

DOCKET FILE COPY ORIGINAL

ORIGINAL

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

RECEIVED

DEC 2 - 1996

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

In the Matter of )  
 )  
The Merger of MCI Communications )  
Corporation and )  
British Telecommunications plc )  
 )

96-245

**APPLICATIONS AND NOTIFICATION**

**VOLUME THREE**

Michael H. Salsbury  
Executive Vice President  
& General Counsel  
Mary L. Brown  
Sanford C. Reback  
Larry A. Blosser  
MCI Communications  
Corporation  
1801 Pennsylvania Avenue, N.W.  
Washington, D.C. 20006-3606

Colin R. Green  
Secretary and Chief Legal Counsel  
British Telecommunications plc  
BT Centre  
81 Newgate Street  
London EC1A 7AJ England

James E. Graf II  
President  
Joan M. Griffin  
Cheryl Lynn Schneider  
BT North America Inc.  
601 Pennsylvania Avenue, N.W.  
Suite 725, North Building  
Washington, D.C. 20004

Joel S. Winnik  
David J. Saylor  
Hogan & Hartson L.L.P.  
555 Thirteenth Street, N.W.  
Washington, D.C. 20004-1109

Attorneys for  
British Telecommunications plc

Dated: December 2, 1996



RECEIVED

DEC 2 - 1996

DOCKET FILE COPY ORIGINAL

TABLE OF CONTENTS

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

VOLUME THREE

96-245

Section

Tab

A. THE NOTICE AND DRAFT LICENCE PUBLISHED BY THE SECRETARY OF STATE FOR TRADE AND INDUSTRY UNDER SUBSECTIONS 8(5) AND 10(6) OF THE TELECOMMUNICATIONS ACT 1984 ..... III A

B. THE OFFICERS, DIRECTORS AND GREATER THAN TEN PERCENT SHAREHOLDERS OF BT, MCI AND MCI CONTROLLED ENTITIES HOLDING SECTION 214 CERTIFICATES AND AUTHORIZATIONS OR SECTION 310 LICENSES..... III B

C POST-MERGER CONCERT CONTROLLED ENTITIES HOLDING LICENSES AND AUTHORIZATIONS SUBJECT TO TRANSFER OF CONTROL..... III C

D. THE MERGER AGREEMENT ..... III D

E. THE BT ARTICLES OF INCORPORATION ..... III E

F. THE BT LICENCE ..... III F



96-245

**VOLUME THREE, SECTION A**

**THE NOTICE AND DRAFT LICENCE PUBLISHED BY THE SECRETARY  
OF STATE FOR TRADE AND INDUSTRY UNDER SUBSECTIONS 8(5) AND  
10(6) OF THE TELECOMMUNICATIONS ACT 1984**

Attached is a copy of the Public Notice and Draft Licence published by the Secretary of State for Trade and Industry under Subsections 8(5) and 10(6) of the Telecommunications Act 1984, setting forth the Conditions under which a company may run international telecommunications systems in the United Kingdom.

**NOTICE PUBLISHED BY THE SECRETARY OF STATE FOR TRADE AND  
INDUSTRY UNDER SUBSECTIONS 8(5) AND 10(6) OF THE  
TELECOMMUNICATIONS ACT 1984**

The Secretary of State hereby gives notice as follows.

1. He proposes to grant licences under the Telecommunications Act 1984 ("the Act") to the companies contained in the two lists A and B below ("the Licensees") to run international telecommunication systems in the United Kingdom. Each licence will be identical, except that the Secretary of State proposes to apply to each of the Licensees in List A below the telecommunications code ("the Code") subject to certain exceptions and conditions, whereas he does not propose to apply the Code to any of the Licensees in List B below.

2. The principal effect of the licences will be to enable each Licensee to install and run telecommunication systems in the United Kingdom which may be connected to telecommunications systems outside the United Kingdom, and to provide a wide range of international services but not any domestic services ( i.e. services involving the conveyance of messages which originate and are subsequently to terminate in the United Kingdom) or mobile radio services. Each Licence authorises the connection to a wide range of other systems, including domestic systems and earth orbiting apparatus.

3. Each Licence will be subject to conditions such that section 8 of the Act will apply to it, thereby making each of the systems run under the licences eligible for designation as a public telecommunication system under section 9 of the Act. It is the intention of the Secretary of State to designate each of the Licensees' systems as a public telecommunication system.

4. The Secretary of State proposes to grant the licences in response to an application from each licensee for such a licence because he considers that it will help to satisfy demands in the United Kingdom for the provision of services of the type authorised, will promote the interests of consumers in respect of the quality and variety of such services, and will maintain and promote effective competition between those engaged in the provision of telecommunication services.

5. He proposes to apply the Code to each of the Licensees named in list A below subject to certain exceptions and conditions throughout the United Kingdom. The effect of the exceptions and conditions to the application of the Code is that each of these Licensees will have duties:

(a) to comply with various safety and environmental conditions, in particular (with certain exceptions) to install lines underground or only on such above-ground apparatus as is already installed for any purpose;

(b) to comply with conditions designed to ensure efficiency and economy on the part of the Licensee, in connection with the execution of works on land concerning the installation, maintenance, repair or alteration of its apparatus;

(c) to consult certain public bodies before exercising particular powers under the Code, including the local planning and highway authorities and English Nature, Scottish Natural Heritage, the Countryside Council for Wales, the National Trust and the National Trust for Scotland, as well as relevant electricity suppliers;

(d) to keep and make available records of the location of underground apparatus and copies of the exceptions and conditions in the licence to its powers under the Code; and

(e) to ensure that sufficient funds are available to meet certain liabilities arising from the execution of street works.

6. The reason why the Secretary of State proposes to apply the Code to each of the Licensees in List A is that those Licensees will need the statutory powers in the Code to install and maintain the telecommunication systems which are to be installed and run under the proposed licences.

7. The reasons why it is proposed that the Code as applied should have effect subject to the exceptions and conditions referred to above are that they are considered requisite or expedient for the purpose of securing that the physical environment is protected, that there is no greater damage to land than necessary, that the systems are installed as safely and economically as possible, and that each of the Licensees can meet (and relevant persons can enforce) liabilities arising from the execution of works.

8. Representations or objections may be made in respect of the proposed licences, the application of the Code to each of the Licensees in List A and the proposed exceptions and conditions referred to above. They should be made in writing by 16th December 1996 and addressed to the undersigned at the Department of Trade and Industry, Communications and Information Industries Directorate, 2.03 Red, 151 Buckingham Palace Road, London, SW1W 9SS. Copies of the proposed licence can be obtained free of charge by writing to the Department (fax: 0171 215 1721) or by calling 0171-215 1746.

**List A**

AT&T Communications (UK) Ltd  
CableTel (UK) Ltd  
COLT Telecommunications  
Concert Communications Company  
Convergence Ventures Ltd  
Energis Communications Ltd  
Esprit Telecom UK Ltd  
Global One Communications Holding Ltd  
Hermes Europe Railtel B.V.  
MCI Telecommunications Ltd  
MFS Communications Ltd  
Racal Telecommunications Ltd  
ScottishPower Telecommunications Ltd  
TeleBermuda International (UK) Ltd  
TeleWest Communications plc  
Telia UK Ltd  
Torch Communications Ltd  
Unisource Holdings (UK) Ltd  
Videotron No. 2 Ltd  
RSL Communication Ltd  
Teleglobe International (UK) Ltd  
TMI TeleMedia International Ltd

**List B**

ACC Long Distance UK Ltd  
Advanced Business Services Ltd  
Communicorp (UK) Ltd  
Esat Telecommunications Ltd  
Eurotunnel  
Facicom International UK Ltd  
Frontel Newco Ltd  
Incom (UK) Ltd  
Interoute Networks Ltd  
ITG (UK) Ltd  
IXNET UK Ltd  
Long Distance International Communications Ltd  
National Transcommunications Ltd  
Net. Net Ltd  
Pacific Gateway Exchange (UK) Ltd  
Primus Telecommunications Ltd  
Spacotel International Ltd  
Star Europe Ltd  
Telecom New Zealand Ltd  
Teleport London International Ltd  
Telstra Globe Ltd  
Vodafone Ltd  
Worldcom UK Ltd

**LICENCE GRANTED BY**  
**THE SECRETARY OF STATE FOR TRADE AND INDUSTRY TO**  
**UNDER SECTION 7 OF THE TELECOMMUNICATIONS ACT 1984**  
**(Version to be Granted to Companies on List A, to which the**  
**telecommunications code would be applied)**

## **TABLE OF CONTENTS**

### **THE LICENCE**

#### **SCHEDULE 1: CONDITIONS INCLUDED UNDER SECTION 7 OF THE ACT**

##### **PART 1: Definitions and interpretation relating to the Conditions in Schedule 1**

##### **PART 2: Special Conditions referred to in section 8 of the Act**

- 1 Requirement to provide telecommunication services**
- 2 Directory Information**
- 3 Public Emergency Call Services**
- 4 Planning and implementation of special arrangements for Emergencies**
- 5 Requirement to provide Connection Services and connection of apparatus**
- 6 Provision by others of services by means of the Applicable Systems**
- 7 Publication of charges, terms and conditions to be applied**
- 8 Prohibition on undue preference and undue discrimination**

##### **PART 3: Other Conditions included under section 7 of the Act**

- 9 Maintenance of effective competition where the licensee operates a system or provides services overseas**
- 10 Fair Trading**
- 11 Essential Interfaces**
- 12 Customer Interface Standards**
- 13 Metering and Billing Arrangements**

- 14 **Numbering arrangements**
- 15 **Arrangements for proportionate return**
- 16 **Arrangements for parallel accounting**
- 17 **Prohibition of exclusive dealing in international services**
- 18 **Notification of changes in Shareholdings**
- 19 **Licensee's Group**
- 20 **Payment of fees**
- 21 **Requirement to furnish information to the Director**
- 22 **Requirement to submit accounts to the Director**
- 23 **Exceptions and limitations on obligations in Schedule 1**

**SCHEDULE 2: REVOCATION**

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

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

**PART 1: Definitions and interpretation relating to Schedule 4**

- 1 **Conservation Areas**
- 2 **Listed Buildings and Ancient Monuments**
- 3 **Overhead Lines**
- 4 **National Parks Etc.**
- 5 **National Trust and National Trust for Scotland**
- 6 **Maintainable Highways and Public Roads**
- 7 **Placing of Underground Lines in Ducts**

- 8 Height of Overhead Lines**
- 9 Maintenance and the Safety of Apparatus**
- 10 Arrangements with Electricity Suppliers**
- 11 Instructions for the Installation of Apparatus**
- 12 Records of Apparatus**
- 13 Funds for Meeting Liabilities**
- 14 Emergency Works and Urgent Works**
- 15 Public Events and Construction Sites**
- 16 Emergency Organisations**
- 17 Public Inspection of Code Related Licence Conditions**

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

**THE LICENCE**

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

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

**Duration**

3 This Licence shall enter into force on the date of signature and shall be of six months' duration in the first instance but, without prejudice to Schedule 2 to this Licence, shall be subject to revocation thereafter on one month's notice in writing of such revocation

**Interpretation**

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

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

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

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

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

**Parliamentary Under Secretary of State  
for Science and Technology**

**SCHEDULE 1: CONDITIONS INCLUDED UNDER SECTION 7 OF THE ACT**

**PART 1: DEFINITIONS AND INTERPRETATION RELATING TO THE CONDITIONS IN SCHEDULE 1**

**1** In this Schedule unless the context otherwise requires:

- (a) "Accounting Rate Service" means each telecommunications service to each country and territory for which a separate accounting rate has been agreed, not including Transit Services;
- (b) "Applicable Terminal Equipment" means apparatus which is applicable terminal equipment within the meaning of regulation 4 of the Telecommunications Terminal Equipment Regulations 1992;
- (c) "Approved Apparatus" means in relation to any system apparatus approved under section 22 of the Act for connection to that system;
- (d) "Associated Person" means any member of the Licensee's Group or a person with a Participating Interest in a member of the Licensee's Group or in whom a member of the Licensee's Group has a Participating Interest;
- (e) "Authorised Overseas System" means any telecommunication system outside the United Kingdom which is authorised to be connected to the Applicable Systems under Schedule 3;
- (f) "Compatibility" means that between the parties concerned there is no reasonably foreseeable risk of:
  - (i) duplication of any Number, or
  - (ii) any other related effect,
 such as would introduce ambiguity or errors or impose undue restrictions on any user or group of users;
- (g) "Compliant Terminal Equipment" means Applicable Terminal Equipment which satisfies the requirements of regulation 8 of the Telecommunications Terminal Equipment Regulations 1992;
- (h) "Condition" means a Condition in this Schedule;
- (i) "Connectable System" means a telecommunication system which is authorised to be run under a Licence which authorises connection of that system to the Applicable Systems;

- (j) "Connection Service" means a telecommunication service consisting in the conveyance of any Message which has been, or is to be, conveyed by means of the Applicable Systems;
- (k) "Dwelling-House" has the same meaning as in section 202 of the Broadcasting Act 1990;
- (l) "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;
- (m) "Emergency Organisations" means in respect of any locality:
  - (i) the relevant public police, fire, ambulance and coastguard services for that locality; and
  - (ii) any other similar organisation in respect of which any public telecommunications operator licensed to operate in the locality in question is providing a Public Emergency Call Service on the day on which this Licence enters into force;
- (n) "Essential Interface" means in respect of a Point of Connection an interface at which in the opinion of the Director it is essential that interoperability between the Applicable Systems and the respective Operator's systems is available;
- (o) "Group" means a parent undertaking and its subsidiary undertaking or undertakings within the meaning of section 258 of the Companies Act 1985 as substituted by section 21 of the Companies Act 1989; and "Licensee's Group" means a Group in respect of which the Licensee is either a parent undertaking or a subsidiary undertaking;
- (p) "International Business" means the business of providing telecommunication services including, without limitation, any services comprised in a Relevant International Function, which consist in the conveyance of Messages to countries or territories outside the United Kingdom carried on under a Licence and include the running of such parts of the Applicable Systems as are used for the provision of those services, and the installation, maintenance, adjustment, repair, alteration, moving, removal or replacement of such Systems and any apparatus comprised therein;
- (q) "International Conveyance Service" means a telecommunication service consisting in the conveyance of any Message which has been or 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;
- (r) "International Private Leased Circuit" means a communication facility which is:

- (f) comprised both in a public telecommunication system and in an equivalent telecommunication system in a country or territory other than the United Kingdom;
  - (ii) for the conveyance of Messages between points, all of which are points of connection between telecommunication systems referred to in paragraph 1(r)(i) and other telecommunication systems;
  - (iii) made available to a particular person or particular persons;
  - (iv) such that all of the Messages transmitted at any of the points mentioned in paragraph 1(rp)(ii) are received at every other such point; and
  - (v) such that the points mentioned in paragraph 1(r)(ii) are fixed by the way in which the facility is installed and cannot otherwise be selected by persons or telecommunication apparatus sending Messages by means of that facility;
- (s) "International Simple Data Resale Services" means telecommunication services consisting in the conveyance of Messages which do not include two-way live speech, but include only such switching, processing, data storage or protocol conversion as is necessary for the conveyance of those Messages in real time, which have been or are to be conveyed by means of all of the following:
- (i) a Public Switched Network;
  - (ii) an International Private Leased Circuit; and
  - (iii) the equivalent of a Public Switched Network in another country or territory;

provided that conveyance of a Message by means of a Public Switched Network or, as the case may be, the equivalent of a Public Switched Network in another country or territory shall be disregarded where that Message is so conveyed in circumstances specified for the time being by the Secretary of State as not being material for the purposes of paragraph 3 of Schedule 3 to this Licence and included in a list kept for the purpose by the Director and made available by him for inspection by the general public;

- (t) "International Simple Voice Resale Services" means telecommunication services consisting in the conveyance of Messages which include two-way live speech which have been or are to be conveyed by means of all of the following:
- (i) a Public Switched Network;
  - (ii) an International Private Leased Circuit; and
  - (iii) the equivalent of a Public Switched Network in another country or territory;

provided that conveyance of a Message by means of a Public Switched Network or, as the case may be, the equivalent of a Public Switched Network in another country or territory shall be disregarded where that Message is so conveyed in circumstances specified for the time being by the Secretary of State as not being material for the purposes of paragraph 3 of Schedule 3 to this Licence and included in a list kept for the purpose by the Director and made available by him for inspection by the general public;

- (u) "Long Line Public Telecommunications Operator" means a public telecommunications operator who is authorised by a Licence to provide telecommunication services consisting in the conveyance of Messages by fixed links run by that operator over distances greater than 50 linear kilometres;
- (v) "Major Office" means the Licensee's registered office and such other offices as the Director, having consulted the Licensee, may direct;
- (w) "Message" means anything falling within paragraphs (a) to (d) of section 4(1) of the Act;
- (x) "Network Connecting Apparatus" means telecommunication apparatus comprised in the Applicable Systems which is not Network Termination and Testing Apparatus and is connected to another telecommunication system;
- (y) "Network Termination Point" means any point:
  - (i) within an item of Network Connecting Apparatus at which energy of any of the forms specified in section 4(1) of the Act is conveyed directly to or from apparatus comprised in a telecommunication system other than one in which that Network Connecting Apparatus is comprised; or
  - (ii) within an item of Network Termination and Testing Apparatus at which such energy is conveyed directly to any Relevant Terminal Apparatus;
- (z) "Network Termination and Testing Apparatus" means an item of telecommunication apparatus comprised in the Applicable Systems installed in a fixed position on Served Premises which enables:
  - (i) Approved Apparatus to be readily connected to, and disconnected from, the Applicable Systems;
  - (ii) the conveyance of Messages between such Apparatus and the Applicable Systems; and
  - (iii) the due functioning of the Applicable Systems to be tested,
 but the only other functions of which, if any, are:
  - (1) to supply energy between such Apparatus and the Applicable Systems;

- (2) to protect the safety or security of the operation of the Applicable Systems; or
  - (3) to enable other operations exclusively related to the running of the Applicable Systems to be performed or the due functioning of any system to which the Applicable Systems are or are to be connected to be tested (separately or together with the Applicable Systems).
- (aa) "Number" means any identifier which would need to be used in conjunction with any public switched service for the purposes of establishing a connection with any Network Termination Point, user, telecommunication apparatus connected to any Public Switched Network or service element, but not including any identifier which is not accessible to the generality of users of a public switched service;
  - (ab) "Numbering Plan" means a plan describing the method adopted or to be adopted for allocating and re-allocating a Number to any Network Termination Point, user telecommunication apparatus or service element;
  - (ac) "Operator" means any person who is authorised by a Licence to run a Relevant Connectable System;
  - (ad) "Parent Undertaking" has the same meaning as in section 258 of the Companies Act 1985 as substituted by section 21 of the Companies Act 1989;
  - (ae) "Participating Interest" has the same meaning as in section 260 of the Companies Act 1985 as substituted by section 22 of the Companies Act 1989;
  - (af) "Point of Connection" means a point at which the Applicable Systems and an Operator's system are connected;
  - (ag) "Private Leased Circuit" means a communication facility which is:
    - (i) provided by means of one or more public telecommunication systems;
    - (ii) for the conveyance of Messages between points, all of which are points of connection between telecommunication systems referred to in paragraph 1(ag)(i) and other telecommunication systems;
    - (iii) made available to a particular person or particular persons;
    - (iv) such that all of the Messages transmitted at any of the points mentioned in paragraph 1(ag)(ii) are received at every other such point; and
    - (v) such that the points mentioned in paragraph 1(ag)(ii) are fixed by the way in which the facility is installed and cannot otherwise be selected by persons or telecommunication apparatus sending Messages by means of that facility.

- (ah) "Public Emergency Call Services" means a telecommunication service by means of which any member of the public may, at any time and without incurring any charge, by means of an item of telecommunication apparatus which is lawfully connected to the Applicable Systems and which is capable of transmitting and receiving unrestricted two way voice telephony services when so connected, communicate as swiftly as practicable with any of the Emergency Organisations for the purpose of notifying them of an Emergency;
- (ai) "Public Switched Network" means a public telecommunication system by means of which two-way telecommunication services are provided whereby Messages are switched incidentally to their conveyance, and, for the avoidance of doubt, a Public Switched Network does not include Private Leased Circuits or International Private Leased Circuits;
- (aj) "Relevant Apparatus" means any apparatus which is, or is to be, connected to any of the switched Applicable Systems;
- (ak) "Relevant Company" means:
- (i) the Licensee; or
  - (ii) a Parent Undertaking in relation to the Licensee;
- (al) "Relevant Connectable System" means a Connectable System which is authorised to be run under a Licence which authorises the provision by means of that system of Connection Services for reward to the general public, or any class of the general public, not being a system:
- (i) authorised to be run under a Licence granted to all persons or persons of any class; and
  - (ii) for the connection of which, and for the provision of matters necessary for such connection, the Licensee offers terms and conditions which satisfy the requirements of Condition 7 of Schedule 1,
- and not being a system which the Director has determined ought not to be deemed a Relevant Connectable System for the purposes of this Licence;
- (am) "Relevant International Function" means the business of providing any of the following telecommunication services by means of the Applicable Systems:
- (i) International Simple Voice Resale and/or International Simple Data Resale;
  - (ii) provision to others of International Private Leased Circuits;
  - (iii) provision of services under any agreement falling within the description contained in Condition 5.1 in Schedule 1;

- (iv) provision of International Conveyance Services (but not including International Simple Voice Resale or International Simple Data Resale), charges for which are to be settled at accounting rates;
  - (v) provision of International Conveyance Services (but not including International Simple Voice Resale or International Simple Data Resale), charges for which are not to be settled at accounting rates, and where the Messages conveyed in the provision of such service are conveyed over a circuit which is capable of conveying two-way live speech;
  - (vi) provision of International Conveyance Services (including International Simple Voice Resale or International Simple Date Resale), charges for which are not to be settled at accounting rates, and where the Messages conveyed in the provision of such service are conveyed over a circuit which is not capable of conveying two-way live speech;
  - (vii) the installation, maintenance, adjustment, repair, alteration, moving, removal or replacement of any apparatus comprised or to be comprised in the Applicable Systems; or
  - (viii) provision of any other services included in the Licensee's International Business but not included in any of (am) (i) to (vii) above.
- (an) "Relevant System" means a Connectable System which is, or is to be, connected to any of the switched Applicable Systems;
- (ao) "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; 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;
- (ap) "Served Premises" means a single set of premises in single occupation where apparatus has been installed for the purpose of the provision of telecommunication services by means of the Applicable Systems at those premises;
- (aq) "Shares" has the same meaning as in section 259(2) of the Companies Act 1985, as substituted by section 22 of the Companies Act 1989, and the term "Shareholding" is to be construed accordingly;

- (ar) "Specified Numbering Scheme" means a scheme for the allocation and reallocation of Numbers which is specified by the Director for the purpose of this Licence and described in a list kept for that purpose by him and made available by him for inspection by the general public.
- (as) "Subscriber" means a person (other than a public telecommunications operator) to whom there are provided switched voice telephony services by means of the Applicable Systems;
- (at) "Subsidiary" has the meaning given to it in section 736 of the Companies Act 1985, as substituted by section 144(1) of the Companies Act 1989;
- (au) "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:
  - (i) the running of the Applicable Systems; and
  - (ii) the installation, maintenance, adjustment, repair, alteration, moving, removal or replacement of any apparatus comprised or to be comprised in the Applicable Systems;
- (av) "Transit Service" means any telecommunications service consisting in the conveyance of any Message which originates outside the United Kingdom and is not to be terminated within the United Kingdom and for which a separate accounting rate has been agreed;
- (aw) "Well Established International Operator" means an Operator having more than 25% of what is in the opinion of the Director the relevant market but without prejudice to a determination by the Director either that an Operator having less than 25% of what is in the opinion of the Director the relevant market shall nevertheless be regarded as being a Well Established International Operator, or that an Operator having more than 25% of such a market shall nevertheless not be regarded as being a Well Established International Operator.

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

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

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

**Condition 1**

**REQUIREMENTS TO PROVIDE TELECOMMUNICATION SERVICES**

1           The Licensee shall take all reasonable steps to provide by means of the Applicable Systems to any Operator who so requests International Conveyance Services to the extent necessary to satisfy all reasonable demands for such Services by such Operator.

**Condition 2****DIRECTORY INFORMATION**

**2.1** This Condition shall only apply where the Applicable Systems are connected to a telecommunication system not run under a Licence issued to a particular person.

**2.2** Subject to paragraph 2.5, 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 and shall take all reasonable steps to secure that that can be done.

**2.3** 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.

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

**2.5** The obligation in paragraph 2.2 shall not apply:

- (a) 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; or

- (b) in respect of any person to whom switched voice telephony services are provided by means of the Applicable Systems if that person has notified the Licensee in writing that he is able to obtain from another public telecommunications operator who provides switched voice telephony services within the United Kingdom to that person information as to how to avail himself of such directory information service as may be provided in respect of any Authorised Overseas System which is connected to the Applicable Systems.

2.6 This Condition is without prejudice to Condition 5.

**Condition 3****PUBLIC EMERGENCY CALL SERVICES**

**3.1** This Condition shall only apply where the Applicable Systems are connected to a telecommunication system not run under a Licence issued to a particular person.

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

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

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

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

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

**Condition 4****PLANNING AND IMPLEMENTATION OF SPECIAL ARRANGEMENTS FOR EMERGENCIES**

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

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

**4.3** Nothing in this Condition precludes the Licensee from:

- (a)** recovering the costs which it incurs in making or implementing any such plans or arrangements from those on behalf of or in consultation with whom the plans or arrangements are made; or
- (b)** making implementation of any plans or arrangements 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.