

Name: British Telecommunications plc

Date: 16.01.84

Licence No: 3/17/1/141 (1 copy plus explanatory notes)

Amendment	Number	Condition	Date
None	n/a	n/a	n/a
Additional Documents			
Explanatory Notes		Whole Licence	1984

3/17/1/14



Department of Trade and Industry

**Licence granted by
The Secretary of State for Trade and Industry
to British Telecommunications
under Section 7 of the Telecommunications Act 1984**

London: Her Majesty's Stationery Office

Price £7.15 net



Department of Trade and Industry

**Licence granted by
The Secretary of State for Trade and Industry
to British Telecommunications
under Section 7 of the Telecommunications Act 1984**

London: Her Majesty's Stationery Office

©Crown copyright 1984
First published 1984

ISBN 0 11 513753 X

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.
- 1 Universal provision of telecommunication services.
 - 2 Provision of telecommunication services in rural areas.
 - 3 Directory information.
 - 4 Maintenance services.
 - 5 International services.
 - 6 Public emergency call services.
 - 7 Calls made by emergency organisations.
 - 8 Maritime emergency services.
 - 9 Planning and implementation of special arrangements for emergencies.
 - 10 Priority fault repair service.
 - 11 Public call box services.
 - 12 Maritime services.
 - 13 Connection of systems providing Connection Services.
 - 14 Connection of other systems and apparatus.
 - 15 Provision by others of services by means of the Applicable Systems.
 - 16 Publication of charges, terms and conditions to be applied.

- 17 Prohibition on undue preference and undue discrimination.
- PART 3: Other Conditions included under Section 7 of the Act
- 18 Prohibition on cross-subsidies.
- 19 Access charges.
- 20 Separate accounts for certain activities.
- 21 Apparatus production.
- 22 Prohibition of preferential treatment.
- 23 Alterations to the Applicable Systems.
- 24 Restriction of prices for certain services.
- 25 Charges for maintenance of certain exchange lines.
- 26 Charges for installation of certain exchange lines.
- 27 Code of practice for consumer affairs.
- 28 Arbitration of disputes with consumers.
- 29 Bodies recognised to be representing consumers.
- 30 Metering.
- 31 Supply and connection of apparatus for the disabled.
- 32 Special telephones for the hearing impaired.
- 33 Special facilities for the hearing impaired using public call boxes.
- 34 Numbering arrangements
- 35 Prohibition of linked sales.
- 36 Prohibition of certain exclusive dealing arrangements.
- 37 Requirement to provide itemised information.

- 38 Code of practice on the confidentiality of customer information.
- 39 Intellectual property.
- 40 Prohibition of non-statutory testing requirements.
- 41 Statutory testing.
- 42 Limitations on integrated wiring situated on Served Premises.
- 43 Wiring etc not forming part of the Applicable Systems.
- 44 Limitations on certain maintenance arrangements.
- 45 Connection arrangements.
- 46 Private Circuits.
- 47 Prohibition of exclusive dealing in international arrangements.
- 48 Other arrangements for international services.
- 49 Pre-notification of joint ventures.
- 50 Associates.
- 51 Payment of fees.
- 52 Requirement to furnish information to the Director.
- 53 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.

LICENCE GRANTED TO BRITISH TELECOMMUNICATIONS TO RUN

TELECOMMUNICATION SYSTEMS UNDER SECTION 7 OF THE

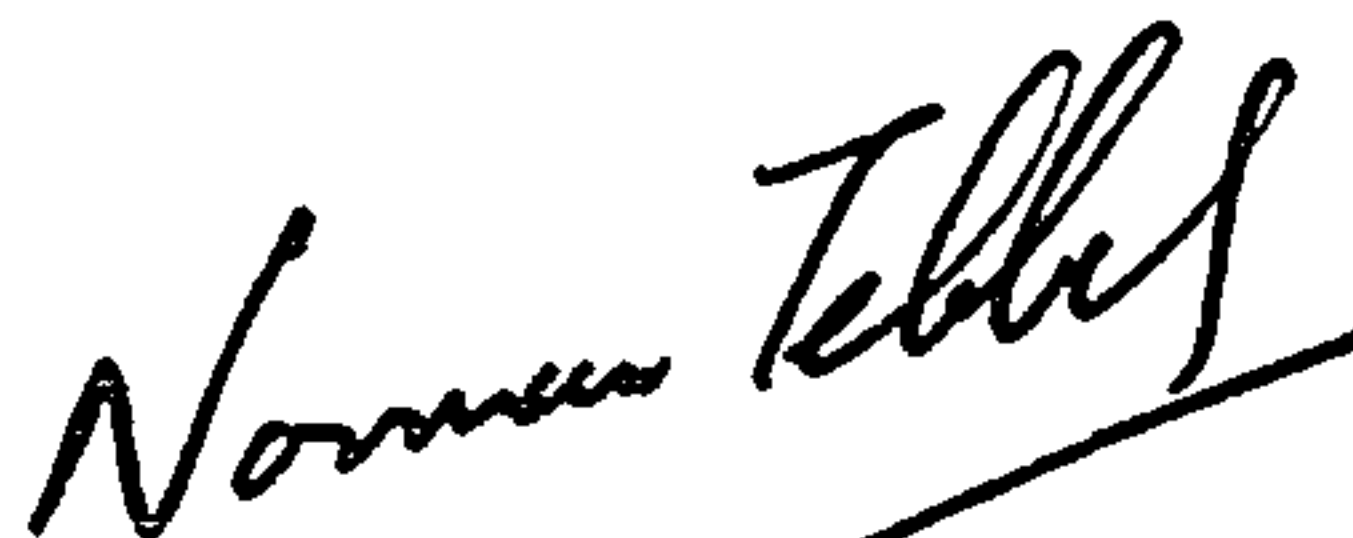
TELECOMMUNICATIONS ACT 1984

THE LICENCE

1 The Secretary of State, in exercise of the powers conferred on him by section 7 of the Telecommunications Act 1984 (hereinafter referred to as "the Act") and of all other powers exercisable by him for that purpose, hereby grants to British Telecommunications (hereinafter referred to as "the Licensee") a licence, for the period specified in paragraph 3, subject to the Conditions set out in Schedule 1 and to revocation as provided for in paragraph 3 and in Schedule 2, to run the telecommunication systems specified in Annex A (hereinafter referred to as "the Applicable Systems") and authorises the Licensee to do all or any of the acts specified in Schedule 3.

2 The telecommunications code contained in Schedule 2 to the Act shall apply to British Telecommunications 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 the day appointed under section 2 of the Act for the purposes of Part II of the Act 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.



RT HON NORMAN TEBBIT MP
SECRETARY OF STATE FOR TRADE AND INDUSTRY

22 JUNE 1984

SCHEDULE 1: CONDITIONS INCLUDED UNDER SECTION 7 OF THE ACT

PART 1: Definitions, Interpretations and Transitional Provisions relating to the Conditions in Schedule 1

In these Conditions unless the context otherwise requires:

- (a) "Apparatus Production Company" has the meaning given to it in Condition 21;
- (b) "Apparatus Supply Business" has the meaning given to it in Condition 18;
- (c) "Authorised Overseas System" means any telecommunication system outside the United Kingdom which is authorised to be connected to the Applicable Systems under Schedule 3;
- (d) "Bringing into Service" means the process of connecting by means requiring the use of a tool telecommunication apparatus (including apparatus comprised in a telecommunication system) or a telecommunication system to another telecommunication system, or the process of disconnecting by such means such apparatus or such system from another such system; and includes such testing or inspection of that apparatus or system and any other apparatus or system to which it is or is to be connected as is necessary for the purpose of ensuring that the apparatus or the system in which it is or is to be comprised, or the system, is authorised to be connected to any of the Applicable Systems; and expressions cognate with "Bringing into Service" shall be construed accordingly;
- (e) "Call Box Services" and "Public Call Box" have the meanings given to them in Condition 11;
- (f) "Connectable System" and "Connection Service" have the meanings given to them in Condition 13;
- (g) "cost" includes a reasonable profit;
- (h) "to dial" includes any equivalent operation;
- (i) "Emergency" means an emergency of any kind, including any circumstance whatever resulting from major accidents, natural disasters and incidents involving toxic or radio-active materials;

- (j) "Emergency Organisations" has the meaning given to it in Condition 6;
- (k) "Exchange Line" means telecommunication apparatus (within the meaning of Schedule 2 to the Act) comprised in the Applicable Systems and installed for the purpose of connecting a telephone exchange run by the Licensee to a Network Termination Point comprised in Network Termination and Testing Apparatus installed by the Licensee on premises within the Licensed Area for the purpose of providing voice telephony services at those premises;
- (l) "International Connection Service" means a telecommunication service consisting in the conveyance of any Message which has been conveyed or which is to be conveyed by means of any telecommunication system outside the United Kingdom the connection of which to the system by means of which that service is provided is authorised by a Licence;
- (m) "Licence" means a licence granted or having effect as if granted under section 7 of the Act;
- (n) "Licensed Area" means the United Kingdom other than the area in which the City of Kingston upon Hull is licensed to run telecommunication systems under a Licence coming into force on the date on which this Licence enters into force;
- (o) "Licensee's Group" means the Licensee and all of its Subsidiaries taken together;
- (p) "Limited Maintenance Telecommunication System" and "Limited Maintenance Telecommunication Apparatus" mean any telecommunication system or telecommunication apparatus as the case may be which is, or is to be, run under a Licence which requires Maintenance Services to be provided in respect of it, if it is, or is to be, connected to any of the Applicable Systems, by either the Licensee or the person running any other public telecommunication system to which it is, or is to be, connected.
- (q) "Local Authority" has the same meaning as in section 97 of the Act;

(r) "Maintenance Services" means in relation to any apparatus which has been installed:

(a) Pre-Maintenance Inspection;

(b) carrying out repairs;

(c) verifying or ensuring that:

(i) the apparatus performs in accordance with its specification or as may be required by the operator of the Connectable System in which such apparatus is incorporated;

(ii) the apparatus continues to comply with any condition contained in an approval of that apparatus under section 22 of the Act or in the designation of a standard under that section;

(iii) any terms or conditions regarding the apparatus or its connection or use that may be stipulated by the Licensee and which must be observed if the Connectable System is or is to remain connected to the Applicable Systems are observed;

(d) any activity involving the removal of the outer cover of the apparatus or alteration of the apparatus including alterations of any stored commands capable of affecting the compliance of the apparatus with the technical requirements and conditions mentioned in (c) above; or

(e) any activity involving the use of any test apparatus or other equipment not forming a permanent part of the apparatus

but shall not include operations incidental to the installation, Bringing into Service or routine use of the apparatus to convey Messages;

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

- (t) "Network Connecting Apparatus", "Network Termination Point" and "Network Termination and Testing Apparatus" have the meanings given to them in Annex A;
- (u) "Operator" has the meaning given to it in Condition 13;
- (v) "Pre-Maintenance Inspection" means any inspection reasonably necessary to ensure that apparatus has been properly installed in a manner rendering it fit to be maintained by the person making the inspection, but does not include any inspection for the purpose of Bringing into Service;
- (w) "Private Circuit" means a circuit which is:
 - (a) provided by means of a telecommunication system comprised in the Applicable Systems;
 - (b) made available to a particular person or particular persons for the conveyance of Messages between fixed points within that system; and
 - (c) installed in such a way that persons sending Messages by means of that circuit are not able to select the destination within that system to which Messages are conveyed;
- (x) "Public Emergency Call Service" has the meaning given to it in Condition 6;
- (y) "Relevant Connectable System" has the meaning given to it in Condition 13;
- (z) "Relevant Terminal Apparatus" has the meaning given to it in Annex A;
- (aa) "Served Premises" has the meaning given to it in Annex A;
- (bb) "Subsidiary" has the same meaning as in section 154 of the Companies Act 1948;
- (cc) "Systems Business" has the meaning given to it in Condition 18;

- (dd) "Telephone" means an item of telecommunication apparatus capable when connected to the Licensee's public switched telephone network of transmitting and receiving uninterrupted simultaneous two way speech conveyed, or as the case may be to be conveyed, by means of that network;
- (ee) "United Kingdom" includes any area to which the provisions of the Act apply by virtue of section 107;
- (ff) "Wholly Owned Subsidiary" means a body corporate all the issued shares in which are held by or on behalf of the Licensee.

2 The Interpretation Act 1978 shall apply for the purpose of interpreting these Conditions as if they were an Act of Parliament.

3 Any word or expression used in these Conditions shall unless the context otherwise requires have the same meaning as it has in the Act.

4 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.

5 For the purposes of interpreting these Conditions headings and titles to any Condition shall be disregarded.

6 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; but any contract which takes effect as from the appointed day by virtue of paragraph 12 of Schedule 5 to the Act shall not be treated for the purposes of these Conditions as a contract subsisting immediately before the date on which these Conditions enter into force.

SCHEDULE 1

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

Condition 1

UNIVERSAL PROVISION OF TELECOMMUNICATION SERVICES

1.1 The Licensee shall provide to every person who requests the provision of such services at any place in the Licensed Area:

- (a) voice telephony services; and
- (b) other telecommunication services consisting in the conveyance of Messages

by means of the Applicable Systems, except to the extent that the Director is satisfied that any reasonable demand is or is to be met by other means and that accordingly it would not be reasonable in the circumstances to require the Licensee to provide the services requested; and the Licensee shall ensure that Applicable Systems are installed, kept installed and run for those purposes.

PROVISION OF TELECOMMUNICATION SERVICES IN RURAL AREAS

2.1 The Licensee shall provide to every person who requests the provision of such services in a rural area within the Licensed Area:

- (a) voice telephony services; and
- (b) other telecommunication services consisting in the conveyance of Messages

by means of the Applicable Systems, except to the extent that the Director is satisfied that any reasonable demand is or is to be met by other means and that accordingly it would not be reasonable in the circumstances to require the Licensee to provide the services requested; and the Licensee shall ensure that Applicable Systems are installed, kept installed and run for those purposes.

DIRECTORY INFORMATION

3.1 The Licensee shall:

- (a) on request by any person in the United Kingdom (other than a public telecommunications operator) to whom it provides voice telephony services by means of any of the switched Applicable Systems, provide to that person by means of any such System used to provide such services to that person a directory information service relating to the switched voice telephony services it provides to any other person by means of either the same Applicable System or any other Applicable System to which it is connected and which is a switched voice telephony system; and
- (b) on the written request of any person in the United Kingdom supply to that person such directories as the Licensee, for the purpose of facilitating the use by others of any switched telecommunication service it provides by means of any of the Applicable Systems, publishes and makes available generally to persons to whom it provides those services.

3.2 Where the Licensee provides switched voice telephony services by means of any Applicable System 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 the Licensee provides voice telephony services 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) provide, whether by means of the Applicable Systems or otherwise, the operator of that Other System with directory information about persons to whom the Licensee provides switched voice telephony services in a form which is sufficient to meet any reasonable request of that operator (having regard in particular

to what it is reasonably convenient for the Licensee to provide and to what is not to the commercial disadvantage of the Licensee) 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; but the Licensee shall not be obliged to comply with a request made by an operator under this sub-paragraph unless the operator undertakes to use the directory information only for the purpose of providing directory information services to persons to whom he provides switched voice telephony services.

3.3 Where the Licensee provides switched voice telephony services by means of any of the Applicable Systems which is connected to an Authorised Overseas System by means of which such services are provided, then, if a directory information service is provided by means of that Authorised Overseas System in respect of that Authorised Overseas System, the Licensee shall provide to any person to whom it provides switched voice telephony services by means of that Applicable System information as to how that person may avail himself by means of that Applicable System and that Authorised Overseas System when connected together of the directory information service provided in respect of that Authorised Overseas System and shall take all reasonable steps to secure that that can be done.

3.4 Where the Licensee provides switched voice telephony services by means of any of the Applicable Systems which is connected to both:

- (a) an Authorised Overseas System by means of which such services are provided; and
- (b) a Connectable System in the United Kingdom by means of which such services are provided which is run under a Licence which does not authorise the connection of that system to a system outside the United Kingdom so as to convey Messages from the United Kingdom to a place outside the United Kingdom

it shall not unreasonably refuse to provide to the operator of that Connectable System access to such directory information services relating to the Authorised Overseas System as the Licensee makes available to those to whom it provides voice telephony services.

3.5 The directory information service provided by the Licensee under Condition 3.1(a) and 3.3 and the information made available under Condition 3.2(a) shall include a service

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

3.6 The obligations in Conditions 3.1, 3.2 and 3.3 shall not apply when the directory information requested relates to a person who has requested the Licensee or the operator of the connected telecommunication system not to provide such information in relation to him.

3.7 This Condition operates without prejudice to Condition 13.

MAINTENANCE SERVICES

4.1 If so required by any person to whom it provides telecommunication services in accordance with Condition 1 or 2, the Licensee shall also provide Maintenance Services in respect of any telecommunication system or telecommunication apparatus in that person's control which is or is to be lawfully connected to any of the Applicable Systems, except:

- (a) where the Licensee has notified that person that the system or apparatus is beyond economic repair or the components or tools necessary to effect the repair are no longer available and the Director has not determined to the contrary;
- (b) where the system or apparatus has been supplied by a person who is not a member of the Licensee's Group and is neither a Limited Maintenance Telecommunication System nor Limited Maintenance Telecommunication Apparatus; or
- (c) where the approval under section 22 of the Act of the apparatus for connection to any of the Applicable Systems or to any system which is itself connected to or to be connected to any of the Applicable Systems does not require it to be maintained, while it is so connected, by either the Licensee or the person running any other public telecommunication system to which it is or is to be connected.

INTERNATIONAL SERVICES

5.1 The Licensee shall take all reasonable steps to provide by means of the Applicable Systems to any person to whom it provides telecommunication services by means of those Systems and who so requests International Connection Services to the extent necessary to satisfy all reasonable demands for such Services by such a person.

PUBLIC EMERGENCY CALL SERVICES

6.1 The Licensee shall provide a Public Emergency Call Service, that is to say a telecommunication service by means of which any member of the public may, at any time and without incurring any charge, by means of any item of telecommunication apparatus which is lawfully connected to any of the Applicable Systems at any place in the Licensed Area and which is capable of transmitting and receiving unrestricted two way voice telephony services, communicate as swiftly as practicable with any of the Emergency Organisations for the purpose of notifying them of an Emergency.

6.2 For the purposes of this Condition:

- (a) "Emergency Organisations" means in respect of any locality:
 - (i) the relevant public police, fire, ambulance and coastguard services for that locality; and
 - (ii) any other similar organisation providing assistance to the public in Emergencies in respect of which the Licensee is providing a Public Emergency Call Service on the day on which this Licence enters into force;

- (b) 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.

6.3 The Licensee may restrict the telecommunication services provided under this Condition in respect of any of the Emergency Organisations mentioned in paragraph 6.2(a)(ii) to the extent to which such restriction is agreed by the authority responsible for that Organisation or, in the absence of such agreement, to such extent as may be authorised by the Director.

6.4 In this Condition, the "Licensed Area" does not include any area to which the Act is extended under section 107.

CALLS MADE BY EMERGENCY ORGANISATIONS

7.1 The Licensee shall, for the purpose of facilitating the provision of services by Emergency Organisations in circumstances where telephone numbers cannot be dialled direct, provide operator-assisted voice telephony services with a view to enabling officials of any authority designated by the Secretary of State for the purposes of this Condition to send messages for conveyance by means of any of the Applicable Systems to any Network Termination Point for switched voice telephony within the Applicable Systems either:

- (a) with the least possible delay if such officials send specific signals designated by the Licensee for the purpose and proffer evidence of identity sufficient to establish to the Licensee's satisfaction that they are such officials; or
- (b) with priority over all communications except emergency calls and those covered by (a) above if such persons send specific signals designated by the Licensee for the purpose and proffer such evidence of identity.

MARITIME EMERGENCY SERVICES

8.1 The Licensee shall enter into an agreement with the Secretary of State for the provision of distress, urgency and safety services for shipping in accordance with the Radio Regulations of the International Telecommunication Union to the extent that the Secretary of State pays the costs of such services, except costs which the Director determines to be unjustifiable.

PLANNING AND IMPLEMENTATION OF SPECIAL ARRANGEMENTS FOR
EMERGENCIES

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

9.2 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.

9.3 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 plan 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.

PRIORITY FAULT REPAIR SERVICE

10.1 Without prejudice to any other obligation under these Conditions the Licensee shall, when notified of any fault or failure of any of the Applicable Systems or of a Relevant System which causes any interruption, suspension or restriction of the telecommunication services provided by means of that Applicable System or that Relevant System, provide to any person described in paragraph 10.2 a priority Fault Repair Service with a view to restoring those services as swiftly as practicable and with priority so far as reasonably practicable over Fault Repair Services provided by the Licensee to other persons.

10.2 The persons to whom paragraph 10.1 applies are those:

- (a) who are engaged in the provision of an emergency service to the public, the provision of any essential services, the supply of any essential goods or in public administration; and
- (b) whose names and other particulars are notified to the Licensee by the Director and who pay the Licensee's charges for the priority Fault Repair Service or in respect of whom those charges are paid; and
- (c) who have a bona fide need for an urgent repair.

10.3 The priority Fault Repair Service shall be available for 24 hours a day or for such lesser periods of each day as may be agreed between the Licensee and the person paying for its provision.

10.4 In this Condition:

"Fault Repair Service" means a service consisting in such repair, maintenance, adjustment or replacement of any of the Applicable Systems or such repair or adjustment of any Relevant System as is necessary to restore and maintain a sufficient service; and

"Relevant System" means any:

- (i) telecommunication system not comprised in any of the Applicable Systems; or
- (ii) telecommunication apparatus

which is or is to be connected to any of the
Applicable Systems and in respect of which the
Licensee is contractually bound to provide Maintenance
Services.

10.5 Where on the date on which this Licence enters into
force, the Licensee is unable to comply with this Condition,
it shall do so as soon as reasonably practicable thereafter
and meanwhile shall provide a priority Fault Repair Service as
like to that required under this Condition as is reasonably
practicable.

PUBLIC CALL BOX SERVICES

11.1 The Licensee shall secure that Call Box Services are provided at all its Public Call Boxes and Temporary Call Boxes in the Licensed Area whether installed before, on or after the date on which this Licence enters into force.

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

- (a) their continued provision is impracticable;
- (b) the Revenue from the services provided at that Call Box in any period of twelve months ending not more than six months before the cessation has fallen below the Minimum Figure applying to that Call Box or Call Boxes of that description and the Licensee is not entitled to receive the difference between the Revenue and that Figure from any other person;
- (c) the Call Box in question is located near another Public Call Box at which such Services continue to be provided and which is readily accessible from the place where the Call Box at which Services will cease to be provided is situated;
- (d) the Licensee has, before the cessation, agreed with the Director that it will provide such Services at another Public Call Box to be installed near to, and readily accessible from, the place where the Call Box at which they are no longer to be provided is situated;
- (e) such Services are available to the public at a Private Call Box:
 - (i) which is near to, and readily accessible from, the place where the Public Call Box at which Services will cease to be provided is situated; and
 - (ii) the person controlling that Private Call Box has entered into a contract with the Licensee undertaking to give the public unrestricted access to the Private Call Box at all times (or for such periods of each day as the Director determines in relation

to that Call Box or all Call Boxes of that description) for the purpose of obtaining such Services and that that Private Call Box has installed in it apparatus enabling persons using hearing aids designed for use in conjunction with Telephones to use such hearing aids when voice telephony services are provided to them, and the Licensee takes all reasonable steps necessary to ensure that the terms of all such contracts are observed;

- (f) any person with power to require the removal of the Call Box in question requests the Licensee to remove it;
- (g) the Director is satisfied that all reasonable demands for Call Box Services in any particular area are being met at Public Call Boxes installed there by another public telecommunications operator or under arrangements made by such an operator similar to those in paragraph 11.2(e);
or
- (h) the Director agrees that such Services need no longer be provided at the Call Box in question for any other reason.

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

of Call Box Services either in the place where the first mentioned Call Box was situated or in a place near to, and readily accessible therefrom, is practicable and within 70 days of the giving of the notice requires the Licensee to do so.

11.4 Where the Licensee proposes to cease to provide Call Box Services at any Public Call Box on the ground set out in paragraph 11.2(b) of this Condition, it may cease to provide those Services at that Call Box only if it has:

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

- (d) sent to the Director by registered post or recorded delivery or by hand a copy of the notice described in sub-paragraph (a) together with copies of any representations and objections that the Licensee has received with respect to the proposal and its comments and conclusions thereon;

and 28 days have elapsed after the material specified in paragraph 11.4(d) has been sent to the Director.

11.5 The Licensee shall, after consultation with the Director, publish from time to time in accordance with Condition 16.3 guidelines for determining when:

- (a) Public Call Boxes should be installed in new locations; and
- (b) Temporary Call Boxes should be installed in locations where major events of national or international standing take place

and shall install Call Boxes on request in accordance with those guidelines unless there are special circumstances which make it unreasonable to require the Licensee to do so.

11.6 Without prejudice to paragraph 11.5, the Licensee shall provide Call Box Services at Public Call Boxes or Temporary Call Boxes installed or to be installed in locations specified by any person who undertakes to pay to the Licensee its costs incurred in providing such Services and to comply with the Licensee's terms and conditions.

11.7 In this Condition

- (a) "Call Box" means any kiosk, booth, acoustic hood, shelter or similar structure at which apparatus is installed for the provision of voice telephony services to the public or a class of the public together with such apparatus;
- (b) "Call Box Services" means the installation, repair and maintenance of Call Boxes, the service of conveying by means of the Applicable Systems voice telephony messages to and from such Boxes, directory information services relating to switched voice telephony services available at such Boxes and Public Emergency Call Services so available;

- (c) "Minimum Figure" means £185 per annum or such other amount as the Director and the Licensee may agree for the time being in respect of any Call Box or any description of Call Boxes, after consultation with the advisory bodies established by the Secretary of State under section 54(1) of the Act;
- (d) "Private Call Box" means a Call Box owned by or supplied to a person other than the Licensee or another public telecommunications operator at which Call Box Services are or may be provided;
- (e) "Public Call Box" means a Call Box to which the public has access at all times which is neither a Private Call Box nor a Temporary Call Box and at which Call Box Services are or may be provided;
- (f) "Relevant Consumer Body" means the bodies referred to in Condition 29;
- (g) "Relevant Local Authority" means the smallest unit of Local Authority for the area where the Public Call Box is located;
- (h) "Revenue", in relation to services provided at any Public Call Box, means the actual amounts received by the Licensee in respect thereof, together with a notional sum equal to 25 per cent (or such other percentage as the Director and the Licensee may agree for the time being) of the aggregate of such amounts representing revenue earned in respect of transfer charge, credit and similar facilities provided at that Call Box and of services provided and paid for elsewhere which involve conveyance of messages to that Call Box; and
- (i) "Temporary Call Box" means a Call Box run by the Licensee which is mobile or is installed for a limited period or is permanently installed but at which Call Box Services are provided to the public or a class of the public for limited periods of time.

MARITIME SERVICES

12.1 The Licensee shall provide two way telecommunication services (including voice telephony and data transmission services) consisting in the transmission and reception of Messages conveyed or to be conveyed between seagoing vessels and hovercraft and any Network Termination Point in any of the Applicable Systems. Such services shall comply with any relevant requirements of the Radio Regulations of the International Telecommunication Union.

12.2 In this Condition "seagoing vessel" includes any floating structure for the exploration for, or exploitation of, oil or gas, or similar structure, while it is not maintained on a station.

CONNECTION OF SYSTEMS PROVIDING CONNECTION SERVICES

13.1 Without prejudice to Condition 3 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, that is to say any person who is authorised by a Licence to run a Relevant Connectable System, if the Operator requires it to do so:

- (a) to connect, and keep connected, to any of the Applicable Systems, or to permit to be so connected and kept connected, that Relevant Connectable System and accordingly to establish and maintain such one or more Points of Connection as are reasonably required and are of sufficient capacity and in sufficient number to enable Messages conveyed or to be conveyed by means of the Operator's system to be conveyed by means of any of the Applicable Systems in such a way as conveniently to meet all reasonable demands for the conveyance of Messages between the Relevant Connectable System and any of the Applicable Systems;
- (b) without prejudice to paragraph 13.1(a), where the Operator is a Long Line Public Telecommunications Operator to establish and maintain such Points of Connection as will enable persons running telecommunication systems connected to the Operator's system and persons running telecommunication systems connected to 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.

13.2 The Licensee shall not be obliged under paragraph 13.1 to enter into an agreement to do anything if:

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

- (i) it would require an adjustment to, or modification of, any 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 expressed a contrary opinion.

13.3 The Licensee may require that an agreement to be entered into under paragraph 13.1 should be subject to terms and conditions, but only such terms and conditions as are permitted in relation to that agreement in accordance with paragraphs 13.4, 13.5 and 13.6.

13.4 Subject to paragraphs 13.5 and 13.6 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 13.1 or as a result of such agreement;

- (b) the method adopted or to be adopted to make or maintain the connection;
- (c) the Points of Connection in the Applicable Systems at which the connection is or is to be made (including arrangements for determining the point at which Messages will be transferred from one system to another and arrangements for conveying and rerouting Messages in cases of Emergency or difficulty);
- (d) any restrictions on the telecommunication services to be provided by the Licensee or the Operator being restrictions needed to satisfy international obligations or recommendations applying to and accepted by Her Majesty's Government or to which the Director consents from time to time;
- (e) the time when and period for which the Licensee or the Operator is to be obliged to do anything or to permit anything to be done and any arrangements for reviewing the terms and conditions of the agreement;
- (f) the form and manner in which Messages are to be transmitted or received at the Points of Connection including arrangements for numbering and the use of appropriate call progress tones and announcements;
- (g) the means of securing that any Message will be received by means of the connection with a signal quality which is in accordance with any obligations and recommendations of the International Telecommunication Union which apply to Her Majesty's Government and are accepted by them or with any other standard to which the Director consents for the purpose from time to time;
- (h) arrangements for charging customers and others in respect of Messages conveyed by virtue of the agreement;
- (i) arrangements for Messages conveyed or to be conveyed outside the United Kingdom;
- (j) provision by the Operator of a reasonable indemnity against any loss or damage sustained by the Licensee in consequence of the agreement in circumstances where the Licensee provides to the Operator an equivalent indemnity; and
- (k) any other matter of which the Director is satisfied that account should be taken in the special circumstances of any particular case or which is agreed between the Licensee and the Operator.

13.5 If after a period which appears to the Director to be reasonable for the purpose the Licensee has failed to enter into an agreement as required by the Operator under paragraph 13.1, then the Director shall, on the application of the Operator or the Licensee, determine the permitted terms and conditions for the purpose of that agreement which have not been agreed between the Licensee and the Operator being terms and conditions relating to the matters mentioned in paragraph 13.4 which appear to the Director reasonably necessary (but no more than reasonably necessary) to secure:

- (a) that the Operator pays to the Licensee 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;
- (b) that the Licensee is properly indemnified against any liabilities to third parties or damage to the Applicable Systems or loss arising from such damage which may result from the performance of the agreement;
- (c) that the Licensee is reasonably able in all the circumstances (including its obligations and reasonably foreseeable obligations to permit other Operators to provide services by means of Points of Connection under this Condition) to finance the other services which it is required by this Licence to provide and to recover costs which are incurred for the provision of those other services or are necessarily incidental thereto;
- (d) that the quality of any telecommunication services provided by means of the Applicable Systems and any systems (other than the Operator's system) connected thereto is maintained;
- (e) that the requirements of fair competition are satisfied;
- (f) that proper account is taken of any other matter reasonably required for the protection of the interests of the Licensee to the extent that no interest of the Operator is unduly prejudiced, including the need to ensure:
 - (i) that arrangements for connection accord with good engineering principles and practice;
 - (ii) that the commercial development of the Applicable Systems is not unduly impeded;

- (iii) that charging arrangements take account of the overall pattern of the Licensee's costs;
- (iv) that Messages which originate on one system and are conveyed by another should pass through a Point of Connection as near as reasonably practicable to the place from which they are initially sent or at which they are ultimately received;
- (v) that the Operator does not rely unduly upon services provided by the Licensee as a means of satisfying his own obligations under his Licence;
- (vi) that the Licensee's obligations to the Operator are determined having due regard to its obligations and reasonably foreseeable obligations to establish Points of Connection for others;
- (vii) that arrangements made under this Condition are so far as circumstances allow in as similar a form as practicable notwithstanding the variety of Operators entitled to such arrangements under this Condition;
- (viii) that commercial and confidential information of the Licensee is properly protected; and
- (ix) that the technical evolution and numbering arrangements of the Applicable Systems are not unreasonably constrained.

13.6 Where the Licensee is required to enter into an agreement to do anything under paragraph 13.1(b) the permitted terms and conditions may relate to all or any of the matters mentioned in paragraph 13.4 but in determining the terms and conditions, in the event of a failure to agree, under paragraph 13.5 the Director shall have regard to (in addition to the matters specified in paragraph 13.5) the need to ensure:

- (a) that, insofar as any freedom of choice is conferred upon persons running telecommunication systems connected to the Operator's system as to the extent to which Messages are conveyed by means of the Applicable Systems and in routing messages so conveyed, a corresponding freedom of choice is conferred so far as reasonably practicable on persons running telecommunication systems connected to the Licensee's system;

- (b) that the requirements of fair competition, including the need for those to whom telecommunication services are provided to have a reasonable means of learning by whom the Messages sent by them are conveyed, are satisfied

but paragraph 13.5 shall have effect for this purpose with the omission of sub-paragraph (f)(iv).

13.7 The Licensee shall not be obliged to enter into any agreement under paragraph 13.1 if he refuses to do so, giving his reasons in writing to the Operator and to the Director, and the Director determines that those reasons are proper ones having regard to the matters mentioned in paragraphs 13.5 and 13.6.

13.8 Where

- (a) an agreement has been entered into under paragraph 13.1 but for any reason (whether breach of that agreement or otherwise) anything which the Licensee is required to do under the agreement is not being done;
- (b) the Director considers that 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 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.

13.9 In this Condition:

"Connectable System" means a telecommunication system which is authorised to be run under a Licence which authorises connection of that system to any of the Applicable Systems;

"Connection Service" means a telecommunication service consisting in the conveyance of any Message which has been, or is to be, conveyed by means of any of the Applicable Systems;

"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; and

"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 16

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

13.10 This Condition operates without prejudice to Condition 19 (access charges) but due account shall be taken for the purposes of this Condition of any charge imposed on the Operator for the purposes of that Condition.

13.11 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 13.5 or 13.6 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.

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

CONNECTION OF OTHER SYSTEMS AND APPARATUS

14.1 Subject to the provisions of this Condition the Licensee:

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

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

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

14.2 Apparatus shall not be regarded as approved for connection to any system for the purposes of paragraph 14.1 unless that apparatus has been so approved:

- (a) by the Secretary of State; or

(b) by some other person by virtue of an authorisation given by the Secretary of State being an authorisation which required the person authorised, before approving any apparatus or designating any standard to which apparatus must conform if it is to be approved, to be satisfied that connection of the apparatus to the system would not be liable:

(i) to cause the death of, or personal injury to, or damage to the property of the Licensee or any person engaged in the running of that system; or

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

14.3 No apparatus or system is required under paragraph 14.1 to be, or to be permitted to be, kept connected to any of the Applicable Systems if that apparatus, or any apparatus comprised in that system, as the case may be:

(a) conformed to the relevant standard or standards at the time when the connection to the Applicable System was made but no longer does so and does not conform to the relevant standard or standards (if any) for the time being designated under section 22(6) of the Act; or

(b) while continuing to conform to the relevant standard is in the opinion of the Licensee liable to cause the death of, or personal injury to, or damage to the property of, the Licensee, or any person engaged in the running of any of the Applicable Systems or materially to impair the quality of any telecommunication service provided by means of any Applicable System and the Director has not expressed a contrary opinion.

14.4 For the purposes of this Condition apparatus shall not be regarded as constituting a system if it would not, but for its connection to any of the Applicable Systems, constitute such a system, and this Condition applies to any apparatus or system which is not a Relevant Connectable System within the meaning of Condition 13.

PROVISION BY OTHERS OF SERVICES BY MEANS OF THE APPLICABLE
SYSTEMS

15.1 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 relevant Applicable System.

15.2 The Licensee shall permit any person:

- (a) using telecommunication apparatus which is lawfully connected to any of 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 any of the Applicable Systems.

PUBLICATION OF CHARGES, TERMS AND CONDITIONS TO BE APPLIED

16.1 The Licensee shall, except in so far as the Director may otherwise consent in writing and except in respect of terms and conditions which have been or could be determined under Condition 13:

- (a) publish in the manner and at the times specified in paragraph 16.3 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 service by means of any of the Applicable Systems in accordance with an obligation imposed by or under this Licence;
 - (ii) to maintain, adjust or repair any apparatus comprised in any of the Applicable Systems in accordance with an obligation imposed by or under this Licence;
 - (iii) to connect to any of the Applicable Systems any apparatus or any other system which, in either case, is not and is not to be comprised in any of the Applicable Systems in accordance with an obligation imposed by or under this Licence;
 - (iv) to grant permission to connect such systems or apparatus to, or to provide services by means of, any of the Applicable Systems in accordance with an obligation imposed by or under this Licence; or
 - (v) to Bring into Service any apparatus or system which, in either case, is or is to be connected to but not comprised or to be comprised in any of the Applicable Systems, where only the Licensee is permitted to provide such service;

and

- (b) where it does any of the things mentioned in paragraph 16.1(a)(i) to (v), do those things at the charges and on the other terms and conditions so published and not depart therefrom.

16.2 The requirement to publish under paragraph 16.1 shall not apply in respect of any service which is materially different from any service already provided by the Licensee by means of any of the Applicable Systems until such time as it is provided.

16.3 Publication of the notice shall be effected by:

- (a) sending a copy thereof to the Director not more than 28 days after the date on which this Licence enters into force and thereafter not less than 28 days before any proposal to amend any charge, term or condition or the method of determining the same is to become effective, provided however that if the Director consents in writing to any variation in a proposal to amend those charges, terms, conditions or methods in the said period of 28 days the Licensee shall not be prevented from making the amendments with variations 28 days after the date when the notice was first sent to the Director in accordance with this sub-paragraph;
- (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.

16.4 In this Condition "Major Office" means the office of the General Manager of each telephone area established on the day on which this Licence enters into force or such other offices as the Director may agree from time to time.

PROHIBITION ON UNDUE PREFERENCE AND UNDUE DISCRIMINATION

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

- (a) the provision by means of any of the Applicable Systems of any telecommunication service in accordance with an obligation imposed by or under this Licence;
- (b) the provision of Maintenance Services in respect of any Limited Maintenance Telecommunication Apparatus or Limited Maintenance Telecommunication System or the maintenance, adjustment or repair of any apparatus in accordance with an obligation imposed by or under this Licence;
- (c) the connection to any of the Applicable Systems of any telecommunication apparatus or any other system which, in either case, is not and is not to be comprised in any of the Applicable Systems in accordance with an obligation imposed by or under this Licence;
- (d) the granting of permission to connect such systems or apparatus to, or to provide services by means of, any of the Applicable Systems in accordance with an obligation imposed by or under this Licence; or
- (e) the Bringing into Service of any apparatus or system which, in either case, is or is to be connected to but not comprised or to be comprised in any of the Applicable Systems, where only the Licensee is permitted to provide such service.

17.2 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 17.1 so as to place at a significant competitive disadvantage persons competing with that business.

17.3 Any question relating to whether any act done or course of conduct pursued by the Licensee amounts to such undue preference or such undue discrimination shall be determined by the Director, but nothing done in any manner by the Licensee shall be regarded as undue preference or undue discrimination if and to the extent that the Licensee is required to do that 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 18

PROHIBITION ON CROSS-SUBSIDIES

18.1 Where it appears to the Director that the Licensee is unfairly cross-subsidising:

- (i) the Apparatus Supply Business, insofar as that Business is carried on in the United Kingdom;
- (ii) the production of telecommunication apparatus by the Apparatus Production Company insofar as that apparatus is produced for supply in the United Kingdom and the supply of such apparatus by that Company in the United Kingdom;
- (iii) the provision in the United Kingdom of Land Mobile Radio Services; or
- (iv) the provision in the United Kingdom of Value Added Services

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

18.2 The Licensee shall as soon as reasonably practicable and in any event not later than 1 April 1987 record, except where the Director agrees otherwise, any material transfer between any part of the Licensee's business and any of the businesses mentioned in paragraph 18.1(i) to (iv) at full cost in its accounting records.

18.3 In this Condition:

"Apparatus Production Company" has the same meaning as in Condition 21;

"Apparatus Supply Business" means the following activities of the Licensee or of any Wholly Owned Subsidiary taken together:

- (a) the supply of any telecommunication apparatus neither comprised nor to be comprised in any of the Applicable Systems; and
- (b) the installation, maintenance, adjustment, repair, alteration, moving, removal or replacement of any telecommunication apparatus where those activities are not part of the Systems Business

but does not include the supply by the Apparatus Production Company of telecommunication apparatus produced by it;

"Land Mobile Radio Service" means any telecommunication service provided by wireless telegraphy for reception by means of apparatus which is or is to be used while in motion, but does not include services of a kind provided under Conditions 8 and 12;

"Systems Business" means the following activities of the Licensee or of any Wholly Owned Subsidiary to the extent that they are undertaken in the United Kingdom taken together:

- (a) the running of the Applicable Systems;
- (b) the installation, maintenance, adjustment, repair, alteration, moving, removal or replacement of any apparatus comprised or to be comprised in any of those Systems;
- (c) without prejudice to the generality of sub-paragraph (a) or (b) the Bringing into Service of any item of telecommunication apparatus or telecommunication system connected or to be connected to any of the Applicable Systems whether comprised in any of those Systems or not; and
- (d) without prejudice to the generality of sub-paragraph (a) the conveyance of Messages (not including switching) by means of any of the Applicable Systems and switching incidental to such conveyance; and

"Value Added Service" means any service provided by the Licensee or by any Wholly Owned Subsidiary the provision of which necessarily involves both:

- (a) the running of a telecommunication system; and
- (b) the provision by means of that system of a service (other than a directory information service) which is additional to the conveyance of Messages (not including switching) by means of that system and switching incidental to such conveyance

18.4 For the purposes of this Condition:

- (a) "supply" and "provision" include supply or provision in the course of one business of the Licensee for the purposes of another such business notwithstanding that there is no supply or provision to any other person;
- (b) a transfer from one business to another business or a company takes place when any thing (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 the company; and
- (c) "full cost" in the case of money transferred includes the market rate of interest for that money.

18.5 This Condition shall apply with the omission of paragraph 18.1(i) if and for so long as the supply of telecommunication apparatus by the Licensee does not constitute a monopoly situation within the meaning of section 6 of the Fair Trading Act 1973.

ACCESS CHARGES

19.1 Notwithstanding the prohibitions made in or under Conditions 17 and 18 and without prejudice to the Licensee's other powers to impose charges in any circumstances or to organise its internal finances in any way, the Licensee may impose upon a person running a Relevant Connectable System who provides Connection Services to others a charge for the provision of telecommunication services by means of a connection to one of the Applicable Systems (an "Access Charge") provided that all the conditions set out in paragraph 19.2 are fulfilled.

19.2 The said conditions are that:

- (a) the Access Charge, or the method adopted for determining it, is the same for all such persons;
- (b) the Licensee has furnished to the Director particulars of the Access Charge or the method adopted for determining it and either:
 - (i) the Director has approved that Charge or that method; or
 - (ii) he has failed to give written notice of his disapproval within a period of 6 months;

and

- (c) the Licensee has made arrangements which as nearly as practicable secure that:
 - (i) all persons to whom there are provided by means of an Applicable System services, for which Access Charges would have been levied on a person under paragraph 19.1 if they had been provided by means of a Relevant Connectable System, are required to pay charges at least equal to the Access Charges which would have been so payable; and

(ii) the estimated proceeds of the charges referred to in paragraphs 19.1 and 19.2(c)(i) are used exclusively to defray costs (less any revenue received) incurred in providing services or supplying apparatus in accordance with Conditions 3.5, 6, 11, 31, 32 and 33 and losses which the Director is satisfied are reasonably incurred as a consequence of fulfilling an obligation imposed under Condition 1 or 2 in any area which the Director is satisfied is a proper one to be taken into account for the purposes of this Condition.

SEPARATE ACCOUNTS FOR CERTAIN ACTIVITIES

20.1 This Condition applies for the purpose of ensuring that the Licensee establishes as soon as reasonably practicable and in any event not later than 1 April 1987 accounting and reporting arrangements sufficient to enable the Licensee's finances in relation to the Systems Business and the Apparatus Supply Business to be assessed and reported on separately both from each other and from the other activities of the Licensee.

20.2 The Licensee shall:

- (a) maintain accounting records in such a form that the activities of the Systems Business and the Apparatus Supply Business 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;
- (b) prepare in respect of each complete financial year of the Licensee, 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 each of those Businesses and including a reasonable assessment of the assets employed in and liabilities attributable to each of them 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 any other business of the Licensee 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 Business and any other business of the Licensee and, if not otherwise disclosed, the basis of the apportionment or attribution;

- (c) 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) 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 than six months after the end of the period to which they relate.

20.3 Accounting statements prepared under paragraph 20.2(b) in respect of each financial year shall, so far as reasonably practicable, be prepared in the formats and in accordance with the accounting principles and rules which apply to the annual accounts of the Licensee and shall state the accounting policies used.

20.4 For the purposes of this Condition the Licensee shall be free to treat the Apparatus Supply Business as not including any business relating to the supply of apparatus outside the United Kingdom but when it does so it shall inform the Director.

20.5 Subject to paragraph 20.4, in this Condition:

"the Applicable Systems" include any systems which the Director agrees should be treated as Applicable Systems for the purposes of this Condition;

"the Auditor" means the Licensee's auditor for the time being appointed in accordance with the requirements of the Companies Acts 1948 to 1983; and

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

APPARATUS PRODUCTION

21.1 If the Licensee is, or before 1 July 1986 becomes, engaged in the business of production of telecommunication apparatus, that business shall, as soon as reasonably practicable and in any event not later than 1 July 1986, be transferred to a Subsidiary of its ("the Apparatus Production Company"), unless it has previously been transferred to some other person; and the Licensee shall not after that date engage in any such business.

21.2 The Licensee shall secure that the Apparatus Production Company does not engage in the business of running telecommunication systems.

21.3 The Licensee shall secure that the Apparatus Production Company furnishes to the Director as soon as reasonably practicable and in any case not later than six months after the end of each financial year a copy of its annual accounts together with a statement showing the matters which are required to be shown in respect of the Systems Business and the Apparatus Supply Business in equivalent statements under Condition 20.

21.4 Unless the Director otherwise agrees, where for the time being:

- (a) the Director determines that the Licensee is a Monopoly Purchaser in the United Kingdom in relation to telecommunication apparatus of any particular description;
- (b) the Director is of the opinion, after considering any representations from the Licensee, that in the interests of promoting fair competition the Licensee ought not to acquire apparatus of that particular description from the Apparatus Production Company unless it has complied with the open tender procedures specified in paragraph 21.5; and
- (c) the Director so notifies the Licensee,

then the Licensee shall not acquire any such apparatus from the Apparatus Production Company for the purpose of its business in the United Kingdom unless it has complied with those procedures in relation to that apparatus.

21.5 Compliance with the open tender procedures requires the Licensee, in accordance with a procedure adopted after consultation with the Director from time to time:

- (a) to publish a notice giving particulars of the proposed acquisition of apparatus sufficient for the purposes of this Condition and the date by which it is required and inviting any person to offer to supply that apparatus accordingly; and
- (b) to give due consideration to any offers made.

21.6 Paragraphs 21.4 and 21.5 shall not apply to the acquisition of telecommunication apparatus:

- (a) for supply outside the United Kingdom;
- (b) which is intended for use by any member of the Licensee's Group other than in the provision of telecommunication services to others;
- (c) which in the opinion of the Director is apparatus which is not normally regarded as telecommunication equipment;
- (d) such that there is no producer in the United Kingdom other than the Apparatus Production Company capable of supplying apparatus of that particular kind in the quantities and at the times required;
- (e) of a particular kind which is so different from other apparatus produced in the United Kingdom that compliance with the open tender procedures would place the Licensee or the Apparatus Production Company at an unfair competitive disadvantage; or
- (f) the acquisition of which from the Apparatus Production Company is not in material quantities.

21.7 The Director shall, when exercising his powers under this Condition, have regard insofar as he may do so to the interests of the Licensee, the shareholders in the Licensee

and the Licensee's employees, without prejudice to his duties under section 3 of the Act (including his duties towards other persons engaged in the production of telecommunication apparatus).

21.8 Where the Licensee:

- (a) is under an obligation to comply with the open tender procedures in respect of telecommunication apparatus of a particular description; and
- (b) furnishes evidence to the Director that it has ceased to be a Monopoly Purchaser of apparatus of that description

the Licensee shall at the end of a period of six months after it has furnished that evidence cease to be required to comply with the open tender procedures in respect of that description of apparatus unless the Director has given notice to the Licensee in that period that he is satisfied that the Licensee continues to be a Monopoly Purchaser of apparatus of that description.

21.9 Notwithstanding the provisions of this Condition, the Licensee may engage in:

- (a) research and development;
- (b) production of prototypes or samples;
- (c) production of apparatus exclusively for the purpose of being tested; or
- (d) production of apparatus in quantities which are not substantial or which do not significantly affect competition in commercial activities connected with telecommunications in the United Kingdom;

but where the Licensee is engaged in production of the kind mentioned in sub-paragraphs (b), (c) or (d) above in any financial year it shall as soon as reasonably practicable after the end of that year furnish to the Director a general description of that production sufficient for the purposes of this Condition.

21.10 In this Condition:

"production" in relation to apparatus includes, unless in any case the Director determines otherwise:

- (a) assembly or reassembly of apparatus; and
- (b) refurbishment of apparatus

at a place where it is not normally connected to a telecommunication system;

"Monopoly Purchaser" in relation to telecommunication apparatus of any description means a person in relation to whom there exists a monopoly situation within the meaning of any of the provisions of section 6 of the Fair Trading Act 1973 in respect of the supply to him of apparatus of that description; and

"telecommunication apparatus of any particular description" means items of telecommunication apparatus, or sets of such items used together, which perform the same or substantially similar functions.

PROHIBITION OF PREFERENTIAL TREATMENT

22.1 If the Licensee habitually provides any service or makes any arrangement in any Area whereby:

(a) a person normally engaged in the Systems Business incidentally to the carrying on of that Business:

(i) delivers to Served Premises telecommunication apparatus for connection to any of the Applicable Systems; or

(ii) connects such apparatus to Network Termination and Testing Apparatus forming part of the Applicable Systems;

or

(b) a person normally engaged in the Apparatus Supply Business incidentally to the carrying on of that Business:

(i) arranges for the installation by the Systems Business of any telecommunication apparatus comprised or to be comprised in any of the Applicable Systems;

(ii) arranges for the provision of telecommunication services by the Systems Business by means of or in relation to such apparatus so installed; or

(iii) arranges for the provision of Maintenance Services in respect of Limited Maintenance Telecommunication Systems or Limited Maintenance Telecommunication Apparatus supplied by the Licensee or to be so supplied,

then the Licensee shall take all reasonable steps to ensure to the satisfaction of the Director, if required by him to do so, that a person carrying on a business similar to the Apparatus Supply Business in that Area has a reasonable opportunity to avail himself of that service or to make such arrangements on equivalent charges and terms for the purpose of that person's business.

22.2 Where the Licensee is required to do anything under paragraph 22.1 it may impose such additional terms and conditions as are reasonably necessary to protect it in the circumstances of any particular case.

22.3 In this Condition "Area" means any of the Licensee's telephone areas for the time being or any other equivalent management unit.

ALTERATIONS TO THE APPLICABLE SYSTEMS

23.1 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) connecting telecommunication apparatus to the Applicable Systems; or
- (iii) 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 any of the Applicable Systems.

23.2 The Licensee shall prepare and publish in consultation with the Director 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.

23.3 In this Condition:

"to modify" in relation to any Other Apparatus or System means to make any alteration to that 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.

RESTRICTION OF PRICES FOR CERTAIN SERVICES

24.1 The Licensee shall take all reasonable steps to secure that, during any Relevant Year, the amount of Relevant Prices remains such that:

- (a) if the Controlling Percentage for that Year (determined in accordance with paragraphs 24.3 to 24.5) is zero or positive, any Percentage Change which has taken place in the aggregate of all Relevant Prices (determined and calculated, on a weighted basis, in accordance with paragraphs 24.6 to 24.8) at the end of each Period does not constitute an increase by more than the Controlling Percentage; or
- (b) if that Percentage is negative, there is no Percentage Change in Relevant Prices by way of increase and before the end of that Year there is such a Change by way of reduction of not less than that Percentage.

24.2 Where, notwithstanding the taking of all reasonable steps by the Licensee as required by paragraph 24.1 there has taken place a change in Relevant Prices of a kind not permitted under paragraph 24.1(a) or (b), the Licensee shall make adjustments in Relevant Prices sufficient to satisfy the Director that the matter has been remedied.

24.3 Subject to paragraphs 24.4 and 24.5 the Controlling Percentage in relation to any Relevant Year is the amount of the change in the Retail Price Index in the period of 12 months ending on 30 June immediately before the beginning of that Year, expressed as a percentage of that Index as at the beginning of that period reduced arithmetically by 3, rounded to two decimal places.

24.4 If the difference between the Relevant Prices charged at the beginning and at the end of any Relevant Year is such that the relevant Percentage Change in Relevant Prices is less (in the case of a permitted increase), or greater (in the case of a required reduction), than the change permitted, or required, in accordance with paragraph 24.1, then the Controlling Percentage for the following Relevant Year shall be determined in accordance with paragraph 24.3 but increased subject to paragraph 24.5 by the amount of such deficiency or excess (as the case may be).

24.5 The Controlling Percentage for the fourth Relevant Year shall only be increased by virtue of paragraph 24.4 to the extent that such an increase would have been permitted if that paragraph had not applied to increase the Controlling Percentage for the second such Year, and the Controlling Percentage for the fifth such Year shall only be so increased to the extent that such an increase would have been permitted if it had not so applied for the third such Year.

24.6 The amount of a Percentage Change in Relevant Prices which has taken place at any time during a Relevant Year is determined by taking the amount of the change in each Relevant Price which has taken place between the beginning of the Relevant Year and that time, multiplying that amount by the amount of the revenue reasonably believed by the Licensee to have accrued during the Relevant Financial Year in respect of the service for which that Price is charged, dividing in each case the amounts so produced by the price charged at the beginning of the Relevant Year for the service to which each such amount relates, and taking the aggregate of the results, expressed as a percentage of all the revenue reasonably believed to have accrued for such services during the Relevant Financial Year.

24.7 Notwithstanding paragraph 24.6, if the Licensee has notified the Director in writing both of its intention to increase during a Period one or more Relevant Prices and of its intention within three months of the first such increase to reduce one or more Relevant Prices then, unless:

- (a) the Director dissents within 28 days of such notification on the ground that undue advantage is being taken of this paragraph; or
- (b) the reduction as so notified is not introduced,

for the purposes of paragraph 24.6 when determining the amount of a Percentage Change which has taken place at the end of the said Period and each subsequent Period it shall be assumed that any such reduction had taken place during the first mentioned Period.

24.8 An increase or decrease in the amount of any published discount or rebate offered in relation to a Relevant Price shall be treated as a reduction or increase respectively in that Price.

24.9 Where the Licensee makes a material change (other than as to the amount of a Relevant Price) in any service for which a Relevant Price is charged or in the date on which its

financial year ends or there is a material change in the basis of the Retail Price Index, this Condition shall have effect subject to such reasonable adjustment to take account of the change as the Director may, after consultation with the Licensee, determine to be appropriate in the circumstances.

24.10 The Licensee shall take all reasonable steps as soon as practicable, and not later than two weeks after the beginning of each Relevant Year, to inform the Director in writing of:

- (a) the amount of revenue which the Licensee reasonably believes to have accrued in the Relevant Financial Year for each service in respect of which a Relevant Price is charged; and
- (b) the amount of each Relevant Price at the beginning of the Relevant Year.

24.11 Without prejudice to its obligations under Condition 16 in relation to Relevant Prices, the Licensee shall as soon as practicable after the end of each Period in which there has been a change in a Relevant Price inform the Director in writing:

- (a) of the changes made or new charges imposed in relation to any Relevant Price during the Period specifying its nature and amount and the service for which the Price is charged; and
- (b) of the amount of the Percentage Change in Relevant Prices which has taken place during the Period and whether by way of increase or reduction.

24.12 The Licensee shall as soon as reasonably practicable inform the Director of the charge which it proposes to impose after 31 December 1984 instead of the Included Telephone Charge and of the estimated revenue received in respect of the Included Telephone Charge during its financial year ending on 31 March 1984.

24.13 In this Condition:

"Ordinary Maintenance" means maintenance which when this Licence enters into force is part of the service provided by the Licensee in consideration of the quarterly Exchange Line rental and includes normal fault repair, as defined in the Licensee's standard terms and conditions then in force;

"Retail Price Index" means the index of retail prices compiled by the Department of Employment in respect of all items;

"Relevant Prices" means:

- (a) all periodic charges imposed by the Licensee for the use and Ordinary Maintenance of an Exchange Line including until 1 January 1985 the Included Telephone Charge; and
- (b) all charges imposed by the Licensee on a person for the conveyance by means of such Exchange Lines of voice telephony messages where the conveyance is originated by one party in the Licensed Area without assistance from a human operator where direct dialling is available to another party neither of whom is outside the United Kingdom, the Isle of Man and the Channel Islands (excluding charges for conveying such messages sent from Call Boxes, whether paid in cash or by credit card or token or otherwise, or sent on a basis where the charge is transferred or paid by means of a debit card)

other than:

- (i) charges for Private Circuits or charges of any kind payable by persons running Relevant Connectable Systems; or
- (ii) charges for special or priority or emergency maintenance or Fault Repair Services of any kind;

and each discrete charge of any such description shall be treated as a separate Relevant Price;

"Relevant Year" means any of the five periods of 12 months beginning on 1 August starting with 1 August 1984 and ending on 31 July 1989;

"the Relevant Financial Year" means in relation to a Relevant Year the financial year of the Licensee ending last before the beginning of the Relevant Year, being a financial year in respect of which annual accounts have been prepared and audited in accordance with the requirements of the Companies Acts 1948 to 1983;

"Period" means a calendar month or such longer period as the Director may determine; and

"Included Telephone Charge" means the charge imposed on the date on which this Licence enters into force or on any date before 1 January 1985 in respect of a Telephone supplied by the Licensee together with an Exchange Line for a single inclusive periodic charge to the extent that the charge for that Telephone is included in that inclusive charge.

24.14 This Condition shall not apply to such extent as the Director may determine upon request by the Licensee.

CHARGES FOR THE MAINTENANCE OF CERTAIN EXCHANGE LINES

25.1 Subject to paragraph 25.2, the Licensee shall from time to time until a date not later than 1 July 1989 publish in accordance with Condition 16.3 its charges for the provision of services consisting of the maintenance and adjustment of any Exchange Line to which this Condition relates and the charge for maintenance and the charge for adjustment shall be uniform throughout the Licensed Area.

25.2 Nothing in this Condition shall preclude the Licensee from charging different amounts from those charged in respect of the generality of Exchange Lines to which this Condition relates where a customer contracts with the Licensee for the provision of service of a different quality than is provided in respect of the generality of Exchange Lines to which this Condition relates, provided always that the different quality service is available throughout those parts of the Licensed Area where there is a reasonable demand for it.

25.3 The Exchange Lines to which this Condition relates are those Exchange Lines (other than those installed in pursuance of Condition 42.2) used to provide simple voice telephony services in circumstances where only one Exchange Line is connected to the Served Premises at which those services are provided.

25.4 In this Condition "maintenance" includes repair.

CHARGES FOR THE INSTALLATION OF CERTAIN EXCHANGE LINES

26.1 The Licensee shall until 1 July 1989 or such earlier date as may be determined by the Director publish in accordance with Condition 16.3 a scale of charges for the installation of any Exchange Line to which this Condition relates and shall apply it uniformly where the installation takes less than 100 manhours or such lower quantity as the Director may from time to time agree.

26.2 The Exchange Lines to which this Condition relates are those Exchange Lines to which Condition 25 relates which are normally classified as residential lines.

CODE OF PRACTICE FOR CONSUMER AFFAIRS

27.1 The Licensee shall, in consultation with the Director, prepare and not later than three months after the date on which this Licence enters into force publish in accordance with Condition 16.3 a Code of Practice giving guidance to the Licensee's customers and employees in respect of any disputes and complaints relating to the provision by the Licensee of telecommunication services by means of, or in relation to, any of the Applicable Systems.

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

ARBITRATION OF DISPUTES WITH CUSTOMERS

28.1 The Licensee shall include in the standard terms and conditions on which it provides telecommunication services provisions giving persons who have entered into contracts with it for the provision of telecommunication services by the Licensee by means of, or in relation to, any of the Applicable Systems 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

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

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

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

29.2 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

30.1 The Licensee shall take all reasonable steps to ensure the accuracy and reliability of any meter used in connection with any of the Applicable Systems and shall keep such records as may be determined by the Director to be necessary in relation to any meter which appears to him to be a source of difficulty.

30.2 Where a meter which is to perform any particular function in connection with any of the Applicable Systems has been approved under section 24 of the Act, then the Licensee shall not, unless the Director agrees otherwise, use any meter in connection with that System to perform that function unless it is:

- (a) so approved; and
- (b) being used in compliance with any conditions specified in that approval

or it is of a type comprised in any of the Applicable Systems before that approval is given.

30.3 The Licensee shall:

- (a) permit any person appointed from time to time in accordance with section 25 of the Act to exercise any of the functions conferred on the Secretary of State by section 24 of the Act to inspect the manner in which any meter approved under section 24 for use in connection with any of the Applicable Systems is being used by the Licensee and on the request of any such person shall conduct tests for the purpose of assessing its accuracy, reliability and conformity to:
 - (i) the conditions of the approval;
 - (ii) any standard for the time being designated under section 24 of the Act in relation to such approval; and
 - (iii) the conditions in any such designation

in such fashion as he may reasonably request;
and

- (b) upon the written request of any such person furnish that person with such information as he may reasonably require for the purpose of enabling him to carry out his functions.

SUPPLY AND CONNECTION OF APPARATUS FOR THE DISABLED

31.1 The Licensee shall consult the Director from time to time about the arrangements made, or to be made, by the Licensee for:

- (a) the supply of telecommunication apparatus designed or adapted to meet the reasonable demands of the disabled; and
- (b) the connection to the Applicable Systems and the provision of Maintenance Services in respect of telecommunication apparatus designed or adapted to assist the disabled to obtain telecommunication services

and shall, if requested by the Director to do so, 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.

SPECIAL TELEPHONES FOR THE HEARING IMPAIRED

32.1 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; and
- (b) Telephones incorporating sound amplification facilities.

32.2 This Condition shall be deemed to be satisfied if the Licensee ensures that there is available for supply either one type of Telephone which meets both descriptions or two types of Telephone each of which meets one description.

SPECIAL FACILITIES FOR THE HEARING-IMPAIRED USING
PUBLIC CALL BOXES

33.1 As from the date on which this Licence enters into force the Licensee shall take all reasonable steps to install and keep installed in all Public Call Boxes at which it provides Call Box Services apparatus enabling persons using hearing aids designed for use in conjunction with Telephones of the kind installed in Public Call Boxes on the said date to use such hearing aids when voice telephony services are provided at Public Call Boxes.

NUMBERING ARRANGEMENTS

34.1 The Licensee shall from the date on which this Licence enters into force adopt a Numbering Plan and shall not later than three months thereafter furnish details thereof to the Director and on request to any other person having a reasonable interest.

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

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

34.4 The Numbering Plan on the date on which this Licence enters into force shall be the numbering arrangements applied immediately before that date but the Licensee shall from time to time thereafter consult:

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

34.5 The Licensee shall from time to time (but in the case of proposals for a Numbering Plan based on more than nine digits not before 1 January 1987) prepare, taking into account the consultations in paragraph 34.4(b), and furnish to the Director proposals for developing, adding to or replacing the Numbering Plan and changing the switched Applicable Systems to the extent necessary to secure that:

- (a) sufficient numbers are made available, having regard to the anticipated growth in demand for telecommunication services, for a number or numbers to be allocated without undue delay;
- (b) numbers include as few digits as practicable and their allocation does not confer any undue advantage on the Licensee or undue disadvantage on persons running Relevant Systems;
- (c) the cost of changing any of the switched Applicable Systems or any Relevant Apparatus or Relevant System in order to accommodate the revised Numbering Plan is reasonable; and
- (d) inconvenience caused by the alteration of the Numbering Plan to the Licensee and to persons using Relevant Apparatus or Relevant Systems in respect of which numbers have previously been allocated is minimised.

34.6 If the Director determines that the Numbering Plan with any developments, additions and replacements submitted in accordance with paragraph 34.5 is sufficient to provide compatibility with the numbering arrangements applied or to be applied by other public telecommunications operators and to meet the objectives specified in paragraph 34.5, the Licensee shall adopt the Numbering Plan but, if the Director determines that it is not compatible with numbering arrangements applied or to be applied by another public telecommunications operator or will not be sufficient to achieve the objectives specified in paragraph 34.5, then the Licensee shall adopt the Numbering Plan with such developments, additions or replacements as the Director may determine are best calculated to secure the objectives specified in paragraph 34.5.

34.7 The Director shall not exercise his powers under paragraph 34.6 before 1 April 1990 so as to require the Licensee to change the Applicable Systems provided that it does not develop, add to or replace the Numbering Plan before that date except with the consent of the Director.

34.8 Before making a determination under paragraph 34.6 above the Director shall take account of:

- (a) the state of technical development of the Applicable Systems and the Licensee's plans for their commercial development;
- (b) the balance of advantage between:

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

34.9 If the Director determines that the Numbering Plan shall be developed, added to or replaced in accordance with paragraph 34.6, nothing in paragraph 34.6 shall preclude the Licensee from submitting to the Director proposals for further developments of, additions to or replacements of the Numbering Plan or from subsequently changing the Applicable Systems if the Director does not object to the further developments, additions or replacements proposed by the Licensee.

34.10 The Licensee shall not charge any person for a number which is allocated to him (other than a coveted number allocated to a person who is not a public telecommunications operator at the request of such a person) but nothing in this Condition shall preclude the Licensee from recovering from the operator of a Relevant System the reasonable cost of allocating a number and of carrying out any change to any of the Applicable Systems necessary for the purpose of permitting Messages to be sent to a number allocated to that person and any reasonable continuing costs arising from such a change.

34.11 For the purposes of this Condition:

"to change" includes to make any alteration to the telecommunication apparatus or telecommunication systems or to the protocols (including message formats) or stored commands in such apparatus or systems;

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

"Relevant Apparatus" means any apparatus which is, or is to be, so connected.

34.12 For the avoidance of doubt, it is hereby declared that this Condition applies notwithstanding any arrangements for numbering under Condition 13.

PROHIBITION OF LINKED SALES

35.1 The Licensee shall not make it a condition of:

- (a) providing any telecommunication service by means of or in relation to any of the Applicable Systems;
- (b) supplying any telecommunication apparatus for connection to any of the Applicable Systems; or
- (c) connecting any other system or apparatus to any of 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 incorporated in the Applicable Systems save where the telecommunication service requested cannot otherwise be provided or the telecommunication apparatus requested cannot otherwise be used.

35.2 Except where the Director has agreed otherwise, the Licensee shall not do any one or more of the things described in sub-paragraphs (a), (b) and (c) of paragraph 35.1 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.

35.3 Notwithstanding paragraphs 35.1 and 35.2 the Licensee may:

- (a) impose such terms and conditions as are permitted terms and conditions under Condition 13;
- (b) where it supplies as part of the same transaction or interconnected series of transactions two or more items of telecommunication apparatus for connection to any of the Applicable Systems, offer quantity discounts or more favourable terms and

conditions in respect of quantity in relation to such apparatus which it so supplies whether those items of apparatus are of the same or different descriptions;

(c) where it provides by means of or in relation to any of 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 scale 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 16.3;

(d) where prior to 1 January 1985 it provides to any person telecommunication services by means of:

(i) a single direct Exchange Line forming part of the public switched telephone network;
or

(ii) more than one such Line each terminating on a separate item of Network Termination and Testing Apparatus

make it a condition of the provision, before that date but not thereafter, of those services that that person should acquire one Instrument supplied, installed and Brought into Service by the Licensee and in respect of which Maintenance Services are provided by the Licensee (the prime instrument) and may require that at all times when any such direct Exchange Line is used for conveying messages to or from the Served Premises occupied by that person the prime instrument is and continues to be connected to that Line by means of apparatus supplied, installed, and Brought into Service by the Licensee and that Maintenance Services are provided in respect of it by the Licensee;

(e) where a telecommunication system is a Limited Maintenance Telecommunication System or contains any item of Limited Maintenance Telecommunication Apparatus impose such reasonable terms and conditions as are necessary in connection with the provision of Maintenance Services in respect of it by the Licensee; or

- (f) where the Director consents, impose such other conditions of the kind referred to in paragraph 35.1 as are incidental to the provision of the telecommunication service or the supply of the apparatus requested by the Relevant Person.

35.4 In this Condition:

"Instrument" means either:

- (a) where no switching apparatus is connected to the Line, a Telephone; or
- (b) where switching apparatus is connected to the Line, that switching apparatus together with a Telephone whether included in that apparatus or not and any other Telephone comprised in such apparatus; and

"Relevant Person" means a person:

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

36.1 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 any of its Wholly Owned Subsidiaries or the installation or servicing by any person in the United Kingdom for it or any such Subsidiary 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 other 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.

36.2 If the Director is satisfied that persons in the United Kingdom, who are not genuinely willing to give to the Licensee or to any of its Wholly Owned Subsidiaries 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 36.3.

36.3 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 of its Wholly Owned Subsidiaries 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 or to a Wholly Owned Subsidiary.

36.4 Notwithstanding paragraph 36.1 or any direction under paragraph 36.2, the Licensee shall be free:

- (a) to agree with any person that that person will supply to the Licensee, or one of its Wholly Owned Subsidiaries, alone telecommunication apparatus of any description which is distinguishable (by any means other than ones which account for a disproportionate share of the cost of that apparatus) by its external appearance, or by any marking or similar attribute, from other apparatus of the same description, and which is or is intended to be thereby associated with the Licensee or that Subsidiary;
- (b) 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;
- (c) to require the transfer to the Licensee or any of its Wholly Owned Subsidiaries of any interest in Industrial or Intellectual Property which the Director agrees is necessary or desirable to facilitate the running of any of the Applicable Systems;
- (d) to dispose of any interest in Industrial or Intellectual Property owned by the Licensee or any of its Wholly Owned Subsidiaries free from all encumbrances and restrictions of whatsoever nature arising out of or under this Licence;
- (e) to require the transfer to the Licensee or any of its Wholly Owned Subsidiaries 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 of its Wholly Owned Subsidiaries and that person for any research or development to be carried out by him, unless the Director otherwise directs;

- (f) to require the transfer to the Licensee or any of its Wholly Owned Subsidiaries 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
- (g) 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 36.1, 36.2 or 36.3 where the Licensee or any of its Wholly Owned Subsidiaries makes available research, design or development work or where the Licensee or such Subsidiary agrees to finance such work on terms that an agreement of that kind will be entered into.

36.5 In this Condition "Industrial or Intellectual Property" has the same meaning as in Condition 39.

REQUIREMENT TO PROVIDE ITEMISED INFORMATION

37.1 If the Licensee provides to any person by means of any of the Applicable Systems any telecommunication service as part of a transaction involving:

- (a) the supply to that person of any telecommunication apparatus; or
- (b) the provision to that person of any other telecommunication service (including the Bringing in Service of any apparatus or system) provided otherwise than by means of any of the Applicable Systems

then it shall specify in any quotation or any invoice relating to that transaction the charge or charges for each such service separately from the charge or charges for apparatus.

37.2 The Licensee shall not be obliged under paragraph 37.1 to specify charges for telecommunication services separately in invoices until 1 July 1987 or it has installed the necessary billing system in the area in which the service to which the invoice relates is provided whichever is the sooner.

CODE OF PRACTICE ON THE CONFIDENTIALITY OF CUSTOMER
INFORMATION

38.1 The Licensee shall take all reasonable steps to ensure that those of its employees who are engaged in the Systems 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 which has been acquired in the course of the Systems Business without the prior consent of that customer;
- (b) regulates the information about any such customer which may be disclosed without his consent; and
- (c) restricts disclosure of information relating to the testing of apparatus referred to in Condition 41.

38.2 The Licensee shall within three months of the date on which this 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.

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

INTELLECTUAL PROPERTY

39.1 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 by 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 or telecommunication apparatus, which may lawfully be connected to any of the Applicable Systems, from being so connected either at all or on reasonable charges, terms and conditions; or
- (b) any service, which may lawfully be provided by means of any of the Applicable Systems, from being so provided or obtained either at all or on reasonable charges, terms and conditions,

he may direct the Licensee in writing in accordance with paragraph 39.2 or 39.3.

39.2 Where the exercise of the Relevant Intellectual Property Right prevents 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, 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.

39.3 Where paragraph 39.1 applies in circumstances other than those described in paragraph 39.2, 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.

39.4 In this Condition:

"Relevant Intellectual Property Right" means any right, which is wholly or partly controlled by 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 a member of the Licensee's Group is a party; and

"Industrial or Intellectual Property" includes, without prejudice to its generality, patents, designs, know-how and copyright.

39.5 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 a member of the Licensee's Group on or before the date on which this Licence enters into force or which would result in a member of the Licensee's Group incurring any liability under such a licence or assignment.

PROHIBITION OF NON-STATUTORY TESTING REQUIREMENTS

40.1 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 or telecommunication apparatus 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.

40.2 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 apparatus or 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 the Applicable Systems.

STATUTORY TESTING

41.1 If the Licensee carries out any test or assessment of any telecommunication apparatus for any person for the time being appointed under section 25(1) of the Act, then unless the Director agrees otherwise it shall take all reasonable steps to ensure that no information with respect to any telecommunication apparatus which has been obtained in the course of or for the purpose of any such test or assessment shall be disclosed to any person including the Licensee's employees and agents except:

(a) with the consent of:

- (i) the Director;
- (ii) the producer or supplier of that apparatus;
or
- (iii) the person who requested the Licensee to carry out that test or assessment;

(b) to the extent necessary to enable the Licensee to carry out any such test or assessment and report on it to the person for whom it was carried out; or

(c) to the extent necessary for the purpose of managing persons conducting any such test or assessment.

41.2 No person engaged in any such test or assessment shall (except to the extent agreed by the Director) be answerable, in a way which requires disclosure of information of the kind referred to in paragraph 41.1, to anyone engaged in the activities of running telecommunication systems or the production or supply of telecommunication apparatus other than the Licensee's board of directors or a member of it or a person answerable directly to that board or a member of it.

LIMITATIONS ON INTEGRATED WIRING SITUATED ON SERVED PREMISES

42.1 The Licensee shall not after 31 December 1985 except:

- (a) in accordance with guidelines determined by the Director; or
- (b) in accordance with a contract or arrangement made on or before that date; or
- (c) where the structure in which the line is to be installed has been designed before that date in a way which envisages the installation of lines otherwise than in accordance with this paragraph; or
- (d) where the Director agrees

install on any Served Premises any line comprised or to be comprised in any of the Applicable Systems in such a manner that relevant operations (within the meaning of section 20 of the Act) cannot be carried out in relation to wires or cables comprised in any other system (whether because that line is installed within a shared casing or coating or otherwise) situated on the same Served Premises independently of any such operations carried out in relation to any of the Applicable Systems on those Premises.

42.2 Subject to any guidelines determined by the Director for the purpose, where the Licensee has at any time installed any apparatus in a manner which would, if it had been installed at a time when paragraph 42.1 was in force, have contravened paragraph 42.1, it shall (except if the Director agrees otherwise) if requested by the person occupying the Served Premises in question who wishes the other system to be run by a person other than the Licensee and to whom the Licensee supplies telecommunication services by means of any of the Applicable Systems so installed install such additional apparatus comprised in the Applicable Systems as will permit relevant operations to be carried out in relation to so much of the previously installed apparatus as does not form a part of any Applicable System by such a person.

42.3 Paragraph 42.2 shall take effect on 31 March 1985 or such other date as the Director may determine.

42.4 In this Condition "line" has the same meaning as in Condition 43.3(a).

WIRING ETC NOT FORMING PART OF THE APPLICABLE SYSTEM

43.1 The Licensee shall make any telecommunication apparatus to which this Condition applies but which is not part of any of the Applicable Systems available to any person ("the User") wishing to use it in the running of any telecommunication system:

(a) in the case where the Licensee retains ownership or control of that apparatus, upon charges, terms and conditions no less favourable to the User than would apply for the use of the apparatus if:

- (i) the Licensee ran the system in which it is comprised;
- (ii) the Licensee or any of its Wholly Owned Subsidiaries provided Maintenance Services in respect of such system; or
- (iii) the Licensee or any of its Wholly Owned Subsidiaries had supplied all or any of the other telecommunication apparatus so comprised;

or

(b) in the case where the Licensee does not retain ownership or control of that apparatus, at a reasonable capital charge having regard to the charges, terms and conditions which would have applied if it had retained ownership or control of that apparatus

but, if it is impossible to establish a reasonable estimate of the charges, terms and conditions in accordance with sub-paragraph (a) or (b), on such reasonable charges, terms and conditions as may be agreed between the Licensee and the User.

43.2 The Licensee shall on reasonable charges, terms and conditions permit the User of any telecommunications apparatus to which this Condition applies and which remains in the Licensee's ownership or control to carry out, or have carried out on his behalf, any operation in relation to it which is reasonably necessary to enable him to use it for the purpose of running the telecommunication system in which it is comprised; but this paragraph shall not apply to any apparatus

which is installed together with apparatus comprised in the Applicable Systems in such a manner that Maintenance Services cannot be carried out in relation to it independently of such operations carried out in relation to the Applicable Systems (whether because it is installed in a shared casing or coating or otherwise).

43.3 The telecommunication apparatus to which this Condition applies is:

- (a) any line, that is to say, any wire, cable, tube, pipe or other similar thing (including its casing or coating) which is designed or adapted for use in connection with the running of a telecommunication system together with any plug, socket or any other connecting apparatus; and
- (b) any structure, pole or other thing in, on, by or from which any such line is installed, supported, carried or suspended

installed on premises occupied by the User.

LIMITATIONS ON CERTAIN MAINTENANCE ARRANGEMENTS

44.1 If any Limited Maintenance Telecommunication System or Limited Maintenance Telecommunication Apparatus is or is to be supplied by the Licensee or any of its Wholly Owned Subsidiaries it shall take all reasonable steps to ensure that customers are notified that the Licensee will provide Maintenance Services at charges and on terms and conditions on the same basis irrespective of who supplies the System or Apparatus.

44.2 Except insofar as the Director may otherwise agree in writing and without prejudice to Condition 37, the Licensee shall in respect of any Limited Maintenance Telecommunication System or any Limited Maintenance Telecommunication Apparatus which the Licensee is obliged under Condition 4 to maintain:

- (a) publish in the manner and at the time specified in Condition 16.3 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 to provide Maintenance Services in relation to each description of it separately identifying the charges for Pre-Maintenance Inspection; and
- (b) where it provides Maintenance Services in respect of any such System or Apparatus, supply those Services at the charges and on the other terms and conditions so published and not depart therefrom.

44.3 Nothing in this Condition prevents the Licensee or any of its Wholly Owned Subsidiaries from reimbursing a person to whom any telecommunication system or apparatus is supplied by it for the charges for any Maintenance Services which the Licensee or such Subsidiary is obliged, or reasonably believes that it is obliged, to provide in its capacity as supplier of that system or apparatus, including work undertaken pursuant to or arising out of the contract for its supply, notwithstanding that it does not provide such reimbursement to a person to whom a system or apparatus is supplied by another person.

CONNECTION ARRANGEMENTS

45.1 Except with the consent of the Director the Licensee shall not connect nor permit to be connected any Relevant Terminal Apparatus to any of the Applicable Systems on Served Premises except by means of Network Termination and Testing Apparatus.

PRIVATE CIRCUITS

46.1 Notwithstanding the provisions of these Conditions the Licensee shall until 1 July 1989 take all reasonable steps necessary to prevent the connection or continued connection of any of the Applicable Systems to a system run by another person in such a way that that person is able to provide Simple Resale Services.

46.2 Notwithstanding the provisions of these Conditions, nothing in them shall require the Licensee to provide Private Circuits of any description between one place and another to another public telecommunications operator who is himself authorised by a Licence to provide Private Circuits of that description between those places.

46.3 In this Condition:

"Relevant System" means a telecommunication system which is not a public telecommunication system and which is not comprised in any of the Applicable Systems;

"Simple Resale Service" means a telecommunication service consisting in the conveyance and no more by means of a Relevant System of Messages which:

- (a) have been conveyed by means of a connection between that Relevant System and a switched fixed public telecommunication system; and
- (b) are to be conveyed by means of:
 - (i) a connection between that Relevant System and a Private Circuit; and
 - (ii) a connection between that Private Circuit and another Relevant System (whether run by the same person who runs the first mentioned Relevant System or not); and
 - (iii) a connection between the second mentioned Relevant System and a switched fixed public telecommunication system

or which have been conveyed as mentioned in (b)
and are to be conveyed as mentioned in (a);

a system is a "switched fixed" system if it 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; and

"Fixed Wireless Telegraphy Station" has the same meaning as in Annex A.

PROHIBITION OF EXCLUSIVE DEALING IN INTERNATIONAL SERVICES

47.1 The Licensee shall not enter into any agreement or arrangement with any person running an Authorised Overseas System on terms or conditions which unfairly preclude or restrict the provision by another public telecommunications operator of International Connection Services.

47.2 . The Licensee shall not unreasonably exclude any other public telecommunications operator who is authorised by a Licence to connect his system to another telecommunication system situated outside the United Kingdom so as to convey Messages to that other system from a reasonable opportunity to participate in any international arrangements into which it proposes to enter after the date on which this Licence enters into force for the installation and operation of any submarine cable linking any of the Applicable Systems to any telecommunication system outside the United Kingdom.

OTHER ARRANGEMENTS FOR INTERNATIONAL SERVICES

48.1 Subject to paragraph 48.2 the Licensee shall consult from time to time with the Director and with other persons authorised to provide International Connection Services with a view to agreeing with them a Code of Practice in respect of international accounting arrangements which are to apply in respect of such Services provided by the Licensee and those persons and shall abide by the terms of that Code of Practice as agreed for the time being. If no such Code of Practice is agreed on 30 September 1984 or at any time thereafter its terms shall be such as the Director may determine.

48.2 Where the Director is of the opinion that the Licensee proposes to enter into or vary an agreement or arrangement with a person running a telecommunication system outside the United Kingdom with a view to the provision of International Connection Services, being an agreement or arrangement establishing international accounting methods, rates and divisions, which would prejudice the interests of providers and users of International Connection Services in the United Kingdom, and where the Director, within 28 days of the matter being brought to his notice, and after consultation with the Licensee and any other public telecommunications operator authorised to provide such Services, and after taking account of the provisions of the Code of Practice, directs the Licensee that it should not enter into or so vary that agreement or arrangement, then the Licensee shall refrain from doing so.

PRE-NOTIFICATION OF JOINT VENTURES

49.1 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.

49.2 Those agreements and arrangements are:

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

49.3 Paragraphs 49.2(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.

49.4 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.

49.5 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 49.1 he shall notify the Director as soon as reasonably practicable but otherwise in accordance with the provisions of this Condition.

ASSOCIATES

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

- (a) any Associate of the Licensee 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 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 Associate ceases to do that thing or otherwise to remedy the matter as the Director directs him to take.

50.2 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.

50.3 Where any person becomes an Associate of the Licensee, then the Licensee shall not be subject to paragraph 50.1 before that is reasonably practicable but shall be so not later than one year after that person becomes such an Associate or such later date as the Director may determine.

50.4 This Condition shall not apply to any particular Associate if and to the extent that the Director so determines.

50.5 For the purposes of this Condition a person is an Associate of the Licensee if he is a Subsidiary of, or another body corporate controlled by, it.

PAYMENT OF FEES

51.1 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 £2.75 million; and
- (b) on 1 April 1985 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:
 - (i) by the Director in the regulation and enforcement of telecommunication licences and in the exercise of his other functions under the Act; and
 - (ii) by the Monopolies and Mergers Commission following licence modification references under section 13 of the Act

save always that the renewal fee for any year shall not exceed 0.08% of the annual turnover of the Licensee's Systems Business in the financial year before the last complete financial year of the Licensee before the fee is payable.

REQUIREMENT TO FURNISH INFORMATION TO THE DIRECTOR

52.1 The Licensee shall furnish to the Director, in such manner and at such times as the Director may 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.

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

EXCEPTIONS AND LIMITATIONS ON OBLIGATIONS IN SCHEDULE 1

53.1 Unless the context otherwise requires and subject to paragraph 53.12, the Licensee's obligations under these Conditions have effect subject to the following exceptions and limitations.

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

53.3 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.

53.4 The obligation to provide any voice telephony service shall not apply:

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

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

(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.

53.5 The obligation to provide any telecommunication service other than a voice telephony service shall not apply:

(a) where any of the circumstances described in paragraph 53.4(a) to (e) apply; or

(b) where the person to whom the Licensee would otherwise be under an obligation to provide any service requests a service at a place in an area in which the demand or the prospective demand for the service is not sufficient, having regard to the revenue likely to be earned from the provision of the service in that area, to meet all the costs reasonably to be incurred by the Licensee in providing the service there, including:

- (i) the cost of apparatus necessary for the provision of the service there;

- (ii) the cost of 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.

53.6 The Licensee shall not be obliged to supply, connect, or to keep connected to any of the Applicable Systems, 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 or for the supply of telecommunication apparatus or a telecommunication system supplied by the Licensee; or
- (ii) in default in regard to any debt or liability owed to the Licensee in respect of any such contract;

(c) is using, or permitting the use of, apparatus so supplied for any illegal purpose or has done so in the past and is likely to do so again; or

(d) has obtained, or attempted to obtain, any telecommunication apparatus or telecommunication service from the Licensee by corrupt, dishonest or illegal means at any time.

53.7 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, or to a limited class of customers, for the purpose of evaluating the technical feasibility of, or the commercial prospects for, that service.

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

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

53.10 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 Licensed Area, 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.

53.11 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.

53.12 This Condition does not apply to Conditions 13, 17, 19, 22, 24, 28, 29.1, 30.1, 35, 36, 38.1, 39, 40 and 47 and:

- (i) only paragraphs 53.1, 53.2, 53.3, 53.9 and 53.11 apply to Conditions 16, 18, 20, 21, 23, 25, 26, 27, 29.2, 30.2 and 30.3, 31, 32, 37, 38.2, 41, 44, 45, 48, 49, 51 and 52;
- (ii) only paragraphs 53.1, 53.6(a), 53.9 and 53.11 apply to Condition 9.2;
- (iii) only paragraphs 53.1, 53.2, 53.3, 53.6, 53.9 and 53.11 apply to Conditions 11.6 and 34;
- (iv) only paragraphs 53.1, 53.2, 53.3, 53.9 and 53.11 apply to Condition 50;
- (v) only paragraphs 53.1, 53.2, 53.3, 53.4(b), 53.6(a), 53.9 and 53.11 apply to Conditions 6 and 7; and
- (vi) only paragraphs 53.1, 53.2, 53.3, 53.4(b), 53.9 and 53.11 apply to Conditions 8, 11 (except 11.6) and 33

but paragraphs 53.4(a), 53.4(d) and 53.5(b) do not apply to Condition 10 and paragraphs 53.6 and 53.8 do not apply to Condition 9.1.

53.13 Notwithstanding paragraph 53.12, Conditions 22, 41 and 43 shall not come into operation until 1 November 1984; and Conditions 16.1(a)(v) and 17.1(e) and 44 shall not come into operation until 1 October 1984.

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 51 of Schedule 1 is unpaid 30 days after it becomes due and remains unpaid for a period of 14 days after the Secretary of State notifies the Licensee that the payment is overdue, 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, pursuant to section 57 of the Act the property, rights and liabilities of the Licensee become property rights and liabilities of a company nominated for the purposes of that section by the Secretary of State ("the Successor Company") and the Successor Company:
 - (i) is unable to pay its debts (within the meaning of section 223 of the Companies Act 1948), 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;
 - (ii) enters into receivership or liquidation;
 - (iii) ceases to carry on its business; or

- (e) if the Successor Company or any other person takes any action for voluntary winding-up or dissolution of the Successor Company, or if the Successor Company 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 Successor Company, 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)(d)(i) of this Schedule, in construing the terms of paragraph (a) of section 223 of the Companies Act 1948 the figure of "£200" 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 apply if the demand therein referred to is being contested in good faith by the Successor Company 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.

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

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

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

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

- (a) the connection to any Applicable System of:
 - (i) any other Applicable System;
 - (ii) any telecommunication system outside the United Kingdom except a telecommunication system which the Secretary of State has notified the Licensee should not, or as the case may be should cease to, be connected to the Applicable System;
 - (iii) any telecommunication system run by the Crown;
 - (iv) any telecommunication system in the Licensed Area the Licence for which authorises it to be connected to one or more of the Applicable Systems;
 - (v) any telecommunication system in the Hull Area situated in an aircraft, seagoing vessel or hovercraft or run by the Kingston upon Hull City Council or by another public telecommunications operator;
 - (vi) any telecommunication system of the kind mentioned in section 6(1) of the Act;
 - (vii) telecommunication apparatus of every description which is comprised in an Applicable System;
 - (viii) telecommunication apparatus comprised in a telecommunication system mentioned in sub-paragraphs (i) to (vi) above;

- (ix) any telecommunication apparatus not comprised in any of the Applicable Systems which is for the time being approved for connection to any of the Applicable Systems in accordance with section 22 of the Act; and
 - (x) any hearing aid;
- (b) the provision by means of the Applicable Systems of telecommunication services consisting in:
- (i) the conveyance (not including switching) of Messages (not including cable programme services sent under a licence granted under section 58 of the Act) and switching incidental to such conveyance; and
 - (ii) directory information services
- but not any Land Mobile Radio Service.

2 In this Schedule:

- (a) "Hull Area" has the meaning given to it in Annex A;
- (b) "Land Mobile Radio Service" means any telecommunication service provided by wireless telegraphy for reception by means of apparatus which is or is to be used while in motion, but does not include services of a kind provided under Conditions 8 and 12 of Schedule 1;
- (c) "Licensed Area" means the United Kingdom other than the area in which the City of Kingston upon Hull is licensed to run telecommunication systems under a Licence coming into force on the date on which this Licence enters into force;
- (d) "Message" means anything falling within paragraphs (a) to (d) of section 4(1) of the Act;
- (e) "seagoing vessel" includes any floating structure for the exploration for, or exploitation of, oil or gas, or similar structure, while it is not maintained on a station; and

(f) "United Kingdom" includes any area to which the provisions of the Act apply by virtue of section 107.

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

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

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

DEFINITIONS AND INTERPRETATION

1 In this Schedule unless the context otherwise requires:

- (a) "Duct" means a structure or apparatus (with appropriate entry points) installed underground in such a way that lines can be installed in it without having to break up the surface of the highway;
- (b) the expressions "emergency works", "maintainable highway", "street" and "telecommunication apparatus" shall have the meanings given to them by paragraph 1 of Schedule 2 to the Act;
- (c) "Highway Authority" means, in England and Wales, the highway authority as defined in section 1 of the Highways Act 1980, in Scotland, the highway authority as defined in section 50 of the Roads (Scotland) Act 1970 and, in Northern Ireland, the Department of the Environment for Northern Ireland.
- (d) "line" shall have the meaning given to it by sub-paragraph (a) of the definition of "telecommunication apparatus" in paragraph 1 of Schedule 2 to the Act and "Service Line" shall mean any line placed or intended to be placed for the purpose of providing any telecommunication service to the occupier from time to time of any land, as distinct from lines placed or intended to be placed for the general purposes of any telecommunication system;
- (e) "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 1971;
 - (ii) in relation to Scotland, the general planning authority or 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.

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 or 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.

CONSERVATION AREAS

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

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

- (a) a line or pole required temporarily for the purpose of emergency works;
- (b) an overhead Service Line flown from a pole installed:
 - (i) before the date on which this Licence enters into force;
 - (ii) before the area was designated a conservation area; or
 - (iii) under sub-paragraphs (e) or (f) below,provided that the line is of a not noticeably larger diameter than that of the majority of the Licensee's overhead Service Lines in the same locality;
- (c) an overhead Service Line flown from a building in a locality where overhead Service Lines attached to poles or buildings are already installed in adjacent streets or on neighbouring land by the Licensee for the purpose of providing telecommunication services, provided that the line is of a not noticeably larger diameter than that of the majority of such other overhead Service Lines;
- (d) any other line replacing an existing line provided that the replacement line is of a not noticeably larger diameter than that of the line it replaces;
- (e) a replacement pole in a position not substantially different from the pole it replaces;

- (f) subject to paragraph 1.3, a pole (other than one mentioned in sub-paragraph (e) above) in a street or on neighbouring land where overhead Service Lines attached to poles are already installed by the Licensee in that street or on that neighbouring land for the purpose of providing telecommunication services;
- (g) a Service Line affixed to and lying on the surface of the exterior structure of a building provided that the line is of a not noticeably larger diameter than the majority of service lines affixed to and lying on the surface of the exterior structures of buildings in the same locality.

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

1.4 In this Condition "Relevant Area" means:

- (a) in relation to England and Wales, the City of London or any area designated as a conservation area under section 277 of the Town and Country Planning Act 1971;
- (b) in relation to Scotland, any area designated as a conservation area under section 262 of the Town and Country Planning (Scotland) Act 1972; and
- (c) in relation to Northern Ireland, any area designated as a conservation area under Article 37 of the Planning (Northern Ireland) Order 1972.

LISTED BUILDINGS AND ANCIENT MONUMENTS

2.1 Except in the case of emergency works, the Licensee shall before installing lines, poles or other telecommunication apparatus in proximity to a building shown as Grade 1 in the statutory list of buildings of special architectural or historic interest compiled by the Secretary of State under section 54 of the Town and Country Planning Act 1971 (or under section 52 of the Town and Country Planning (Scotland) Act 1972, or Article 31 of the Planning (Northern Ireland) Order 1972) give written notice to the Planning Authority. Where the installation would detrimentally affect the character and appearance of the building and the Planning Authority indicates within 28 days of the giving of the notice that the installation should not take place, the Licensee may install the apparatus only if the Secretary of State so directs in writing, or with the agreement of the Planning Authority.

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

- (a) the statutory requirement that the consent of the Secretary of State 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 55 of the Town and Country Planning Act 1971 (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.

OVERHEAD LINES

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

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

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

NATIONAL PARKS ETC

4.1 Subject to paragraph 4.2, and except in the case of emergency works, before installing overhead telecommunication apparatus in any National Park, Area of Outstanding Natural Beauty, National Scenic Area, or the area administered by the Broads Authority, and before installing any apparatus in any Limestone Pavement Area, 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.

4.2 Where:

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

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

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

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

- (a) an overhead Service Line affixed to and lying on the surface of the exterior structure of a building or flown from a pole provided that the line is of a not noticeably larger diameter than that of the majority of such overhead Service Lines in the same locality; or

- (b) a replacement pole installed in a position not substantially different from the pole it replaces.

4.5 In this Condition:

- (a) in relation to England and Wales and Scotland:

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

- (b) in relation to Northern Ireland:

- (i) "Area of Outstanding Natural Beauty" means any area designated as such under section 10 of the Amenity Lands Act (Northern Ireland) 1965; and the Relevant Authority in relation thereto shall be the Department of the Environment for Northern Ireland; and

(ii) "Area of Scientific Interest" means an area designated under section 15 of the Amenity Lands Act (Northern Ireland) 1965; and the Relevant Authority in relation thereto means the Department of the Environment for Northern Ireland.

NATIONAL TRUST AND NATIONAL TRUST FOR SCOTLAND

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

MAINTAINABLE HIGHWAYS

6.1 For the avoidance of doubt it is hereby declared that paragraph 6.2 applies in addition to any obligations of the Licensee under the Public Utilities Street Works Act 1950 and any order made under section 11(1) of the Act.

6.2 Except in the case of emergency works, before executing any works involving the breaking up of a maintainable highway in connection with the installation of any telecommunication apparatus in that highway the Licensee shall give to the Highway Authority written notice of its intention to do so describing the proposed works and shall consider any written representations made by that Highway Authority within 8 days of the giving of the notice by the Licensee in the case of an overhead line or an underground Service Line and within 29 days of the giving of the notice by the Licensee in other cases.

PLACING OF UNDERGROUND APPARATUS IN DUCTS

7.1 All lines installed underground after the date on which this Licence enters into force, in a part of a maintainable highway which is paved, shall, whenever practicable, be installed in Ducts.

HEIGHT OF OVERHEAD LINES

8.1 Lines installed over the carriageway of a maintainable highway shall be placed at a height of not less than 5.5 metres above the carriageway (or in the case of a designated high load route not less than 6.5 metres), except where the Highway Authority has previously otherwise agreed in writing.

MAINTENANCE AND THE SAFETY OF APPARATUS

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

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

ARRANGEMENTS WITH ELECTRICITY BOARDS

10.1 Subject to any modifications agreed between the Licensee and the Relevant Board, the Licensee shall:

- (a) where it installs and keeps installed telecommunication apparatus in proximity to previously installed plant which is the responsibility of a relevant Board, continue to observe the terms of the 1928 Agreement between the Postmaster General and the Electricity Commissioners and subsequent agreements or arrangements concerning the engineering principles to be adopted and the allocation and apportionment of costs which arise; and
- (b) where a Relevant Board gives notice that it proposes to install its plant in proximity to any of the Licensee's installed apparatus, continue to observe the relevant terms of the agreements and arrangements referred to in sub-paragraph (a) above.

10.2 In this Condition "Relevant Board" means an Electricity Board as defined in section 26 of the Energy Act 1983, or the Northern Ireland Electricity Service.

INSTRUCTIONS FOR THE INSTALLATION OF APPARATUS

11.1 Without prejudice to any of its statutory obligations the Licensee shall give instructions to its employees and agents with a view to securing that:

- (a) where apparatus is to be installed underground in a maintainable highway, the normal practice will be to place it in the verge or footway if any rather than the carriageway;
- (b) provision is made for any new Ducts installed after the date on which this Licence comes into effect to contain sufficient spare capacity to meet demand which is reasonably foreseeable by the Licensee for telecommunication services provided by it;
- (c) attention is drawn to the need wherever practicable to place lines at minimum depths of cover appropriate for the locality (varying between 350mm and 600mm in footways and between 600mm and 900mm in the carriageway);
- (d) regular liaison is maintained with Highway Authorities with a view to ensuring that, as far as possible, telecommunication code works which entail breaking up the surface of the highway are carried out in advance of scheduled resurfacing works or together with other schemes affecting the highway;
- (e) regular liaison is maintained with statutory undertakers and other operators to whom the telecommunications code is applied with a view to reducing the disruption of the services provided by those persons;
- (f) where apparatus is installed in a manner which involves the breaking up or opening of the highway and the Licensee is to do the reinstatement and making good at upper levels under section 7(2)(c) of the Public Utilities Street Works Act 1950, all reasonable steps are taken to reinstate the surface of the highway in its previous form, unless the Highway Authority agrees otherwise;
- (g) with a view to reducing to a minimum the need for the erection of new poles or the construction of new Ducts, before installing any such poles or Ducts steps will be taken to investigate the possibility of using existing poles, Ducts or other conduits;

(h) attention is drawn to the desirability of:

- (i) installing the minimum practicable number of poles and other items of apparatus, allowing for estimated growth in demand for telecommunication services; and
- (ii) protecting the visual amenity of properties in proximity to which poles or other items of apparatus are installed; and

(i) lines and other items of apparatus are placed so that they do not present safety hazards.

11.2 The Licensee shall within three months of the date on which this Licence enters into force furnish details to the Director of the steps taken to implement paragraph 11.1.

RECORDS OF APPARATUS

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

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

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

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

12.3 The Licensee shall co-operate in any joint projects involving persons who are statutory undertakers under any enactment or to whom the powers of the telecommunications code have been applied which have as their purpose the recording and making available of information about underground apparatus, unless the Director agrees that it would be inappropriate having regard to its existing practice in the area concerned for it to do so.

EMERGENCY WORKS

13.1 Where the Licensee executes emergency works which would otherwise require prior notice under Condition 1, 2, 4, 5 or 6, it shall, as soon as practicable after the commencement of the works, give to any body to whom notice is required to be given under that Condition written notice describing the works.

PUBLIC EVENTS AND CONSTRUCTION SITES

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

EMERGENCY ORGANISATIONS

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

15.2 In this Condition "Emergency Organisation" and "Emergency" have the same meaning as in Schedule 1 to this Licence.

PUBLIC INSPECTION OF CODE RELATED LICENCE CONDITIONS

16.1 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.

16.2 "Major Office" has the same meaning as in Condition 16.4 of Schedule 1 to this Licence.

THE APPLICABLE SYSTEMS

1 The Applicable Systems are telecommunication systems of every description within the United Kingdom provided that a system ("the System ") is an Applicable System only to the extent that it satisfies each of the following conditions:

- (a) the System is one by means of which Messages are conveyed or are to be conveyed:
 - (i) from one Network Termination Point to another such Point;
 - (ii) from a Network Termination Point to another place which is neither a Network Termination Point nor a Call Office or from such a place to such a Point;
 - (iii) between a place which is neither a Network Termination Point nor a Call Office and another such place where their conveyance is not by way of provision of a service to another person; or
 - (iv) between a Call Office and any other placebut in any case not beyond a Network Termination Point;
- (b) none of the apparatus comprised in the System is Relevant Terminal Apparatus installed on premises occupied by a person to whom there are provided telecommunication services by means of the System;
- (c) the System is not, insofar as it is within the Hull Area, connected to any Network Termination Point other than one in an item of Network Connecting Apparatus which Point exists for the purpose of connecting the System to an aircraft, a seagoing vessel or hovercraft or to another public telecommunication system run by either the Kingston upon Hull City Council or any other person running a public telecommunication system within the Hull Area; and

- (d) the System is not a telecommunication system which conveys messages by means of wireless telegraphy, except where every Station for Wireless Telegraphy and every item of Wireless Telegraphy Apparatus comprised within the system constitutes a permanent or temporary Fixed Wireless Telegraphy Station.

2 In this Annex:

- (a) "Approved Apparatus" means in relation to any system apparatus approved under section 22 of the Act for connection to that system;
- (b) "Call Office" means telecommunication apparatus not supplied by the Licensee to any particular person but made available for use by the public or a class of the public;
- (c) "Fixed Wireless Telegraphy Station" means any Station for Wireless Telegraphy or Wireless Telegraphy Apparatus which is not used while in motion and which is operated for the purpose of being connected by wireless telegraphy solely to:
- (i) a Station for Wireless Telegraphy or Wireless Telegraphy Apparatus comprised in the System or any other system which but for this paragraph would be an Applicable System and which is not used while in motion;
 - (ii) other Wireless Telegraphy Apparatus or another Station for Wireless Telegraphy which is itself neither designed nor adapted for use while in motion;
 - (iii) earth orbiting apparatus or apparatus outside the United Kingdom; or
 - (iv) apparatus on an aircraft or seagoing vessel or hovercraft;
- (d) "the Hull Area" means the area within which the Kingston upon Hull City Council is authorised to run telecommunication systems under a Licence coming into force on the date on which this Licence enters into force;

- (e) "Licence" means a licence granted or having effect as if so granted under section 7 of the Act;
- (f) "Message" means anything falling within paragraphs (a) to (d) of section 4(1) of the Act;
- (g) "Relevant Terminal Apparatus" means:
- (i) "Terminal Apparatus" that is to say any telecommunication apparatus installed on Served Premises by means of which Messages are initially transmitted or ultimately received except a Call Office; and
 - (ii) any other telecommunication apparatus directly connected to Terminal Apparatus (including apparatus which is Terminal Apparatus by virtue of this sub-paragraph) which would, if it were run with such Terminal Apparatus and any other apparatus by means of which it is so connected, constitute a system authorised to be run by the person running that Terminal Apparatus under a Licence;
- (h) "Network Connecting Apparatus" means telecommunication apparatus comprised in the System which is not Network Termination and Testing Apparatus and is connected to another telecommunication system;
- (i) "Network Termination Point" means any point:
- (i) within an item of Network Connecting Apparatus at which energy of any of the forms specified in section 4(1) of the Act is conveyed directly to or from apparatus comprised in a telecommunication system other than the one in which that Network Connecting Apparatus is comprised; or
 - (ii) within an item of Network Termination and Testing Apparatus at which such energy is conveyed directly to any Relevant Terminal Apparatus;

(j) "Network Termination and Testing Apparatus" means an item of telecommunication apparatus comprised in the System installed in a fixed position on Served Premises which enables:

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

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

- (aa) to supply energy between such Apparatus and the System;
- (bb) to protect the safety or security of operation of the System; or
- (cc) to enable other operations exclusively related to the running of any Applicable System to be performed or the due functioning of any system to which the System is or is to be connected to be tested (separately or together with the System);

(k) "seagoing vessel" includes any floating structure for the exploration for, or exploitation of, oil or gas, or similar structure, while it is not maintained on a station;

(l) "Served Premises" means a single set of premises in single occupation where apparatus has been installed for the purpose of the provision of telecommunication services by means of the System at those premises;

(m) "Subsidiary" has the same meaning as in section 154 of the Companies Act 1948;

(n) "United Kingdom" includes any area to which the provisions of the Act apply by virtue of section 107; and

- (o) "Station for Wireless Telegraphy" and "Wireless Telegraphy Apparatus" have the same meaning as in the Wireless Telegraphy Acts 1949 to 1967.

3 In determining whether any telecommunication system is an Applicable System for the purposes of this Annex:

- (i) any point at which any two systems run by the Licensee neither of which is a system authorised to be run and which is run under another Licence are connected shall be deemed not to be a Network Termination Point;
- (ii) in determining whether Messages are conveyed by way of provision of a service all members of the Licensee's Group (that is to say the Licensee and its Subsidiaries taken together) shall be treated as one person; and
- (iii) apparatus shall be deemed to remain installed in a fixed position notwithstanding that it has been moved without authority.

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

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

HER MAJESTY'S STATIONERY OFFICE
Government Bookshops

49 High Holborn, London WC1V 6HB
13a Castle Street, Edinburgh EH2 3AR
Brazennose Street, Manchester M60 8AS
Southey House, Wine Street, Bristol BS1 2BQ
258 Broad Street Birmingham B1 2HE
80 Chichester Street, Belfast BT1 4JY

*Government Publications are also available
through booksellers*