

TELECOMMUNICATIONS ACT 1984

**LICENCE
GRANTED BY
THE SECRETARY OF STATE
FOR
TRADE AND INDUSTRY
TO
MICROTEL COMMUNICATIONS LIMITED**

9 JULY 1991

3/865/1/101



LICENCE GRANTED UNDER SECTION 7 OF THE
TELECOMMUNICATIONS ACT 1984

LICENCE GRANTED TO MICROTEL COMMUNICATIONS LIMITED
TO RUN PERSONAL TELECOMMUNICATION SYSTEMS FOR THE PROVISION
OF PERSONAL RADIO TELECOMMUNICATION SERVICES

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 Microtel Communications Limited (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 the telecommunication systems specified in Annex A (each of which is hereinafter referred to as "the Applicable System") and authorises the Licensee to do all or any of the acts specified in Schedule 3.

2 The Telecommunications Code, except paragraphs 9, 10 and 12, 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.

3 This Licence shall enter into force on 9 July 1991 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.

4 The Interpretation Act 1978 shall apply for the purpose of interpreting this Licence as if it were an Act of Parliament.

5 Any word or expression used in this Licence shall except as hereinafter provided or unless the context otherwise requires have the same meaning as it has in the Act.

6 For the purpose of interpreting this Licence, headings and titles shall be disregarded.


John Redwood MP
Minister of State for
Corporate Affairs
9 July 1991

TABLE OF CONTENTS

THE LICENCE

SCHEDULE 1: CONDITIONS INCLUDED UNDER SECTION 7 OF THE ACT

PART 1: Definitions, Interpretations and Transitionals relating to the Conditions in Schedule 1.

PART 2: Special conditions referred to in section 8 of the Act

- 1 Requirement to provide national service.
- 2 Directory information.
- 3 Public emergency call services.
- 4 Planning and implementation of special arrangements for emergencies.
- 5 Requirement to provide Connection Services.
- 6 Essential Interfaces.
- 7 Connection of other systems and apparatus.
- 8 Provision by others of services by means of the Applicable Systems.
- 9 Publication of charges, terms and conditions to be applied.
- 10 Prohibition on undue preference and undue discrimination.
- PART 3: Other Conditions included under Section 7 of the Act
- 11 Wireless Telegraphy Act licence.
- 12 Provision of telecommunication services to Service Providers.
- 13 Failure of Service Provider to provide services.
- 14 Prohibition on cross-subsidies.
- 15 Alterations to the Applicable Systems.
- 16 Preparation of accounts.
- 17 Code of practice for consumer affairs.
- 18 Arbitration of disputes with consumers.
- 19 Bodies recognised to be representing consumers.
- 20 Metering and Billing Arrangements.

- 21 Supply and connection of apparatus for the disabled.
- 22 Special telephones for the hearing impaired.
- 23 Numbering arrangements.
- 24 Prohibition of linked sales.
- 25 Prohibition of certain exclusive dealing arrangements.
- 26 Code of practice on the confidentiality of customer information.
- 27 Intellectual property.
- 28 Prohibition of non-statutory testing requirements.
- 29 Pre-notification of changes in shareholdings.
- 30 Pre-notification of joint ventures.
- 31 Payment of fees.
- 32 Licensee's Group.
- 33 Requirement to furnish information to the Director.
- 34 Standards and other technical specifications.
- 35 Numbering Arrangements in respect of Value Added Services.
- 36 Code of Practice on the Confidentiality of customer information relating to the Supplemental Services Business.
- 37 Use of Automatic Calling Equipment.
- 38 Restrictions on advertising and supply activities.
- 39 Controlled services.
- 40 Provision of special facilities.
- 41 Exceptions and limitations on obligations in Schedule 1.

SCHEDULE 2: Revocation.

SCHEDULE 3: Authorisation to connect other systems and apparatus to the Applicable Systems and to provide telecommunication services by means of the Applicable Systems.

SCHEDULE 4: Exceptions and Conditions relating to the application of the Telecommunications Code.

ANNEX A: The Applicable Systems.

SCHEDULE 1: CONDITIONS INCLUDED UNDER SECTION 7 OF THE ACT

PART 1: DEFINITIONS, INTERPRETATIONS AND TRANSITIONAL
PROVISIONS RELATING TO THE CONDITIONS IN SCHEDULE 1

- 1 In these Conditions unless the context otherwise requires:
- (a) "Apparatus Production Business" means any activities of the Licensee involving the production of telecommunication apparatus for connection to the Applicable Systems;
 - (b) "Apparatus Supply Business" means any activities of the Licensee involving the supply of telecommunication apparatus or provision of telecommunication services consisting in the installation, maintenance, adjustment, repair, alteration, moving, removal or replacement of telecommunication apparatus which is comprised in or is to be comprised in any telecommunication system which is or is to be connected to but not comprised in any of the Applicable Systems;
 - (c) "Authorised Mobile" means a telecommunication system designed or adapted to be capable of being used while in motion which is lawfully connected to any telecommunication system (whether or not within the United Kingdom) which has been specified by the Secretary of State for the purpose of Inter-System Roaming and described in a list kept for that purpose by the Director and made available by him for inspection by the general public;
 - (d) "Cell" means a geographical area served by a Station for Wireless Telegraphy which is dedicated to transmitting or receiving Messages;
 - (e) "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;
 - (f) "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;
 - (g) "cost" includes a reasonable profit;
 - (h) "Designated Rural Area" means any part of the United Kingdom which has been specified by the Director, after consultation with the Secretary of State, without any subsequent revocation of such specification in accordance with Condition 1.4, and described in a list kept for that purpose by the Director and made available by him for inspection by the general public;

- (i) "Direct Services" means any telecommunication services consisting in the conveyance of Messages by means of the Applicable Systems which are provided by the Licensee to any person who is not a Service Provider;
- (j) "Direct Services Business" means any activities of the Licensee involving the promotion, marketing or distribution of Direct Services;
- (k) "Emergency" means an emergency of any kind, including any circumstance whatever resulting from major accidents, natural disasters and incidents involving toxic or radioactive materials;
- (l) "Emergency Organisation" means in respect of any locality the relevant public, police, fire, ambulance and coastguard services for that locality;
- (m) "Fixed Wireless Telegraphy Station" means any Station for Wireless Telegraphy or Wireless Telegraphy Apparatus which is not used while in motion and which is not used to provide Mobile Radio Telecommunication Services;
- (n) "Group" in relation to any person means the company which holds (including, if applicable, through a nominee) more than half in nominal value of the equity share capital in that person, and the subsidiaries of that company, provided that if no company so holds more than half, it means that person and its subsidiaries; and for the purposes of this definition, "equity share capital" and "subsidiary" shall be construed in accordance with sections 744 and 736 of the Companies Act 1985 respectively;
- (o) "Hand-Off" means the control procedure which allows particular Messages to continue whilst the telecommunication system designed or adapted to be capable of being used while in motion which is also conveying those Messages moves from Cell to Cell;
- (p) "Indirect Services Business" means any activities of the Licensee involving the provision of telecommunication services consisting in the conveyance of Messages by means of the Applicable Systems other than Direct Services.
- (q) "Industrial or Intellectual Property" includes, without prejudice to its generality, patents, registered designs, know how and copyright;
- (r) "Inter-System Roaming" means the ability of a telecommunication system to convey in accordance with a prior arrangement or, if after consultation with the Licensee, the Director so directs, whether or not pursuant to such a prior arrangement upon demand messages between any Authorised Mobile and the Public Switched Network or between any Authorised Mobile and another Authorised Mobile;

- (s) "Licence" means a licence granted or having effect as if granted under section 7 of the Act;
- (t) "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 him over distances greater than 50 linear kilometres;
- (u) "Message" means anything falling within paragraphs (a) to (d) of section 4(1) of the Act;
- (v) "Mobile Radio Telecommunication Service" means any telecommunication service provided by means of a telecommunication system for the conveyance of Messages through the agency of wireless telegraphy where every message that is conveyed thereby has been, or is to be, conveyed by means of a telecommunication system which is designed or adapted to be capable of being used while in motion;
- (w) "Operator" means any person who is authorised by a Licence to run a Relevant Connectable System;
- (x) "Personal Radio Telecommunication Service" means any telecommunication service provided by means of a telecommunication system for the conveyance of Messages through the agency of Wireless Telegraphy"
- (y) "Personal Telecommunication System" means a telecommunication system in which:
 - (i) the area in which services are provided is divided into a number of cells; and
 - (ii) Stations for Wireless Telegraphy comprised in the system are automatically controlled by central processors;
- (z) "Public Switched Network" means a Switched Fixed Specified Public Telecommunication System providing a two-way switched telecommunication service;
- (aa) "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 public, or any class of the 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 9;

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;

(bb) "Service Provider" means any person who:

(i) is in the business of providing Mobile Radio Telecommunication Services to another by means of a telecommunication system lawfully connected to any of the Applicable Systems or who is in the business of securing the provision of such services by such means and

(ii) is able to demonstrate to the reasonable satisfaction of the Licensee that:

(a) during the most recent financial year for which published accounts in respect of that person are available not less than 80% by value of the telecommunication services provided by the Licensee to that person by means of the Applicable Systems were resold to customers outside of that person's Group; or

(b) in the event that no such telecommunication services were provided to that person during that financial year, not less than 80% (by value) of the telecommunication services to be provided by the Licensee to that person by means of the Applicable Systems during the following financial year will be resold to customers outside of that person's Group;

(cc) "Specified Public Telecommunication System" means the public telecommunication systems run by British Telecommunications plc, Kingston Communications (Hull) plc or Mercury Communications Limited or any other public telecommunication system which is specified by the Secretary of State for the purpose of this Licence and described in a list kept for that purpose by the Director and made available by him for inspection by the general public;

(dd) "Station for Wireless Telegraphy" and "Wireless Telegraphy Apparatus" have the same meaning as in the Wireless Telegraphy Act 1949;

(ee) "Supplemental Services Business" has the meaning given to it in Condition 14.3;

(ff) "Switched Fixed Telecommunication System" is a telecommunication system by means of which Messages are switched incidentally to their conveyance by means of that system and where, if any such conveyance is by means of wireless telegraphy, such conveyance is by means of Fixed Wireless Telegraphy Stations.

- (gg) "Telephone" means an item of telecommunication apparatus capable, when connected to the Applicable System, of transmitting and receiving uninterrupted simultaneous two way speech conveyed, or as the case may be, to be conveyed, by means of that System;
- (hh) "United Kingdom" includes any area to which the provisions of the Act apply by virtue of section 107; and
- (ii) "Utility Services" means a service consisting in the provision of gas, water or electricity; and
- (jj) "Value Added Service" means any service which is provided in whole or in part by means of any of the Applicable Systems and which could have been provided on 30 April 1987 under and in accordance with the Class Licence for the running of telecommunication services providing value added and data services granted by the Secretary of State on 30 April 1987 in whole or in part by means of a telecommunication system the running of which was authorised by that Licence.

2 For the avoidance of doubt it is hereby declared that for the purposes of these Conditions references to the supply of telecommunication apparatus do not include the making available of apparatus comprised or to be comprised in any of the Applicable Systems.

3 Nothing which the Licensee may do, or omit to do, after the date on which any provision of these Conditions enters into force shall be held to constitute a failure to comply with an obligation imposed on the Licensee by or under these Conditions to the extent that the Licensee is obliged to do or to omit to do (as the case may be) that thing by the terms of any contract subsisting immediately before that date.

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

Condition 1

REQUIREMENT TO PROVIDE NATIONAL SERVICE

1.1 Save where paragraph 1.2 applies the Licensee shall install and run Applicable Systems in such a way as:

- (a) to provide or offer to provide to Service Providers or the persons mentioned in paragraph 1.5 below on and following the date this Licence comes into force such telecommunication services as are authorised to be provided by Schedule 3 that consist in the conveyance of Messages by means of the Applicable Systems; and
- (b) on and following 31 December 1999:
 - (i) to provide or offer to provide to Service Providers or the persons mentioned in paragraph 1.5 below such telecommunication services by means of the Applicable Systems, or services procured by Inter-System Roaming in Designated Rural Areas, in an area where 90% of the United Kingdom population live; and
 - (ii) to ensure that the reasonable demands for the provision of such telecommunication services and for services procured by Inter-System Roaming in that area are capable of being satisfied.

1.2 Where the Licensee has entered into an arrangement for the provision of Inter-System Roaming in Designated Rural Areas with any Specified Personal Telecommunications Operator prior to 31 December 1997, and any such arrangement is terminated after 31 December 1997 and prior to 31 December 1999 and not resumed, the Licensee shall ensure that the obligation set out in paragraph 1.1(b) is met on or following 31 December 2004.

1.3 In this Condition, "Specified Personal Telecommunications Operator" means Mercury Personal Communications Network Limited, Unitel Limited or any other operator of a public telecommunications system specified by the Secretary of State for the purpose of this Condition and described in a list kept for that purpose by the Director and made available by him for inspection by the general public.

1.4 The Director may at any time with the consent of the Licensee revoke any specification of a Designated Rural Area which he has made.

1.5 For the purposes of Condition 1.1 above, the persons mentioned are:

- (a) the Crown;
- (b) Emergency Organisations; and

- (c) any person specified for the purpose of this Condition by the Director who is engaged in the provision of Utility Services or in public administration.

DIRECTORY INFORMATION

2.1 The Licensee shall:

- (a) on request by any person in the United Kingdom (other than a public telecommunications operator) to whom there are provided voice telephony services by means of any of the Applicable Systems, provide to that person a directory information service relating to the voice telephony services provided to any other person by means of either the same Applicable System or any other Applicable System to which it is connected;
- (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 the telecommunication services it provides by means of any of the Applicable Systems, publishes and makes available generally to persons to whom there are provided those services.

2.2 Where the Licensee provides voice telephony services by means of any of the Applicable Systems which is connected to another public telecommunication system in the United Kingdom (the "Other System") by means of which switched voice telephony services are provided it shall:

- (a) to the extent that the operator of the Other System makes available directory information to the Licensee and to those to whom that other operator provides voice telephony services, ensure that those to whom voice telephony services are provided by means of the Applicable System can obtain by using the Applicable System by means of which those services are provided (whether together with some other system or not) such directory information as is so available about persons to whom such services are provided by means of that Other System; and
- (b) supply to the operator of that Other System, whether by providing access to the Licensee's electronic database referred to in sub-paragraph (c), or by providing directories of the kind referred to in Condition 2.1 sub-paragraph (b), directory information about persons to whom the Licensee provides switched voice telephony services and do so for the purpose of enabling that operator to provide directory information about such services provided by means of the Applicable Systems and that Other System when connected together and to route calls, and do so in a form which is sufficient to meet any reasonable request of that operator for those purposes having regard in particular to the cost to, and the reasonable convenience of, the Licensee; and

- (c) where the operator of that Other System requests the Licensee pursuant to and in accordance with sub-paragraph (b) to provide access including access by means of the Applicable Systems, to all the names, addresses and telephone numbers on the electronic database which is used by the Licensee to provide by means of the Applicable Systems directory information services to persons to whom the Licensee provides switched voice telephone services then 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) the operator of that Other System undertakes to use the directory information only for the purpose of providing directory information services or to route calls;
 - (ii) the Licensee may lawfully provide such information to the operator of the Other System; and
 - (iii) the Licensee shall not be required to do anything in contravention of the Data Protection Act 1984.

2.3 Where the Licensee provides voice telephony services by means of any of the Applicable Systems which is connected to another public telecommunication system which is connected to a telecommunication system outside the United Kingdom by means of which such services are provided, then, if a directory information service is provided by means of that telecommunication system outside the United Kingdom in respect of that system, the Licensee shall provide to any person to whom there are provided voice telephony services by means of that Applicable System information as to how that person may avail himself by means of that Applicable System, that public telecommunication system and that telecommunication system outside the United Kingdom when connected together of the directory information service provided in respect of that telecommunication system outside the United Kingdom and shall take all reasonable steps to secure that that can be done.

2.4 The directory information service provided by the Licensee under Condition 2.1(a) and 2.3 and the information made available under Condition 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 the needs of persons in the United Kingdom 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 it is not practicable to provide that service without making an initial charge, 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 Conditions 2.1, 2.2 and 2.3 shall not apply when the directory information requested relates to a customer of a person described in Condition 12.1 who has requested that person or the operator of the connected telecommunication system not to provide such information in relation to him.

2.6 This Condition operates without prejudice to Condition 5, and, with the exception of paragraph 2.4 nothing in this Condition precludes the Licensee from recovering the costs which it incurs in providing a directory information service.

2.7 In paragraph 2.4 of this Condition "appropriate reasonable compensation" means in relation to subscribers full reimbursement.

PUBLIC EMERGENCY CALL SERVICES

3.1 The Licensee shall ensure, except to the extent that the Director determines is not reasonably practicable, that any member of the public using telecommunication apparatus which is lawfully connected to any of the Applicable Systems at any place in the United Kingdom and which is capable of transmitting and receiving unrestricted two way voice telephony services is provided with a Public Emergency Call Service, that is to say a telecommunication service by means of which any such member of the public may at any time and without incurring any charge, communicate by means of any such apparatus, as swiftly as practicable with an appropriate Emergency Organisation control centre for the purpose of notifying them of the nature and location of an Emergency.

3.2 Where the Director has made a determination in accordance with paragraph 3.1 above the Licensee shall take all reasonable steps to ensure that persons to whom 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 provided by the Licensee will not include a Public Emergency Call Service.

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

- (i) 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
- (ii) transmitting and receiving uninterrupted simultaneous two way speech conveyed, or as the case may be to 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, if requested by 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 Subject to Condition 5.2 below the Licensee shall at all times after the date this Licence comes into force secure that Messages conveyed by means of the Applicable Systems may also be conveyed by means of one or more of the Public Switched Networks and that Messages conveyed by means of such Networks may be conveyed by means of the Applicable Systems.

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

- (a) to connect, and keep connected, to the Applicable System, or to permit to be so connected and kept connected, that Relevant Connectable System so as to enable Messages conveyed or to be conveyed by means of the Applicable Systems to be conveyed 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 5.2(a), where the Operator is a Long Line Public Telecommunications Operator to secure that such connection will enable persons running telecommunications systems connected to any of 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.

5.3 The Licensee shall not be obliged under paragraph 5.2 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 given a written contrary direction; 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 matter which appears to the Director to be relevant

and the Director has not given a written contrary direction.

5.4 The Licensee may require that an agreement to be entered into under paragraph 5.2 should be subject to terms and conditions, but only such terms and conditions as are permitted in relation to that agreement in accordance with paragraph 5.5 and 5.6.

5.5 Subject to paragraph 5.6, 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 5.2 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.

5.6 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 5.2 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 5.5 which appear to the Director reasonably (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 system are not unreasonably constrained;

- (g) that without prejudice to paragraph 5.7 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.

5.7 Where in pursuance of such an application as is referred to in paragraph 5.6 the Director determines any charge, payable in respect of the establishment of a connection between the Applicable Systems and the system of the Operator, the following provisions shall apply, and their application shall be secured by the determination:

- (a) any determination of any charge (or the means of calculating the same) 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 therefore, 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.
- (b) the period referred to in paragraph 5.7(a) 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;
- (c) 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;

5.8 The Licensee shall not be obliged to enter into any agreement under paragraph 5.2 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 5.6.

5.9 Where the Licensee is required to enter into an agreement to do anything under paragraph 5.2(b) the permitted terms and conditions may relate to all or any of the matters mentioned in paragraph 5.5 but in determining the terms and conditions in the event of failure to agree, under paragraph 5.6 the Director shall have regard to (in addition to the matters specified in paragraph 5.6 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;
- (b) that the requirement 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 5.6 shall have effect for this purpose with the omission of sub-paragraph (f) (iv).

5.10 Where

- (a) an agreement has been entered into under paragraph 5.2 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; and
- (b) the Director considers that the 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 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.

5.11 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 5.10 does not apply.

the Director may require the Licensee to perform its 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.

5.12 Before making a requirement under paragraph 5.11 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 5.11(b) and the direction he proposes to make, affording the Licensee adequate time in which to make representations.

5.13 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 5.6 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.

5.14 If on an application by an Operator in the category mentioned in paragraph 5.13 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.

5.15 In applying paragraph 5.14:

- (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.

5.16 Before making a determination under paragraph 5.14 the Director shall notify to the Licensee 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 adequate time, being not less than 28 days, in which to make representations.

5.17 Where an Operator makes an application to the Director under paragraph 5.6 the Director may treat the application as an application under paragraph 5.14 and act accordingly.

5.18 For the avoidance of doubt the provisions of paragraphs 5.6 and 5.7 shall apply in respect of any determination made under paragraph 5.14 as they apply in relation to a determination made under paragraph 5.6.

5.19 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 5.6 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.

5.20 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.

ESSENTIAL INTERFACES

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

6.2 The Director may, having first notified the Licensee of his proposal, affording the Licensee adequate time, being not less than 28 days, in which to make representations, specify an Essential Interface.

6.3 Where in pursuance of paragraph 6.2 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 the Relevant Standard if the Operator so requires.

6.4 For the purposes of paragraph 6.3 "Relevant Standard" means:

- (i) an appropriate European or other international standard, or;
- (ii) in the absence of such a standard, and subject to the provisions of paragraph 6.7 any other standard specified by the Director after notifying the Licensee of his proposal and allowing the Licensee adequate time, being 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.

6.5 Where in pursuance of paragraph 6.4(ii) above the Director specifies a standard as a Relevant Standard, he shall include in that Standard a technical specification, using all reasonable endeavour to obtain the agreement of the Licensee and other relevant licensees to a technical specification applicable to the Standard, being a specification defined by reference to:-

- (i) an appropriate European or other international specification, or;
- (ii) 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.

6.6 Where after a reasonable time the Director has been unable in accordance with paragraph 6.5 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.

6.7 The Director shall only specify a Relevant Standard in pursuance of paragraph 6.4 if the owners of relevant intellectual property rights have agreed to grant any necessary licenses in respect thereof to the Licensee on reasonable terms.

6.8 For the avoidance of doubt this Condition shall not:

- (a) without prejudice to paragraphs 6.3 to 6.7, 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.

6.9 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 at the time in use, or the subject at the time of contracts for their procurement for use, in connection with any of 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 telecommunications service provided by means of any 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.

6.10 Where sub-paragraph 6.9(b) or 6.9(c) applies the Licensee shall notify the Director thereof, with an explanation why.

6.11 It is a precondition of any obligation on the Licensee under this Condition that equivalent obligations as are contained in this Condition are included in the respective Licences of all Operators.

6.12 In paragraph 6.2 of this condition "Essential Interface" means in respect of a point of connection an interface on which in the opinion of the Director it is essential that interoperability between the Applicable Systems and the respective Operator's systems is available.

Condition 7

CONNECTION OF OTHER SYSTEMS AND APPARATUS

7.1 Subject to Condition 12 and 13 and to the provisions of this Condition, the Licensee:

- (a) shall at the written request of a Service Provider, connect or permit the connection of any of the Applicable Systems to any telecommunication system to which this Condition applies or which is composed of apparatus which is approved under section 22 of the Act for connection to that system; and
- (b) shall not discontinue such connection of any such system lawfully made.

7.2 No system is required under paragraph 7.1 to be, or to be permitted to be, kept connected to the Applicable System if that system or any apparatus comprised in that system:

- (a) conformed to the relevant standard or standards for the time being designated under section 22(6) of the Act at the time when the connection to the Applicable System was made but has, since that time, ceased to do so yet does not conform to the current relevant standard or standards (if any) so designated; or
- (b) while continuing to conform to any 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 any of the Applicable Systems or materially to impair the quality of any telecommunication service provided by means of any Applicable System unless the Director otherwise directs.

7.3 This Condition applies to any telecommunication system which is not a Relevant Connectable System and which is authorised by a Licence to be connected to the Applicable Systems and any telecommunication system which is run by the Crown.

Condition 8

PROVISION BY OTHERS OF SERVICES BY MEANS OF THE APPLICABLE SYSTEMS

8.1 Without prejudice to the provisions of Condition 5.2, the Licensee shall permit any person, who is licensed to run a Connectable System under a Licence which authorises him to provide telecommunication services to others, including Connection Services, to provide such services whilst that Connectable System is connected to the Applicable System.

8.2 The Licensee shall permit any person:

- (a) using telecommunication apparatus which is lawfully connected to the Applicable Systems or which is connected to another telecommunication system which itself is lawfully connected to any of 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:
 - (i) Connection Services; or
 - (ii) the installation, maintenance, adjustment, repair, alteration, moving, removal or replacement of telecommunication apparatus comprised in the Applicable Systems.

PUBLICATION OF CHARGES, TERMS AND CONDITIONS TO BE APPLIED

9.1 The Licensee shall, except in so far as the Director may otherwise consent in writing and except in respect of charges, 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 9.3 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;
 - (ii) to maintain, adjust, repair or replace any apparatus comprised in the Applicable Systems;
 - (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 mentioned in paragraph 9.1(a)(i) to (iv), do those things at the charges and on the other terms and conditions so published and not depart therefrom.

9.2 The requirement to publish under paragraph 9.1 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 System until such time as it is provided.

9.3 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 later than the last working day before the date on which any amendment to 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 manner and in such 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 prescribe under section 19(4) of the Act that the register of Licences and orders is to be open to public inspection; and
- (c) sending a copy thereof or such part or parts thereof as are appropriate to any person who may request such a copy.

9.4 Where the Licensee offers to provide a Value Added Service paragraph 9.1(a) (i) shall be deemed to be satisfied in respect of each telecommunication service comprised in that Value Added Service if the Licensee publishes, in the manner and at the times specified in paragraph 9.3, a notice specifying, or specifying the method that is to be adopted for determining, the aggregate charge and other terms and conditions on which it offers to provide the Value Added Service.

9.5 The things mentioned in paragraph 9.1(a) (i) do not include the provision of any telecommunication service comprised in a Value Added Service provided by the Licensee in so far as that telecommunication service is provided by means of a telecommunication system which is of such a description and run in such a way that if it had been run by any person other than a public telecommunications operator it could have been run prior to 8 November 1989 under and in accordance with the Class Licence for the running of branch telecommunication systems granted by the Secretary of State on 25 February 1987.

9.6 Unless and until the Director directs otherwise, the things mentioned in paragraph 9.1(a) (i) do not include the provision of any telecommunication service forming a Value Added Service or part of such service provided by the Licensee.

9.7 In this condition "Major Office" means the Licensee's registered office and such other offices as the Director, having consulted the Licensee, may direct.

PROHIBITION ON UNDUE PREFERENCE AND UNDUE DISCRIMINATION

10.1 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 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;
- (b) the provision by means of the Applicable Systems of any telecommunication service (other than a telecommunication service comprised in a Value Added Service) in accordance with an obligation imposed by or under this Licence;
- (c) the provision of any Value Added Service; and
- (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.

10.2 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 10.1 (whether or not in accordance with an obligation imposed by or under this Licence) so as to place at a significant competitive disadvantage persons competing with that business.

10.3 For the purposes of paragraph 10.1 the things mentioned in paragraph 10.1 (c) do not include:

- (a) a service consisting only in the reception by a Relevant Applicable System of information from a person other than the Licensee for the purpose of storing that information and making it available as part of a Value Added Service to the generality of customers who have contracted with the Licensee for that Value Added Service, who request access to that information and who pay the Licensee's charges for it; or
- (b) the provision of any Value Added Service by the Licensee in so far as that Value Added Service is provided by means of a telecommunication system which is of such a description and run in such a way that if it had been run by any person other than a public telecommunications operator it could have been run prior to 8 November 1989 under and in accordance with the Class Licence for the running of branch telecommunication systems granted by the Secretary of State on 25 February 1987.

10.4 In this Condition, "Relevant Applicable System" has the same meaning as in Condition 14.

10.5 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 or permitted to do the thing in that manner by or under any provision of this Licence.

SCHEDULE 1.

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

Condition 11

WIRELESS TELEGRAPHY ACT LICENCE

11.1 There shall be in force in respect of each Station for Wireless Telegraphy and each item of Wireless Telegraphy Apparatus comprised in the Applicable Systems a licence granted to the Licensee under section 1 of the Wireless Telegraphy Act 1949.

PROVISION OF TELECOMMUNICATION SERVICES TO SERVICE PROVIDERS

12.1 Subject to the following provisions of this Condition the Licensee shall:

- (a) at the written request of a Service Provider provide telecommunication services by means of the Applicable Systems to that Service Provider; and
- (b) provide such services solely for the purposes of resale by the Service Provider.

12.2 The Licensee shall not be obliged under paragraph 12.1 or under paragraph 1.1 to provide any telecommunication services to a Service Provider by means of the Applicable Systems if in the opinion of the Licensee there is reasonable cause to doubt the likelihood (for whatever reason) of that Service Provider reselling those telecommunication services in a proper and efficient manner or financing such resale services and the Director has not given a written contrary direction.

12.3 The Licensee shall ensure that its Direct Services Business (and any activities connected with that Business) is carried on separately from any other business of the Licensee.

12.4 The Licensee shall in respect of any Direct Services distributed by the Licensee through a Direct Services Business record in its accounting records maintained in accordance with Condition 16.1(a) a transfer of telecommunications services between the Indirect Services Business and the Direct Services Business at a cost equal to the amount which the Licensee would have charged for the provision of such Direct Services to a Service Provider.

FAILURE OF SERVICE PROVIDER TO PROVIDE SERVICES

13.1 If a Service Provider ("the First Service Provider") fails (whether by reason of insolvency or otherwise and whether or not in breach of contract) to provide the telecommunication services mentioned in paragraph 1(b) of Schedule 3 to any person running a telecommunication system lawfully connected to an Applicable System to whom the First Service Provider has agreed to provide such services ("the Customer"), and the Director determines that it is unlikely that the First Service Provider will resume providing such services within a reasonable time and that the Licensee may provide such services, then subject to the provisions of this Condition, the Licensee may arrange for such services to be provided to the Customer either by the Licensee or a named Service Provider ("the Second Service Provider") until the First Service Provider resumes the provision of such services to the Customer, or until three months beginning on the date the Licensee or the Second Service Provider began to provide such services to the customer, whichever period is the shorter.

13.2 If at the end of that three month period the First Service Provider has not resumed the provision of such services and the Customer has not entered into an agreement for the provision of those services with another Service Provider, the Licensee may enter into an agreement with the Customer for the provision of those services.

13.3 The Licensee may only provide such services or bring into operation arrangements with the Second Service Provider for the provision of such services if before beginning to do so, he notifies the Customer in writing of the names and addresses of all other Service Providers.

13.4 During the first three months in which the Licensee is entitled to provide such services to the Customer in accordance with Condition 13.1 above, the Licensee shall not, in providing the Customer with any information concerning any of the telecommunication services mentioned in paragraph 1(b) of Schedule 3 or in providing any assistance to the Customer in relation to the provision of any such services, unfairly promote any Service Provider or any business carried on by it in relation to the provision of such services so as to place at a significant competitive disadvantage persons competing with that Service Provider or that business respectively.

13.5 For the avoidance of doubt, the foregoing provisions of this Condition override the general right of the Licensee to provide Direct Services.

PROHIBITION ON CROSS-SUBSIDIES

14.1 Where it appears to the Director that the Licensee is unfairly cross-subsidising the Supplemental Service Business or any of the following activities carried out by the Licensee or by another member of the Licensee's Group within the United Kingdom, that is to say:

- (a) the Apparatus Supply Business;
- (b) the Apparatus Production Business;
- (c) the Direct Services Business;
- (d) the Indirect Services Business; or
- (e) the provision of Value Added Services;

it shall take such steps as the Director may direct for the purpose of remedying the situation.

14.2 The Licensee shall record at full cost except where the Director agrees otherwise, any material transfer between it and any other member of the Licensee's Group and between each of the Licensee's businesses under Condition 14.1 (including the Supplemental Services Business) in its accounting records.

14.3 In this Condition:

"Relevant Applicable System" means that part of the Applicable Systems which is used for the purpose of providing a Value Added Service provided by the Licensee but only to the extent that it is so used.

"Supplemental Services Business" means the following activities of the Licensee taken together:

- (a) the provision in the United Kingdom by the Licensee of Value Added Services;
- (b) the running of any Relevant Applicable System;
- (c) the installation, maintenance, adjustment, repair, alteration, moving, removal or replacement of any apparatus comprised or to be comprised in a Relevant Applicable System; and
- (d) the conveyance of Messages by means of any Relevant Applicable System.

14.4 For the purposes of this Condition:

- (a) "provision" includes the provision in the course of one business of the Licensee for the purposes of another such business notwithstanding that there is no provision to any other person;

- (b) a transfer from one business to another business or company takes place when anything (including any service or money) produced or acquired by, normally used in, or otherwise at the disposal of, the first mentioned business is made available for the purposes of the other business or company;
- (c) "full cost" in the case of money transferred includes the market rate of interest for that money.

14.5 In considering whether any cross-subsidy of the Supplemental Services Business is unfair, the Director shall have regard to the extent to which the Licensee cross-subsidised that business for the purposes of satisfying any obligation under Conditions 1 or 2.

ALTERATIONS TO THE APPLICABLE SYSTEMS

15.1 The Licensee shall from time to time inform the Director and provide him with such additional information as he may reasonably require about any proposals for changes to the Applicable Systems or to any apparatus comprised therein or to any stored commands or protocol, which the Licensee might reasonably anticipate from the facts known to it would or might when made have the effect of requiring any person:

- (i) running any Connectable System which is or is to be connected to the Applicable Systems;
- (ii) producing or supplying telecommunication apparatus or telecommunication systems for connection to the Applicable Systems without becoming comprised in them

materially to modify, or, as the case may be, to replace or cease to produce or supply, any item of telecommunication apparatus connected or to be connected to the Applicable Systems.

15.2 The Licensee shall prepare and publish in consultation with the Director not later than six months after the date on which this Licence enters into force a statement of its procedures for consulting, and giving advance notice to, those persons likely to be affected by such changes (including in particular the British Standards Institution and any person appointed by the Secretary of State under section 25 of the Act) and shall adhere to those procedures.

15.3 In this Condition:

"to modify" in relation to any Other Apparatus or System means to make any alteration to the Apparatus or System which may be necessary to ensure that any Message which has been or is to be conveyed by means of any of the Applicable Systems connected or to be connected to that Other Apparatus or System is capable of being properly conveyed by that Other Apparatus or System or by that Applicable System as the case may be; and

"Other Apparatus or System" means any telecommunication apparatus or telecommunication system together with any protocol, message format or stored command in such apparatus or system connected or to be connected to but not comprised in any of the Applicable Systems.

PREPARATION OF ACCOUNTS

16.1 The Licensee shall:

- (a) maintain accounting records in such a form that the activities of the Apparatus Supply Business, the Apparatus Production Business, the Direct Services Business, the Indirect Services Business, and the provision of Value Added Services are separately identifiable or separately attributable in the books of the Licensee, being records sufficient to show and explain the transactions of each of those Businesses and of any other businesses carried on by the Licensee;
- (b) prepare in respect of each complete financial year of the Licensee during which this Licence is in force, or of such lesser periods as the Director may specify but not more frequently than quarterly, accounting statements setting out, and, in the case of yearly statements, fairly presenting, the costs (including capital costs), revenue and financial position of the Businesses specified in sub-paragraph (a) and including a reasonable assessment of the assets employed in and liabilities attributable to those Businesses and showing separately; in the case of yearly accounting statements, the amount of any material item of revenue, cost, asset or liability which has been either:
 - (i) charged from or to the business of any member of the Licensee's Group together with a description of the basis of the value on which the charge was made; or
 - (ii) determined by apportionment or attribution from an activity common to the Licensee's Group and, if not otherwise disclosed, the basis of the apportionment or attribution;
- (c) at the request of the Director, procure in respect of each of those accounting statements prepared in respect of a complete financial year of the Licensee a report by the Licensee's Auditor stating whether in his opinion that statement is adequate for the purposes of this Condition; and
- (d) at the request of the Director, deliver to the Director a copy of each of the accounting statements and of the reports relating thereto required under sub-paragraphs (b) and (c) above as soon as reasonably practicable and in any event not later

Condition 17

CODE OF PRACTICE FOR CONSUMER AFFAIRS

17.1 The Licensee shall, in consultation with the Director and any person specified by him, prepare and not later than six months after the date on which this Licence enters into force publish in accordance with Condition 9.3 and comply with a code of practice giving guidance in respect of any disputes or complaints relating to the provision of telecommunication services by means of, or in relation to, the Applicable System and shall secure that any contract between the Licensee and any Service Provider shall contain a provision obliging the Service Provider to act in accordance with such Code of Practice.

17.2 The Licensee shall consult the Director not less frequently than once every three years about the operation of the Code of Practice.

than six months after the end of the period to which they relate.

16.2 In this Condition:

"the Auditor" means the Licensee's auditor for the time being appointed in accordance with the requirements of the Companies Act 1985; and

references to the costs of any business do not include profits of that business.

ARBITRATION OF DISPUTES WITH CUSTOMERS

18.1 The Licensee shall secure that the terms and conditions on which services are provided in relation to the Applicable Systems provide for the opportunity to refer to an inexpensive independent arbitration procedure, instead of to a court of law, any dispute relating to the provision of those services which does not involve a complicated issue of law or a sum greater than such sum as the Director may from time to time determine. The arbitration procedures and the method of appointment of the arbitrators shall be subject to consultation with the Director and the Licensee shall consult the Director not less frequently than once every five years about the operation of the arbitration procedures.

BODIES RECOGNISED TO BE REPRESENTING THE INTERESTS OF CONSUMERS

19.1 The Licensee shall give due consideration to any matter which relates to:

- (a) telecommunication services provided by means of or in relation to the Applicable Systems;
- (b) the connection to the Applicable Systems of any telecommunication system run by any person other than the Licensee

and which is the subject of a representation made to the Licensee by either:

- (aa) 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 system; or
- (bb) an advisory body established by the Secretary of State under section 54(1) of the Act.

19.2 The Licensee shall, if requested by the Director or if it sees fit, furnish to the Director particulars of any matter considered by the Licensee under this Condition or a digest of activities undertaken in any period in pursuance of this Condition.

METERING AND BILLING ARRANGEMENTS

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

20.2 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 20.1, the Licensee shall, unless the Director consents otherwise, apply for approval no later than such date as further specified by the Director or not less than six months before the date on which the Licensee intends to bring that meter into such use, whichever shall be the later.

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

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

- (i) 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
- (ii) inform the Director that the Licensee intends to cease use of that description of meter in connection with any of the Applicable Systems within a time reasonably practicable to the Licensee. On request of the Director, the Licensee shall provide the Director with a timetable for the withdrawal of that description of meter.

20.5 The Licensee shall not render any bill in respect of any description of telecommunication service provided by means of any 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.

20.6 Without prejudice to the generality of paragraph 20.5 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.

20.7 The Licensee shall not be regarded as being in contravention of its obligation under paragraph 20.5 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.

20.8 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 him that the billing process has the characteristics specified in relation to it by paragraph 20.6, 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.

20.9 For the purpose of giving the Director an independent quality assurance from time to time that the billing process has the characteristics specified in relation to it by paragraph 20.6, 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 his reasonable requirements with 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 Director 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 the Director with a written report by the Licensee or such 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 any of the Applicable Systems;
- (e) for the purpose of paragraph 20.9(c) and (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 mentioned 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

SUPPLY AND CONNECTION OF APPARATUS FOR THE DISABLED

21.1 The Licensee shall consult the Director from time to time about the arrangements made, or to be made, for the connection to the Applicable System of telecommunication apparatus designed or adapted to assist the disabled 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 the disabled; and
- (b) participate in the work of the advisory body for matters affecting persons who are disabled or of pensionable age established by him under section 54(4) of the Act.

(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 any of the Applicable Systems, compliance with any conditions or other matters which may be required as regards such use of that meter.

20.10 When this Condition first comes into force paragraphs 20.1, 20.2, 20.3 and 20.4 above shall only apply to any description of meter for voice frequency switched telecommunications service.

20.11 In this Condition:

"approved" means approved under section 24 of the Act;

"billing process" means metering systems and billing systems taken together, where "billing system" means the totality of all equipment, 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 structure and to present these charges on customers' bills; and "metering system" means the totality of all equipment, data, procedures and activities which the Licensee services provided by means of any of the Applicable Systems;

"information" includes accounts, estimates and returns;

"meter" means any system or apparatus installed or maintained, or to be installed or to be maintained, at the Licensee's premises, constructed or adapted for use in ascertaining the extent of telecommunication services provided by means of a telecommunication system and cognate expressions shall be construed accordingly; and

"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".

SPECIAL TELEPHONES FOR THE HEARING IMPAIRED

22.1 If the Licensee or a Subsidiary of the Licensee engages in the supply of Telephones in the UK, the Licensee shall ensure that there are available for supply in such a way as to meet all reasonable demands for them Telephones of the following descriptions:

- (a) Telephones capable of being inductively coupled to hearing aids which have been designed to be so coupled to Telephones; or
- (b) Telephones incorporating sound amplification facilities.

NUMBERING ARRANGEMENTS

23.1 The Director may determine a Specified Numbering Scheme (the "Scheme") in accordance with the National Numbering Conventions (the "Conventions") published in accordance with paragraph 23.5 and he will allocate Numbers from this Scheme to the Licensee in accordance with the Conventions. The Director shall, at the request 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.

23.2 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 23.5. 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.

23.3 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 paragraph 23.7. 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.

23.4 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:-

- (a) 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;
- (b) any allocation of blocks of Numbers to any person for purposes other than end use;

- (c) Numbers whose use has been transferred at an end-user's request to another operator; and
- (d) the Licensee's current forecasts of all the above matters.
- (i) except that the Licensee shall not be required to provide information about individual end-user customers; and
- (ii) 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.

23.5 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.

23.6 In consulting the interested parties mentioned in paragraph 23.5, the Director shall afford a reasonable period, not being less than 28 days, for them to make representations, and he shall take their 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):

- (a) criteria and procedures relating to the application for, allocation of and withdrawal of numbers;
- (b) dialling plans;
- (c) access codes;
- (d) prefixes;
- (e) standard ways of recording Numbers for convenience or ease of use, such as the grouping of digits in Numbers of particular lengths;
- (f) 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;
- (g) arrangements for the transfer of Numbers between Operators as a result of portability.

23.7 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.

23.8 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.

23.9 If directed to do so by the Director, the Licensee shall provide Portability to the extent set out in paragraph 23.10.

23.10 The Portability referred to in paragraph 23.9 shall be such as will enable within a specified geographical area:

- (i) a person provided with a Number by the Licensee to retain the same Number if he arranges for personal radio telecommunication services to be provided by another public telecommunications operator; and

- (ii) a person provided with a Number by another public telecommunications operator to retain the same Number if he arranges for personal radio telecommunication services to be provided instead by the Licensee.

23.11 A direction or determination under this Licence will not determine how the costs of Portability are to be borne and a direction under paragraph 23.9 will not be made unless:

- (i) it is technically feasible for such Portability to be provided by the Applicable Systems;
- (ii) (a) the Director has carried out a cost-benefit analysis comparing the likely benefits to telecommunications customers to be gained from the introduction of Portability with all costs likely to be incurred, including opportunity costs, which analysis indicates that the gains outweigh the likely costs;
- (b) when carrying out the cost-benefit analysis referred to in sub-paragraph 23.11(ii)(a), the Director shall consult the Licensee and the other relevant public 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 public telecommunications operators; and
- (iii) any public telecommunications operator referred to in paragraph 23.10 is willing to enter into an agreement with the Licensee to introduce and provide reciprocal Portability, and provides Portability accordingly.

23.12 A direction under paragraph 23.9 may specify 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 public telecommunications operator for the purposes of providing Portability.

23.13 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 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.

23.14 For the purposes of this Condition:

"Compatibility" means the absence between the parties concerned of any reasonably foreseeable risk of -

- (a) duplication of any Number; or
- (b) any other related or like effect;

which would be liable to introduce ambiguity or errors or to impose undue restrictions on any user or group of users;

"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, telecommunications 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;

"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 or to any user, telecommunications apparatus or service element;

"Relevant Apparatus" means any apparatus which is, or is to be, connected to the Applicable System.

"Relevant System" means a Connectable System which is, or is to be, connected to the Applicable System;

"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 purposes of this Licence and described in a list kept for the purpose by him and made available by him for public inspection; and

"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.

23.15 The Numbers to which this Condition applies are Numbers:

- (a) of a class described in CCITT Recommendation E.160, E.164 or F.69 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 specified by the Director for the purposes of this Licence and described in a list kept for that purposes by the Director and made available by him for inspection to the general public.

PROHIBITION OF LINKED SALES

24.1 The Licensee shall not make it a condition of:

- (a) providing any telecommunication service by means of or in relation to the Applicable Systems; or
- (b) connecting any other system or apparatus to the Applicable Systems

that any Relevant Person should acquire from the Licensee or from any other person specified or described by the Licensee:

- (i) any telecommunication service other than the telecommunication service requested save where that service cannot be provided without the provision of that other telecommunication service; or
- (ii) any telecommunication apparatus not comprised in the Applicable Systems save where the telecommunication service requested cannot otherwise be provided or the telecommunication apparatus requested cannot otherwise be used.

24.2 Except where the Director has agreed otherwise, the Licensee shall not do any one or more of the things described in paragraph 24.1 (a) and (b) together with any other of those things in a manner or for charges or on terms or conditions more favourable than would be available for doing that thing or those things without that other thing or those other things.

24.3 Notwithstanding paragraph 24.1 and 24.2 the Licensee may:

- (a) impose such terms and conditions as are permitted terms and conditions under Condition 5;
- (b) where it provides by means of or in relation to the Applicable Systems and as part of the same transaction or an interconnected series of transactions, two or more telecommunication services which are of the same description or which are so related as to permit economies of scope when they are provided together, offer such quantity discounts or such more favourable terms and conditions in respect of quantity for those services as have been published in accordance with Condition 9; or
- (c) where the Director consents, impose such other conditions of the kind referred to in paragraph 24.1 as are incidental to the provision of the telecommunication service or the supply of the apparatus requested by the Relevant Person.

24.4 In this Condition "Relevant Person" means a person:

- (a) who requests that a telecommunication service be provided by means of or in relation to the Applicable Systems, or for whom or on whose behalf such a telecommunication service is provided; or
- (b) who requests that telecommunication apparatus or system be supplied or to whom or on whose behalf such apparatus or system is supplied; or
- (c) who requests that any telecommunication system or telecommunication apparatus be connected to the Applicable Systems or for whom or on whose behalf such a system or such apparatus is so connected.

PROHIBITION OF CERTAIN EXCLUSIVE DEALING ARRANGEMENTS

25.1 The Licensee shall not, except with the written consent of the Director, make the acquisition from any person in the United Kingdom by the Licensee or the installation or servicing by any person in the United Kingdom for it of any telecommunication apparatus of any description conditional upon agreement:

- (a) to supply to the Licensee or to supply or not to supply to any other person apparatus of a different description;
- (b) to provide to the Licensee or to provide or not to provide to any person any telecommunication service of a different description, or
- (c) to transfer to the Licensee or to any other person any interest in Industrial or Intellectual Property with a view to restricting unreasonably the freedom of the supplier of the apparatus or the provider of the service in question to exploit his Industrial or Intellectual Property in order to confer on the Licensee or some other person an unfair competitive advantage.

25.2 If the Director is satisfied that persons in the United Kingdom, who are not genuinely willing to give to the Licensee the sole right to purchase or to give any member of the Licensee's Group the sole right to supply to customers telecommunication apparatus supplied by those persons, are being so required by the Licensee then the Director may direct the Licensee to comply with the condition in paragraph 25.3.

25.3 The said condition is that the Licensee shall not, except with the written consent of the Director, make the acquisition of telecommunication apparatus, or of telecommunication apparatus specified by the Director or of a description so specified, by the Licensee or any member of the Licensee's Group from any person in the United Kingdom or any such person specified by the Director or such persons of a description specified by the Director conditional upon the agreement of the supplier not to supply to any other person apparatus of the same description as that to be supplied to the Licensee.

25.4 Notwithstanding paragraph 25.1 or any direction under paragraph 25.2, the Licensee shall be free:

- (a) to require that other telecommunication apparatus should be supplied or another telecommunication service should be provided with or in connection with any apparatus or service where the supply of that other apparatus or the provision of that other service is reasonably related to that supply or provision;
- (b) to require the transfer to the Licensee or any member of the Licensee's Group of any interest in Industrial or Intellectual Property which the Director agrees is necessary or desirable to facilitate the running of the System;

- (c) to dispose of any interest in Industrial or Intellectual Property owned by the Licensee or any member of the Licensee's Group free from all encumbrances and restrictions of whatsoever nature arising out of or under this Licence;
- (d) to require the transfer to the Licensee or any member of the Licensee's Group by any person of any interest in Industrial or Intellectual Property arising out of any work done in pursuance of any agreement made between the Licensee or any member of the Licensee's Group and that person for any research or development to be carried out by him, unless the Director otherwise directs;
- (e) to require the transfer to the Licensee or any member of the Licensee's Group or any other person of any interest in Industrial or Intellectual Property to the extent that that is reasonably necessary for the purpose of enabling the Licensee to secure alternative sources of supply of telecommunication apparatus; or
- (f) to require any person who supplies telecommunication apparatus or who provides telecommunication services to enter into an agreement of the kind referred to in paragraph 25.1, 25.2 or 25 where the Licensee or any member of the Licensee's Group makes available research, design or development work or where the Licensee or such member agrees to finance such work on terms that an agreement of that kind will be entered into.

CODE OF PRACTICE ON THE CONFIDENTIALITY OF CUSTOMER INFORMATION

26.1 The Licensee shall take all reasonable steps to ensure that its employees observe the provisions of a Code of Practice which:

- (a) specifies the persons to whom they may not disclose information about a customer of the Licensee or a customer of a Service Provider which has been acquired in the course of the Licensee's business without the prior consent of that customer; and
- (b) regulates the information about any such customer, which may be disclosed without his consent.

26.2 The Licensee shall within three months of the date on which the Licence enters into force submit a draft of the Code of Practice to the Director for his approval and if the Licensee and the Director fail to agree on the provisions of the Code they shall be determined by the Director.

26.3 This Condition is without prejudice to the duties at law of the Licensee towards its customers.

INTELLECTUAL PROPERTY

27.1 Where it appears to the Director that any Relevant Intellectual Property Right has been, is being or is likely to be exercised (whether by the Licensee or any other person in pursuance of an agreement, arrangement or concerted practice to which the Licensee is a party) so as to prevent:

- (a) any telecommunication system, which may lawfully be connected to the Applicable Systems, from being so connected either at all or on reasonable charges, terms and conditions;
- (b) any service, which may lawfully be provided by means of any of the Applicable Systems or of any telecommunication system connected to any of the Applicable Systems, from being so provided or obtained either at all or on reasonable charges, terms and conditions; or
- (c) any development in Personal Telecommunication Systems from being available for use by any person running a Specified Telecommunication System in the United Kingdom

he may direct the Licensee in writing in accordance with paragraph 27.2 or 27.3.

27.2 Where the exercise of a Relevant Intellectual Property Right prevents:

- (a) a product from being made available either at all or on reasonable charges, terms and conditions to the person wishing to make such a connection or to provide or obtain such a service; or
- (b) a development in Personal Telecommunication Systems from being available to any person running a Specified Telecommunication System in the United Kingdom

the Director may direct the Licensee to take such steps as are within the power of the Licensee and are, in the opinion of the Director, reasonable and necessary in all the circumstances to secure that the product is made available to that person on charges, terms and conditions acceptable to that person or which (in default of agreement) are, in the opinion of the Director, reasonable to enable such connection to be made or such service to be provided or obtained or such developments to be so available.

27.3 Where paragraph 27.1 applies in circumstances other than those described in paragraph 27.2, the Director may direct the Licensee to take such steps as are within the power of the Licensee and are, in the opinion of the Director, reasonable and necessary in all the circumstances to secure that the person wishing to make such a connection or to provide or obtain such a service is enabled

to make use of the Relevant Intellectual Property Right, for the purpose of making the connection or of providing or obtaining the service, upon charges, terms and conditions acceptable to that person or which (in default of agreement) are, in the opinion of the Director, reasonable for such purpose.

27.4 In this Condition:

"Relevant Intellectual Property Right" means any right, which is wholly or partly controlled by the Licensee or a member of the Licensee's Group, in Industrial or Intellectual Property or is subject to an agreement, an arrangement or concerted practice to which the Licensee or a member of the Licensee's Group is a party.

"Specified Telecommunication System" means a telecommunication system which is specified by the Secretary of State for the purpose of this Licence and described in a list kept for that purpose by the Director and made available by him for inspection by the general public.

27.5 Nothing in this Condition shall require the Licensee to do anything which would contravene the terms of or would result in revocation of a licence or assignment of a Relevant Intellectual Property Right granted or made to the Licensee or a member of the Licensee's Group on or before the date on which this Licence enters into force or which would result in the Licensee or a member of the Licensee's Group incurring any liability under such a licence or assignment.

PROHIBITION OF NON-STATUTORY TESTING REQUIREMENTS

28.1 Where the Director notifies the Licensee in writing that this Condition applies in circumstances specified or described in the notification, the Licensee shall not in such circumstances (whether in pursuance of any agreement, arrangement, concerted practice or otherwise) make it a condition of any telecommunication system being connected or kept connected to any of the Applicable systems or of any telecommunication service being provided by means of any of the Applicable Systems that any such system, apparatus or service shall obtain the approval of, comply with any standard designated by, or pass any test set by, any person other than the Secretary of State or the Director or by a person appointed under section 25 of the Act, except insofar as the Director otherwise agrees.

28.2 Nothing in this Condition shall prevent the Licensee from requiring the passing of any test which the Director agrees is reasonably necessary or desirable for the purpose of determining whether:

- (a) any telecommunication system which is, or is to be, connected to any of the Applicable systems is authorised to be so connected; or
- (b) notwithstanding such authorisation, the Licensee is obliged to connect it or permit its connection to any of the Applicable Systems.

PRENOTIFICATION OF CHANGES IN SHAREHOLDINGS

29.1 Except as specified in Condition 29.2, the Licensee shall notify the Secretary of State:

- (a) of any change in the proportion of shares held by any shareholder in the Licensee;
- (b) if any person acquires any shares in the Licensee who does not already hold any shares in the Licensee, and of the proportion of the shares to be held by such person;

in either case such notification to be given as soon as practicable after any change, or acquisition, as the case may be, is proposed, and in any event not less than 21 days before the taking effect of any such change or acquisition.

29.2 The Licensee shall not be obliged to notify the Secretary of State of any such change or acquisition where:

- (a) such change or acquisition does not result in a change in control of the Licensee; and
- (b) the proportion of such shares, the holding of which it is proposed to change, or which it is proposed to acquire, as the case may be, when aggregated to the proportion of such shares the holding of which has been changed at any time after the granting of this Licence (whether or not the change has previously been notified to the Secretary of State in accordance with this paragraph) does not exceed 15% of the total number of shares in the Licensee to which this Condition applies.

29.3 The Licensee shall notify the Secretary of state not later than 30 days before the taking effect of any of the arrangements of the descriptions mentioned in paragraph 29.4.

29.4 Those descriptions of arrangements are:

- (a) any arrangement for obtaining a listing of any shares in the Licensee on any Stock Exchange in the United Kingdom or elsewhere; and
- (b) any arrangement for dealings in any shares in the Licensee on an unlisted or over the counter market in the United Kingdom or elsewhere.

29.5 This Condition applies to all shares in the Licensee the holder of which for the time being is entitled to vote on any matter at a general meeting of the Licensee.

28.6 For the purposes of this Condition any shares held by a nominee for any person shall be treated as held by that person.

29.7 In this Condition 'control' means the power of a person to secure:

- (a) by means of the holding of shares or the possession of voting power in or in relation to that or any other body corporate or
- (b) by virtue of any powers conferred by the articles of association or other document regulating that or any other body corporate,

that the affairs of the first mentioned body corporate are conducted in accordance with the wishes of that person.

PRE-NOTIFICATION OF JOINT VENTURES

30.1 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.

30.2 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;
 - (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;
- (b) an agreement for the establishment of a partnership for any of those purposes and in those circumstances;
- (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.

30.3 Paragraphs 30.2 (a) and (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.

30.4 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.

30.5 In any case where circumstances beyond the Licensee's control require him to enter into an agreement or arrangement, if he is to enter into it at all, without having made a notification in accordance with paragraph 30.1 he shall notify the Director as soon as reasonably practicable but otherwise in accordance with the provisions of this Condition.

PAYMENT OF FEES

31.1 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 £40,000 and
 - (b) on 1 April 1992 and annually thereafter a renewal 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 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; and
 - (c) where the Director so determines, on 1 January 1993 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; and
 - (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.

LICENSEE'S GROUP

32.1 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:
 - (i) that in consequence the Licensee is seeking to avoid or is in a material and substantial way avoiding obligations which would apply under these Conditions if the thing had been done or not done by the Licensee; and
 - (ii) that, having regard to the duties imposed on him by section 3 of the Act he ought to make a direction under this Condition,

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

32.2 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.

32.3 Where any person becomes a member of the Licensee's Group then the Licensee shall not be subject to paragraph 32.1 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.

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

Condition 33

REQUIREMENT TO FURNISH INFORMATION TO THE DIRECTOR

33.1 Subject to Condition 33.2, 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.

33.2 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.

STANDARDS AND OTHER TECHNICAL SPECIFICATIONS

34.1 If the Director having consulted the Licensee directs the Licensee to ensure that:

- (a) there is incorporated, or there ceases to be incorporated, as the case may be, any apparatus in the Applicable System; or
- (b) the Applicable System conforms, or ceases to conform as the case may be, to any standard (other than a standard designated under section 22 of the Act) or any other technical specifications specified in the direction;

then the Licensee shall comply with the direction within the period specified in the direction for such compliance provided always that the power of direction here under shall be exercised only for the purpose of securing compliance with any requirement of European Community law in relation to the matters in (a) or (b) above.

NUMBERING ARRANGEMENTS IN RESPECT OF VALUE ADDED SERVICES

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

- (a) are not allocated in accordance with a Specified Numbering Scheme; and
- (b) are used or are intended to be used:-
 - (i) by any licensee, other than a public telecommunications operator, under a Licence who provides a service of a description which the Licensee could provide as a Value Added Service under and 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 Service.

35.2 The Value Added Services Numbering Plan shall describe the method adopted and to be adopted for allocating and re-allocating Numbers of a kind described in paragraph 35.1. 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.

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

35.4 The Licensee shall furnish to the Director details of any proposals 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 Services Numbering Plan adopted and furnished in accordance with paragraph 35.1, 35.2, and 35.3.

35.5 Where any arrangements for allocating or re-allocating Numbers within the Value Added Services Numbering Plan or any developments, additions or replacements submitted in accordance with paragraph 35.4:

- (a) are insufficient to provide Compatibility with the numbering arrangements applied or to be applied by any other public telecommunications operator or by any licensee, other than a public telecommunications operator, under a Licence who provides a service of a description which the Licensee could provide as a Value Added Service under and 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 Her Majesty's Government and are accepted by them;

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

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

35.7 In this Condition:

"Compatibility" means that between the parties concerned there is no reasonably foreseeable risk of

(a) duplication of any Number; or

(b) any other related effect

such as would introduce ambiguity or errors or impose undue restrictions on any user or group of users;

"Number" means any identifier (including any name or address) of any user, telecommunication apparatus or service element; and

"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.

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

(a) are of a class described in CCITT Recommendations E160, E163, E164, or F69 or their functional successors; or

(b) are of a class described in CCITT Recommendation X121 and which include a Data Network Identification Code which has been specified by the Director for the purposes of Condition 23 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.

CODE OF PRACTICE ON THE CONFIDENTIALITY OF CUSTOMER INFORMATION
RELATING TO THE SUPPLEMENTAL SERVICES BUSINESS

36.1 The Licensee shall take all reasonable steps to ensure that those of its employees who are engaged in the Supplemental Services Business observe the provisions of a Code of Practice which:

(a) specifies the persons to whom they may not disclose information about a customer of the Licensee or that customer's business which has been acquired in the course of the Licensee's business of providing telecommunication services comprised in Value Added Services without the prior consent of that customer; and

(b) regulates the information about any such customer or his business which may be disclosed without his consent.

36.2 The Licensee shall within three months of first offering a Value Added Service confirm in writing to the Director that it has taken all reasonable steps to ensure that those of its employees who are engaged in the Supplemental Services Business are observing the provisions of a Code of Practice.

36.3 In this Condition, "Code of Practice" means:

(a) any Model Code of Practice issued by the Director; or

(b) where the Director so agrees, any Code of Practice submitted by the Licensee to the Director.

36.4 This Condition is without prejudice to the duties at law of the Licensee towards its customers.

36.5 Notwithstanding anything contained in Condition 26 any incidental amendments to the Code of Practice previously approved by the Director under Condition 26.2 which may be requisite in consequence of the Code of Practice referred to in this Condition may be made by the Licensee without obtaining the Director's approval, but the Licensee shall not otherwise make any amendments to that Code of Practice without the Director's approval.

USE OF AUTOMATIC CALLING EQUIPMENT

37.1 If any of the Applicable Systems or any apparatus comprised in any of them is capable:

(a) of initiating a sequence of automatic calls to each of more than one destination in accordance with instructions stored in the Applicable System or apparatus; and

(b) of sending for reception by persons at some or all of the destinations called, Messages which are recorded or synthesised speech or other sounds other than live speech;

then except in so far as the Director consents otherwise:

(i) the Applicable System shall only be used to initiate such automatic calls to send such Messages to persons who have consented in writing to receive them; and

(ii) the Licensee shall maintain, or secure that there is maintained, a record giving particulars of the persons who have given their consent under sub-paragraph (i) and shall make that record available for inspection on reasonable notice by the Director.

RESTRICTIONS ON ADVERTISING AND SUPPLY ACTIVITIES

38.1 Where the Licensee sends Messages by means of any of the Applicable Systems for the purposes of the advertising or the offering for supply or provision of goods, services or any other thing, and receives from any person who runs a telecommunication system by means of which he receives such Messages a request to cease sending them to a telecommunication system run by that person, the Licensee shall:

- (a) forthwith cease sending such Messages to any telecommunication system run by that person and identified to the Licensee by reference to a Number which is used to make calls to that system;
- (b) maintain, or secure that there is maintained, a record giving particulars of the persons and the Numbers referred to in sub-paragraph (a) above and shall make that record available for inspection on reasonable notice by the Director.

38.2 Where:-

- (a) in respect of a telecommunication system run by him or on this behalf a person has notified a Specified Person that he does not wish to receive unsolicited calls (whether of a general or a particular kind) made for the purpose of the advertising or the offering for supply or provision of goods, services or any other thing; and
- (b) a Specified Person keeps a list of such notifications in a form specified by the Director and made available for inspection by the public

the Licensee shall not make such unsolicited calls to the telecommunication systems so listed.

38.3 Paragraph 38.2 shall only have effect where the Director has determined the description of unsolicited call to which the paragraph shall apply and the description of persons who shall be entitled to notify a Specified Person under the paragraph in relation to any such descriptions of unsolicited calls and the Director may determine different descriptions of unsolicited calls and different descriptions of persons in relation to such calls.

38.4 In this Condition:

"Number" has the meaning set out in Condition 23;

"Specified Person" means a person who so consents specified by the Director for the purpose of keeping and making available for inspection by the public a list as specified by the Director of telecommunication systems in respect of which a person has notified the Specified Person that they do not wish to receive unsolicited calls made for the purpose of the advertising or the offering for supply or provision of goods, services or any other thing.

CONTROLLED SERVICES

39.1 The Licensee may only 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) where the Relevant Condition is satisfied.

39.2 The Licensee may only 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) where the Relevant Condition is satisfied.

39.3 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.

39.4 A Code of Practice shall only be recognised for the purposes of Paragraph 39.3 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.

39.5 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.

39.6 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.

39.7 If a recommendation is made to the Director by the body of persons applying and administering a Code of Practice recognised under paragraph 39.3 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.

39.8 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 sub-paragraph (a) above 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 sub-paragraph (b) above is made the provisions of this Condition shall apply to such a Service from the date specified in the determination.

39.9 Subject to paragraph 39.8, the provisions of this Condition only apply to a Controlled Service in respect of which;

- (a) the person providing the Service obtains the whole or any part of this 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.

39.10 In this Condition:-

- (a) "Controlled Service" means any service of the following descriptions:-
 - (i) a Chatline Service; or
 - (ii) an Interactive Game Service; or
 - (iii) a Live Conversation Message Service.
- (b) "Chatline Service" means, subject to paragraph 39.11

below, a service which consists of or includes:-

- (i) the enabling of more than two persons ("the participants") simultaneously to conduct a telephone conversation with one another without either:
 - (A) each of them having agreed with each other; or
 - (B) 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.

- (c) "Interactive Game Service" means any Message Service which consists of, or includes, a facility whereby a person obtaining access to the Service sends Messages to the person providing the Service which are required by the design and constitution of the Service to be sent as an integral part of the provision of the Service where:-
 - (i) the active participation in the Service by the person obtaining access is an integral feature of the Service and is not merely incidental to the provision of the Service; and
 - (ii) a call to the Service is capable of lasting longer than five minutes.
- (d) "Live Conversation Message Service" means a Message Service (other than a directory information service) which consists of 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 other 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.

- (e) "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 Telephone Network.
- (f) "Public Switched Telephone Network" means any public telecommunications system which is used to provide switched voice telephony services to the general public.

39.11 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 of such parties is not on that account a Chatline Service if it would not otherwise be regarded as such a service.

39.12 The provisions of this Condition shall cease to have effect on the making of a direction by the Director under Condition 40 to the extent specified in the direction.

39.13 The provisions of this Condition and Condition 40 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

40.1 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 40.2 as are specified in the 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.

40.2 The facilities referred to in paragraph 40.1 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 Chatline Services and Message 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 telecommunication system specified by that customer and in respect of which that customer is the customer of the Licensee, to all Chatline Services and Message Services to which this Condition applies;

40.3 The services to which this Condition applies are those Chatline Services and Message Services 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 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.

40.4 In this Condition "Chatline Service" and "Message Service" have the respective meanings given to those terms in Condition 39.

EXCEPTIONS AND LIMITATIONS ON OBLIGATIONS IN SCHEDULE 1

41.1 Unless the context otherwise requires and subject to paragraph 40.12, the Licensee's obligations under all the Conditions of this Licence except Conditions 5.2 to 5.20, 10, 18, 19.1, 20.1, 24, 25, 26, 27 and 28, have effect subject to the following exceptions and limitations.

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

41.3 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, 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.

41.4 The obligation to provide any Mobile Radio Telecommunication Service shall not apply:

- (a) where provision of the service requested would expose any person engaged in its provision to undue risk to health or safety;
- (b) 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;
- (c) 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 the service of the kind requested or the trained manpower necessary to provide the service is not available in that area, provided that in every case where the Licensee declines to provide a service to which this sub-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 for 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
- (d) where the person to whom the Licensee would otherwise be under an obligation to provide any 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 installing, maintaining and operating such apparatus for the purpose of providing the service there; and
 - (iii) the cost of the trained manpower necessary to provide the service there.
- (e) 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.

41.5 Condition 1.1(b) (ii) shall not apply to the extent that the Director, after consultation with the Licensee and after taking into account such considerations as appear to the Director to be appropriate and without prejudice to the generality of the foregoing, in particular:

- (a) whether the current and prospective demand for such telecommunication services to be provided by means of any additional Applicable Systems that would need to be installed within that area and the revenues likely to be derived from providing such services would not be sufficient to enable the Licensee to recover the costs incurred in installing and running any such Applicable Systems; and
- (b) any other factor involved in the sound commercial development of the Applicable Systems;

determines.

41.6 The Licensee shall not be obliged to connect, or to keep connected to the Applicable System, or to permit to be so connected or kept connected any telecommunication system or telecommunication apparatus or to provide telecommunication services 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) has obtained, or attempted to obtain, any telecommunication service from the Licensee by corrupt, dishonest or illegal means at any time.

41.7 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, for the purpose of evaluating the technical feasibility of, or the commercial prospects for, that service.

41.8 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 he 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.

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

41.10 Nothing in these Conditions shall prevent the Licensee from withdrawing or restricting any service requiring the attendance of any of its employees:

(a) on Bank Holidays and other public or statutory holidays (but so that, where any such holiday is observed only in a part of the United Kingdom, this sub-paragraph shall apply in respect of that holiday to that part only); or

- (b) on any other day on which the Director determines it is unreasonable to require the relevant employees of the Licensee to attend for the purpose of providing those services.

41.11 The Licensee shall be relieved of any obligation under these Conditions by virtue of a combination of any of the events and circumstances set out in the preceding paragraphs of this Condition, insofar as those paragraphs apply to the obligation in question; or a combination of any such events and circumstances and any limitation or exception contained in the Condition in question.

41.12 The exceptions and limitations set out in paragraphs 41.2 to 41.11 above do not apply to Conditions 3, 4.2, 9, 14, 15, 17, 19.2, 20.2 and 20.3, 21, 22, 23, 26.2, 30, 31, 32, 33 and 34 except as follows:

- (i) only paragraphs 41.2, 41.3, 41.9 and 41.11 apply to Conditions 9, 14, 15, 17, 19.2, 20.2 and 20.3, 21, 22, 26.2, 30, 31, 32, 33 and 34
- (ii) only paragraphs 41.6(a), 41.9 and 41.11 apply to Condition 4.2;
- (iii) only paragraphs 41.2, 41.3, 41.6, 41.9 and 41.11 apply to Condition 23;
- (iv) only paragraphs 41.2, 41.3, 41.4(b), 41.6(a), 41.9 and 41.11 apply to Condition 3;

but paragraph 41.4(d) does not apply to Condition 1 and paragraphs 41.6 and 41.8 do not 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 30 days' notice in writing given to the Licensee at its registered office in any of the following circumstances:

- (a) if the Licensee agrees in writing with the Secretary of State that this Licence should be revoked;
- (b) if any amount payable under Condition 30 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 notified the Licensee in writing that the payment is overdue, such notification not to be given earlier than the sixteenth day after the day on which the payment became due;
- (c) if the Licensee fails to comply with a final order (within the meaning of section 16 of the Act) or a provisional order (within the meaning of that section) which has been confirmed under that section and that order is not subject to proceedings for review and such failure is not rectified within 3 months after the Secretary of State has given notice in writing of such failure to the Licensee such notice being given after the conclusion of any such proceedings;
- (d) if the Licensee:
 - (i) has given a notification to the Secretary of State under Condition 29 and the Secretary of State has notified the Licensee in writing within 21 days of receiving such notification that he is minded to revoke this Licence on the grounds that the proposed change or arrangement 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
 - (ii) commits any breach of Condition 29 of Schedule 1 and in either case the proposed change or arrangement takes effect;
- (e) if the Licensee:
 - (i) is unable to pay its debts (within the meaning of section 123 of the Insolvency Act 1986), convenes any meeting with its creditors generally with a view to the general readjustment or re-scheduling of its indebtedness or makes a general assignment for the benefit of its creditors generally; or

- (ii) enters into receivership or liquidation;
- (iii) ceases to carry on its business; or
- (iv) if it or any other person takes any action for voluntary winding-up or dissolution of the Licensee or if the Licensee enters into any scheme of arrangement (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 if a 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 if any order is made for the compulsory winding-up or dissolution of it.

2 For the purposes of sub-paragraph (1)(e)(i) of this Schedule, in construing the terms of paragraph (a) of section 123 of the Insolvency Act 1986 the figure of "£750" therein shall be deemed to be replaced by "£250,000" or such higher figure as the Director may determine and the said paragraph (a) shall not if the demand therein referred to is being contested in good faith by the Licensee with recourse to all appropriate measures and procedures, whether legal or otherwise, or if the demand is satisfied prior to the expiry of the notice from the Secretary of State.

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

1 Nothing in this Licence removes any need to obtain any other licence that may be required under any other enactment but, subject to that limitation, this Licence authorises:

(a) the connection to any Applicable System of:

- (i) any other Applicable System all or part of which is situated on the same set of premises, or on one or more of the sets of premises, as the first mentioned Applicable System;
- (ii) any other Applicable System situated on another set of premises provided that such other set of premises is not located beyond a Local Switching Centre;
- (iii) any telecommunication system run under a licence entitled "Class Licence for Mobile or Portable Apparatus Connected to Cellular Telecommunication Systems incorporating Class Licence for Mobile or Portable Apparatus connected to Mobile Radio or Radio Paging Telecommunication Systems";
- (iv) any Specified Public Telecommunication System;
- (v) any telecommunication system run by the Crown;
- (vi) any telecommunication system run under any Licence which is specified by the Secretary of State for the purpose of the Licence and described in a List kept for that purpose by the Director and made available by him for inspection by the general public;
- (vii) any telecommunication system the Licence for which authorises it to be connected to the Applicable System;
- (viii) any telecommunication system situated on a vessel or hovercraft outside the United Kingdom which if such system were inside the United Kingdom it would be authorised to be run under the licence entitled "Class Licence for Mobile or Portable Apparatus Connected to Cellular Telecommunication Systems incorporating Class Licence for Mobile or Portable Apparatus connected to Mobile Radio or Radio Paging Telecommunication Systems ";
- (ix) telecommunication apparatus of every description which is comprised in the Applicable System;

(x) telecommunication apparatus comprised in a telecommunication system mentioned in subparagraphs (i) to (viii) above; and

(xi) any hearing aid;

and

(b) the provision by means of the Applicable System of:

(i) Mobile Radio Telecommunication Services consisting in the conveyance (not including switching) of Messages and switching incidental to such conveyance:

(A) which have been or are to be conveyed by means of a telecommunication system run under a licence entitled "Class Licence for Mobile or Portable Apparatus Connected to Cellular Telecommunication Systems incorporating Class Licence for Mobile or Portable Apparatus connected to Mobile Radio or Radio Paging Telecommunication Systems" and which have been or are to be conveyed by means of a connection between the Applicable System and a telecommunication system run under the above mentioned Class Licence, a Specified Public Telecommunication System or a telecommunication system the licence for which authorises it to be connected to the Applicable System;

or

(B) to or from a person who is engaged in the running of the Applicable System or apparatus comprised in the Applicable system where such conveyance is incidental to the provision of the services specified in sub-paragraph (A) above;

(ii) directory information services;

(iii) Value Added Services; and

(iv) any other telecommunication service which is specified for the purpose of this Licence by the Secretary of State after consultation with the Director and described in a list kept for that purpose by the Director and made available by him for inspection by the general public.

2 In this Schedule:

(a) "Licence" means a licence granted or having effect as if granted under section 7 of the Act;

- (b) "Message" means anything falling within paragraph (a) to (d) of section 4(1) of the Act;
- (c) "Mobile Radio Telecommunication Services" means any telecommunication service provided by means of a telecommunication system for the conveyance of Messages through the agency of wireless telegraphy where every message that is conveyed thereby has been, or is to be, conveyed by means of a telecommunication system which is designed or adapted to be capable of being used while in motion;
- (d) "Specified Public Telecommunication System" means a public telecommunication system run by British Telecommunications plc, or Kingston Communications (Hull) plc, or Mercury Communications Limited or any other public telecommunication system which is specified by the Secretary of State for the purpose of this Licence and described in a list kept for that purpose by the Director and made available by him for inspection by the general public; and
- (e) "United Kingdom" includes any area to which the provisions of the Act apply by virtue of section 107.
- (f) "Local Switching Centre" means the first point within the Personal Telecommunications System at which a Message received by a station for Wireless Telegraphy is switched incidentally to its conveyance.
- (g) "Value Added Service" means any service which is provided in whole or in part by means of any of the Applicable Systems and which could have been provided on 30 April 1987 under and in accordance with the Class Licence for the running of telecommunication services providing value added and data services granted by the Secretary of State on 30 April 1987 in whole or in part by means of a telecommunications system the running of which was authorised by that Licence.

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

DEFINITIONS AND INTERPRETATION

1 In this Schedule:

- (a) "Area of Outstanding Natural Beauty" means an area in England or Wales designated and confirmed as such under Section 87 of the National Parks and Access to the Countryside Act 1949 or an area in Northern Ireland designated as such under article 14(i) of the Nature Conservation and Amenity Lands (NI) Order S.I. 1985/170 (NI 1);
- (b) "Area of Special Scientific Interest" means an area designated under article 24(i) of the Nature Conservation and Amenity Lands (NI) Order S.I. 1985 170 (NI 1);
- (c) "The Broads" means the area in which the Broads Authority exercises power of development control;
- (d) "Conservation Area" means, 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; in relation to Scotland, any area designated as a conservation area under section 262 of the Town and Country Planning (Scotland) Act 1972; and in relation to Northern Ireland, any area designated as a conservation area under Article 37 of the Planning (Northern Ireland) Order 1972;
- (e) "Emergency Works" has the meaning given to it by Section 39 of the Public Utilities Street Works Act 1950;
- (f) "Installing" includes replacing and substantially altering; and "Install", "Installed" and "Installation" shall be construed accordingly;
- (g) "Limestone Pavement Area" means an area in England, Wales or Scotland designated by the Secretary of State or relevant authority under section 34 of the Wildlife and Countryside Act 1981;
- (h) "National Nature Reserve" means any land in Great Britain declared by the Nature Conservancy Council under Section 35 of the Wildlife and Countryside Act 1981 to be a national nature reserve;
- (i) "National Park" means any area in England and Wales designated and confirmed as such under section 5 of the National Parks and Access to the Countryside Act 1949;
- (j) "National Scenic Area" means any area in Scotland designated as such under the Town and Country (Planning) Scotland Act 1972;

- (k) "The New Forest" means the area defined in the New Forest Act 1964;
- (l) "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;
 - (iii) in relation to Northern Ireland, the Department of the Environment for Northern Ireland;
- (m) "Relevant Authority" in relation to a National Nature Reserve or a Site of Special Scientific Interest shall be the Nature Conservancy Council established under the section 1(9) of the Nature Conversation Council Act 1973 and in relation to an "Area of Special Scientific Interest" shall be the Department of Environment for Northern Ireland;
- (n) "Site of Special Scientific Interest" means an area notified 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
- (o) "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.

2 The Interpretation Act 1978 shall apply for the purpose of interpreting this Schedule as if it was an Act of Parliament.

3 Any word of expression used in this Schedule shall, unless the context otherwise requires, have the same meaning as it has in the Act.

4 For the purposes of interpreting this Schedule headings and titles shall be disregarded.

INSTALLATION OF TELECOMMUNICATION APPARATUS ABOVE THE GROUND

1.1 Subject to Condition 5.1, the licensee shall, before installing any telecommunication apparatus above the ground, give to the Planning Authority written notice of its intention to do so describing the proposed installation and identifying the place where it is proposing to install the apparatus and shall not install the apparatus until 28 days after the giving of the notice except with the written consent of the Planning Authority.

1.2 The requirement in paragraph 1.1 does not apply where the Licensee has given notice to the Planning Authority under Condition 2.1 or 3.1.

1.3 On the first occasion on which the Licensee gives written notice to a particular Planning Authority under paragraph 1.1, or Condition 2.1 or Condition 3.1 in this Schedule, it shall at the same time furnish that Planning Authority with written details of the expected location of any other telecommunications apparatus which it intends to install above the ground in the area covered by that Planning Authority.

1.4 The Licensee shall install the apparatus in accordance with the notice referred to in paragraph 1.1 or, where the Planning Authority gives notice in writing within the period of 28 days beginning with the giving of that notice that the apparatus should be installed in accordance with conditions, the Licensee shall install the apparatus in accordance with such of those conditions as are reasonable in all the circumstances of the case taking into account the desirability of protecting the visual amenity of the locality in which the apparatus is to be installed, the technical requirements of the Licensee's system and the cost of installing the apparatus.

1.5 For the avoidance of doubt, paragraph 1.1 does not apply to the installation of apparatus in relation to which planning permission is required from the Planning Authority.

LISTED BUILDINGS AND ANCIENT MONUMENTS

2.1 Subject to Condition 5.1, the Licensee shall give written notice to the Planning Authority before installing any 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 or any building notified to the Licensee in writing by the Department of the Environment for Northern Ireland as being in the Statutory List of Buildings and equivalent to Grade 1 and shall not install the apparatus until 40 days after the giving of the notice except with the written consent of the Planning Authority.

2.2 Where the Planning Authority notifies the Licensee in writing within 40 days of the giving of the notice under paragraph 2.1 that the installation of the apparatus would detrimentally affect the character or appearance of the building, or its setting, and that the installation should not take place, the Licensee may install the apparatus only if the Planning Authority agrees in writing or if the Secretary of State, after having consulted the Planning Authority, so directs in writing.

2.3 For the avoidance of doubt paragraph 2.1 does not apply to the installation of apparatus in relation to which planning permission or listed building consent or both is required from the Planning Authority.

2.4 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 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 32 of the Planning (Northern Ireland) Order 1972) to obtain listed building consent for any works which affect the character of a listed building, or involve the demolition of any part of such a building.

CONSERVATION AREAS, NATIONAL PARKS, AREAS OF OUTSTANDING NATURAL BEAUTY ETC

3.1 Subject to Condition 5.1, the Licensee shall give written notice to the Planning Authority before Installing any telecommunication apparatus in a Conservation Area, National Park, National Scenic Area, Area of Outstanding Natural Beauty, The Broads, The New Forest or a Limestone Pavement Area and shall not install the apparatus until 40 days after the giving of the notice except with the written consent of the Planning Authority.

3.2 Where the Planning Authority notifies the Licensee in writing within 40 days of the giving of the notice under paragraph 3.1 that the Installation of the apparatus would detrimentally affect the character or appearance of the area and that the Installation should not take place, the Licensee may Install the apparatus only if the Planning Authority agrees in writing or if the Secretary of State, after having consulted the Planning Authority, so directs in writing.

3.3 For the avoidance of doubt paragraph 3.1 does not apply to the Installation of apparatus in relation to which planning permission is required from the Planning Authority.

NATIONAL NATURE RESERVES, SITES OF SPECIAL SCIENTIFIC INTEREST OR
AREAS OF SCIENTIFIC INTEREST

4.1 Subject to Condition 5.1, before Installing any telecommunication apparatus in any National Nature Reserve, Site of Special Scientific Interest or Area of Scientific Interest, the Licensee shall give the relevant authority written notice of its intention to do so describing the proposed works and shall not Install the apparatus until 40 days after the giving of the notice except with the written consent of the relevant authority.

4.2 Where the relevant authority notifies the Licensee in writing within 40 days of the giving of the notice under paragraph 4.1 that the proposed works would be likely to destroy or damage the flora, fauna or geological or physiographical features by reason of which the land is of special interest and that the Installation should not take place, the Licensee may Install the apparatus only if the relevant authority subsequently agrees in writing or, in the case of a National Nature Reserve or Site of Special Scientific Interest, if the Secretary of State, after having consulted the relevant authority, so directs in writing.

4.3 The Licensee shall also comply with any direction given to it in writing by the Secretary of State relating to giving notice to and considering representations made by any other authority exercising statutory functions in relation to National Nature Reserves, Sites of Special Scientific Interest or Areas of Scientific Interest or such other environmentally sensitive areas as may be specified in the direction.

EMERGENCY WORKS

5.1 Where apparatus is to be replaced or substantially altered in the course of Emergency Works the Licensee is not required to give the notice at Condition 1.1, 2.1, 3.1 or 4.1 before replacing or substantially altering the apparatus but it shall give the required written notice as soon as practicable after the commencement of the Emergency Works.

5.2 The Licensee shall, if requested by the Planning Authority or, as the case may be, the Relevant Authority, give to the Authority making the request reasons for the need to undertake the Emergency Works.

MAINTENANCE AND THE SAFETY OF APPARATUS

6.1 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 would not cause harm to other persons or property; and the Licensee shall notify the Director of its arrangements for inspecting such apparatus.

6.2 In addition to carrying out inspections of its own apparatus on or above the surface of the ground, the Licensee shall investigate any report (other than a frivolous one) of any of its apparatus (wherever situated) being in a dangerous state and shall remove any danger.

INSTRUCTIONS FOR THE INSTALLATION OF TELECOMMUNICATION APPARATUS

7.1 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) the minimum practicable number of items of telecommunication apparatus are erected allowing for estimated growth in demand for telecommunication services;
- (b) telecommunication apparatus is installed so that it does not present a safety hazard;
- (c) the visual amenity of properties in proximity to which telecommunication apparatus is installed (in particular buildings in the Statutory List of Buildings which have been notified by the Planning Authority to the Licensee as deserving special consideration) is protected as far as is practicable; and
- (d) before erecting a new mast the possibility is investigated of:
 - (i) using an existing mast belonging to the Licensee or any other person (in particular any other public telecommunications operator);
 - (ii) replacing an existing mast belonging to the Licensee or any other person (in particular any other public telecommunications operator) with a mast for the joint use of the Licensee and that other person; and
 - (iii) erecting, in cooperation with any other operator of a Personal Telecommunications System, a mast for the joint use of the Licensee and that other operator.

7.2 the Licensee shall within three months of the date on which this Licence enters into force, and from time to time as the Director may require, furnish details to the Director of the instructions given in accordance with paragraph 7.1 above.

7.3 The requirement specified in paragraph 7.1 (c) is without prejudice to the requirements of Condition 2.1.

PUBLIC INSPECTION OF CODE RELATED LICENCE CONDITIONS

8.1 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 prescribe under section 19(4) of the Act for the register of licences and orders to be open for public inspection.

8.2 "Major Office" means any office notified to the Director by the Licensee from time to time or, where the Director determines otherwise, such other offices as the Director may determine from time to time.

THE APPLICABLE SYSTEMS

1 The Applicable Systems are Personal Telecommunication Systems of every description within the United Kingdom by means of which there are conveyed Messages for the purpose of providing Personal Radio Telecommunication Services provided that a system is an Applicable System only if and to the extent that all the apparatus comprised in the System is:

(a) (i) situated on a single set of premises or in a single building; or

(ii) situated on different sets of premises where none of them is more than 200 metres, or such greater number of metres as the Director may determine, in lateral distance from any other, together with any Line connecting them; or

(iii) if apparatus comprised in the System is not situated on premises, such apparatus is situated not more than 200 metres, or such greater number of metres as the Director may determine from a single set of premises or a single building on which apparatus comprised in the System is also situated, together with any Line connecting them; and

(b) neither designed nor adapted for use while in motion; and

(c) where the apparatus comprises part of a Fixed Link, it is provided by Wireless Telegraphy and connects a Station for Wireless Telegraphy comprised in the Applicable System with:

(i) any other Applicable Systems up to but not beyond a Local Switching Centre;

(ii) any other telecommunications system which is neither designed nor adapted to be capable of being used while in motion, exclusively for the purpose of providing services authorised under paragraph 1(b)(iii) of Schedule 3;

but does not comprise any other Fixed Link.

2 In this Annex:

"Cell" means a geographical area served by a Station for Wireless Telegraphy which is dedicated to transmitting and receiving Messages;

"Fixed Link" means any apparatus or telecommunication system linking by the agency of electric, magnetic, electro-magnetic, electro-chemical, or electro-mechanical energy any Applicable System to:

(a) any other Applicable System; or

(b) any other telecommunication system which is neither designed or adapted to be capable of being used while in motion

which in either case is situated on another set of premises;

"Line" means any wire, cable, tube, pipe or other similar thing (including its casing or coating) or a link made by means of wireless telegraphy other than to a telecommunication system run under the licence entitled "Class Licence for Mobile or Portable Apparatus connected to Cellular Telecommunication Systems incorporating Class Licence for Mobile or Portable Apparatus connected to Mobile Radio or Radio Paging Telecommunication Systems" which is designed or adapted for use in connection with the running of a telecommunication system together with any plug, socket or other connection apparatus;

"Local Switching Centre" means the first point within the Personal Telecommunication System at which a message received by a Station for Wireless Telegraphy is switched incidentally to its conveyance;

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

"Personal Radio Telecommunication Service" means any telecommunication service provided by means of a telecommunication system for the conveyance of Messages through the agency of Wireless Telegraphy;

"Personal Telecommunication System" means a telecommunication system in which:

- (a) the area in which services are provided is divided into a number of cells; and
- (b) Stations for Wireless Telegraphy comprised in the system are automatically controlled by central processors;

"Station for Wireless Telegraphy" has the same meaning as in the Wireless Telegraphy Act 1949; and

"United Kingdom" does not include any area to which the provisions of the Act apply by virtue of section 107.