13.1;

the Director may direct the Licensee to take such steps as the Director considers appropriate for the purpose of securing that such sufficient funds are available and the Licensee shall comply with any such direction.

EMERGENCY WORKS

14.1 Without prejudice to the duties of the Licensee under sections 57 and 93 of the New Roads and Street Works Act 1991 concerning the giving of notice in respect of Emergency Works, the Licensee shall provide, in addition to the information contained in any such notice, a reasonable estimate of the date by which the Emergency Works are expected to be completed and a statement of the grounds for the need to execute those Emergency Works.

PUBLIC EVENTS AND CONSTRUCTION SITES

15.1 Where the Licensee is to provide telecommunication services for a limited period at the site of a public event or a construction site, it may install overhead Lines and associated poles to provide that service notwithstanding Conditions 1, 2, 4 and 5, provided that the Lines or poles are removed within a reasonable period after the end of the event or after the work at the construction site is complete.

EMERGENCY ORGANISATIONS

16.1 Where the Licensee is to provide any telecommunication service for a limited period to an Emergency Organisation in an Emergency it may, notwithstanding Conditions 1, 2, 4, 5, 6 and 8, install overhead Lines and associated poles for the purposes of providing such services as are made necessary by the Emergency provided that any such Line or pole is removed within a reasonable period after such services cease to be required.

PUBLIC INSPECTION OF CODE RELATED LICENCE CONDITIONS

17.1 The Licensee shall place a copy of this Schedule and of every direction given to the Licensee under section 10(4) of the Act in a publicly accessible part of every Major Office of the Licensee in such a manner and in such a place that it is readily available for inspection free of charge by the general public during such hours as the Secretary of State may by order prescribe under section 19(4) of the Act for the register of licences and orders to be open for public inspection or in the absence of any such order having been made by the Secretary of State, during normal office hours.

APPARATUS INSTALLED ABOVE THE GROUND

18.1 On the first occasion on which the Licensee either

(a) gives notice to a Planning Authority under Condition 2.1 or Condition 4.1 or under any other legal obligation of its intention, or

(b) makes any application for planning permission

to install Telecommunication Apparatus above the ground in the area covered by that Planning Authority, it shall at the same time furnish that Planning Authority with written details of the expected location of any other Telecommunication Apparatus intended to be installed above the ground and in respect of which a notice or application as under paragraph 18.1(a) or paragraph 18.1(b) would be required.

18.2 For the avoidance of doubt, the requirement under paragraph 18.1 to furnish written details of the expected location of other Telecommunication Apparatus shall not affect the right of the Licensee to revise its plans as to the expected location of such other Apparatus.