

## Condition 5

**REQUIREMENT TO PROVIDE CONNECTION SERVICES AND CONNECTION OF APPARATUS**

**5.1** Subject to the following provisions of this Condition the Licensee shall, unless it is impracticable to do so, enter into an agreement or agree to amend such an agreement, within a reasonable period (which shall not, unless the Director otherwise consents, exceed 6 months), with an Operator if that 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, any Relevant Connectable System run by the Operator and any item of telecommunication apparatus which is required for that purpose and which is located on the same premises as the Applicable Systems and which is approved for the time being under section 22 of the Act or is Compliant Terminal Equipment, and accordingly to establish and maintain such one or more Points of Connection as are reasonably required and are of sufficient capacity and in sufficient number to enable Messages conveyed or to be conveyed by means of the Operator's system to be conveyed by means of the Applicable Systems in such a way as conveniently to meet all reasonable demands for the conveyance of Messages between the Relevant Connectable System and the Applicable Systems;
- (b) without prejudice to paragraph 5.1(a), where the Operator is a Long Line Public Telecommunications Operator, to establish and maintain such Points of Connection as will enable persons running telecommunication systems connected to the Operator's system and persons running telecommunication systems connected to the Applicable Systems to exercise freedom of choice as to the extent to which Messages are conveyed by means of the Applicable Systems and in routing Messages so conveyed; and
- (c) to provide such other telecommunication services (including the conveyance of Messages which have been, or are to be, transmitted or received at such Points of Connection), information and other services as the Director determines are reasonably required (but no more than reasonably required) to secure that Points of Connection are established and maintained and to enable the Operator effectively to provide the Connection Services which he provides or proposes to provide.

**5.2** The Licensee shall not be obliged under paragraph 5.1 to enter into an agreement to do anything or agree to amend such an agreement to do anything if:

- (a) in the opinion of the Licensee it would be liable to cause the death of or personal injury to, or damage to the property of, the Licensee or any person engaged in the Licensee's business, or materially to impair the quality of any telecommunication service provided by means of the Applicable Systems or any

telecommunication system (other than the Operator's system) connected thereto and the Director has not expressed a contrary opinion; or

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

and the Director has not expressed a contrary opinion.

5.3 The Licensee may require that an agreement under paragraph 5.1 should be subject to such terms and conditions as are, in the opinion of the Director, reasonable.

5.4 Apparatus shall not be regarded as approved for connection to any system for the purposes of paragraph 5.1 unless that apparatus is Compliant Terminal Equipment or has been so approved.

- (a) by the Secretary of State; or
- (b) by some other person by virtue of an authorisation given by the Secretary of State being an authorisation which required the person authorised, before approving any apparatus or designating any standard to which apparatus must conform if it is to be approved, to be satisfied that connection of the apparatus to the system would not be likely:
  - (i) to cause the death of, or personal injury to, or damage to the property of the Licensee or any person engaged in the running of that system; or
  - (ii) materially to impair the quality of any telecommunication service provided by means of that system or any system connected to it (other than the system being connected).

5.5 No apparatus or system is required under paragraph 5.1 to be, or to be permitted to be, connected or kept connected to the Applicable Systems if the apparatus, or any apparatus comprised in that system, as the case may be:

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

- (b) was at the time when the connection to the Applicable Systems was made but has since ceased to be Complaint Terminal Equipment; or
- (c) while continuing to conform to the relevant standard is in the opinion of the Licensee liable to cause the death of, or personal injury to, or damage to the property of, the Licensee, or any person engaged in the running of the Applicable Systems or materially to impair the quality of any telecommunication service provided by means of the Applicable Systems and the Director has not directed otherwise.

**5.6** 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. For the purposes of this paragraph, a provision in an agreement is a restrictive provision if by virtue of the existence of such a provision (taken alone or with other provisions) the agreement is one to which the Restrictive Trade Practices Act 1976 would apply but for paragraph 1(1) of Schedule 3 to that Act.

**5.7** 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.

**Condition 6****PROVISION BY OTHERS OF SERVICES BY MEANS OF THE APPLICABLE SYSTEMS**

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

**6.2** The Licensee shall permit any person:

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

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

## Condition 7

**PUBLICATION OF CHARGES, TERMS AND CONDITIONS TO BE APPLIED**

7.1 The Licensee shall, subject to paragraph 7.2, except insofar as the Director may otherwise consent in writing and except in respect of charges, terms and conditions in agreements made or modified to comply with Condition 5:

- (a) publish in the manner and at the times specified in paragraph 7.4 a notice specifying, or specifying the method that is to be adopted for determining, the charges and other terms and conditions on which it offers:
  - (i) to provide each description of telecommunication services by means of the Applicable Systems; or
  - (ii) to maintain, adjust, repair or replace any apparatus comprised in the Applicable Systems; or
  - (iii) to connect to the Applicable Systems any other system which is not and is not to be comprised in the Applicable Systems; or
  - (iv) to grant permission to connect such systems to, or to provide services by means of, the Applicable Systems;

where such things are done in accordance with an obligation imposed by or under this Licence.

- (b) Where the Licensee does any of the things described in paragraphs 7.1(a)(i) to 7.1(a)(iv) it shall do those things at the charges and on the other terms and conditions so published and not depart therefrom. Provided that this obligation will not be breached by variations to the charges, terms and conditions referred to in paragraph 7(1)(a) to the extent that the method which is adopted for determining those variations has been disclosed to the Director, except insofar as those charges, terms and conditions relate to a particular market in respect of which the Director has made a determination that the Licensee is a Well Established International Operator.

7.2 Where the Director has made a determination that the Licensee is a Well Established International Operator in a particular market the Licensee shall specify the precise amount of such charges in accordance with paragraph 7.1(a), insofar as they relate to the market in respect of which such a determination has been made.

7.3 The requirement to publish under paragraph 7.1 shall not apply in respect of any service which is materially different from any service already provided by the Licensee by means of the Applicable Systems until such time as it is provided and a copy of the notice shall be sent to the Director at that time.

7.4 Publication of the notice shall be effected by:

- (a) sending a copy thereof to the Director to arrive not more than 28 days after the date on which the Licensee first provides services under the Licence and thereafter not less than one day before any proposal to amend any charge, term or condition or the method of determining the same is to become effective: provided that where the Director has made a determination that the Licensee is a Well Established International Operator in a particular market, this subparagraph shall have effect as if the words "28 days" were substituted for the words "one day" insofar as any such proposal relates to the provision of services in relation to the market in respect of which such a determination has been made;
- (b) placing as soon as practicable thereafter a copy thereof in a publicly accessible part of every Major Office of the Licensee in such a manner and in such a place that it is readily available for inspection free of charge by members of the general public during such hours as the Secretary of State may by order prescribe under section 19(4) of the Act that the register of Licences and final and provisional orders is to be open to public inspection, or in the absence of any such order having been made by the Secretary of State, during normal office hours; and
- (c) sending a copy thereof or such part or parts thereof as are appropriate to any person who may request such a copy.

7.5 The obligations imposed on the Licensee by this Condition are without prejudice to any determination which the Director may make under Condition 9 of this Licence.

**Condition 8****PROHIBITION ON UNDUE PREFERENCE AND UNDUE DISCRIMINATION**

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

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

**8.2** 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 8.1 so as to place at a significant competitive disadvantage persons competing with that business.

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

**8.4** The obligations imposed on the Licensee by this Condition are without prejudice to any determination which the Director may make under Condition 9 of this Licence.

**Condition 10****FAIR TRADING**

**10.1** The Licensee shall not do any thing, whether by act or omission, which has or is intended to have or is likely to have the effect of preventing, restricting or distorting competition where such act or omission is done in the course of, as a result of or in connection with, providing telecommunication services, or any particular description of telecommunication service, or running a telecommunication system.

For the purpose of this Condition such an act or omission will take the form of:-

- (a)** any abuse by the Licensee, either alone or with other undertakings, of a dominant position within the United Kingdom or a substantial part of it. Such abuse may, in particular, consist in:
  - (i)** directly or indirectly imposing unfair purchase or selling prices or other unfair trading conditions;
  - (ii)** limiting production, markets or technical development to the prejudice of consumers;
  - (iii)** applying dissimilar conditions to equivalent transactions with other parties, thereby placing them at a competitive disadvantage; or
  - (iv)** making the conclusion of contracts subject to acceptance by the other parties of supplementary obligations which, by their nature or according to commercial usage, have no connection with the subject of such contracts; or
- (b)** the making (including the implementation) of any agreement, the compliance with any decision of any association of undertakings or the carrying on of any concerted practice with any other undertaking which has the object or effect of preventing, restricting or distorting competition within the United Kingdom.

- 10.2**
- (a)** An act or omission of a kind described in paragraph 10.1 is not prohibited where:
    - (i)** it has or would have no appreciable effect on competition; or
    - (ii)** it has or would have no effect on competition between persons engaged in commercial activities connected with telecommunications and it would have no effect on users of telecommunication services.
  - (b)** An act or omission of a kind described in paragraph 10.1(b) is not prohibited by this Condition if the agreement decision or concerted practice contributes to improving the provision of any goods or services or to promoting technical or

economic progress, while allowing consumers a fair share of the resulting benefit and does not:

- (i) impose on the parties concerned restrictions which are not indispensable to attaining those objectives; and
  - (ii) afford such parties the possibility of eliminating competition in respect of a substantial part of the goods or services in question.
- (c) This Condition shall not apply to any provision of an agreement insofar as it is a provision by virtue of which the Restrictive Trade Practices Act 1976 applies to that agreement.
- (d) This Condition shall not apply to a merger situation qualifying for investigation under the Fair Trading Act 1973.

**10.3** Whether any act or omission is prohibited by this Condition shall be determined:-

- (a) with a view to securing that there is no inconsistency with the general principles having application to similar questions of directly applicable competition law, in particular those laid down by the Court of Justice of the European Communities on the scope of the competition rules contained in the EC Treaty and block exemptions adopted by the European Commission under Article 85(3); and
- (b) having regard to -
  - (i) any decision taken, or notice issued, by the European Commission in applying the competition rules contained in the EC Treaty and any relevant pronouncement of the Director General of Fair Trading or report of the Monopolies and Mergers Commission; and
  - (ii) any guidelines on the application of this Condition issued from time to time by the Director.

- 10.4**
- (a) If it appears to the Director that an act or omission of the Licensee is or was prohibited by this Condition he may make an initial determination to that effect (an "Initial Determination").
  - (b) Before making an Initial Determination the Director shall give a notice to the Licensee:
    - (i) stating that he is investigating a possible contravention of this Condition;
    - (ii) setting out the reasons why it appears to him that this Condition may be being, or may have been, breached, including any matters of fact or law which he thinks relevant;

- (iii) requesting within a reasonable period laid down by the Director such further informations as he may require from the Licensee in order to complete his Determination; and
- (iv) where appropriate, setting out the steps he believes the Licensee would have to take in order to remedy the alleged breach.

**10.5 (a) Within 28 days of the Director -**

- (i) making an Initial Determination;
- (ii) making a provisional order, or
- (iii) giving notice of his proposal to make a final order under section 17(1) of the Act

in respect of the contravention in question, the Licensee may notify the Director that it -

- (iv) requires him to make a final determination (a "Final Determination") of the matter;
  - (v) requires that in making the Final Determination he take into account a report of a body of experts appointed by him to consider the matter ("the Advisory Body").
- (b) Before making a Final Determination the Director shall -**
- (i) give a notice to the Licensee setting out the matters referred to in paragraph 10.4(b); and
  - (ii) if the Licensee has given notice under sub-paragraph (a) (v) above, take into account the report of the Advisory Body on the matter.
- (c) The Director shall then determine whether he is satisfied that the act or omission in respect of which the Initial Determination was made is or was prohibited by this Condition.**

**10.6 (a) Before making his Initial Determination or Final Determination the Director shall give the Licensee, and any other person whom he considers it appropriate to consult, such period within which to make representations (both orally and in writing) in response to the notice as he considers reasonable in all the circumstances.**

- (b) The Director shall notify the Licensee and any other person whom he considers it appropriate to notify of every Initial Determination and Final Determination made by him and of his reasons for making it; and he shall, if so requested by the Licensee, publish any report of the Advisory Body on the matter, subject to**

such exclusions as he may consider it appropriate to make of matters of a kind mentioned in section 48(2) of the Act.

**10.7** The Director shall publish a description of his office's procedures for the enforcement of this Condition including the steps taken to ensure that he has access to appropriate independent advice in enforcing this Condition.

**10.8** This Condition shall not limit or affect in any way the Licensee's obligations arising under any other Condition of this Licence nor limit the Director's powers of enforcement under sections 16 to 18 of the Act.

**10.9 (a)** On the coming into force of any Act or subordinate legislation which -

- (i) contains a prohibition enforceable by the Director, or gives to the Director the power to enforce an existing prohibition, of any behaviour prohibited under paragraph 10.1;
- (ii) gives to third parties in respect of a breach of that prohibition at least the rights they have under section 18 of the Act in respect of a breach of a provisional or final order, and
- (iii) permits the imposition on the Licensee of monetary penalties in respect of the breach of that prohibition

this Condition shall cease to apply to the behaviour prohibited by or the prohibition enforceable by such Act or subordinate legislation.

(b) If this Condition still has effect on 31st July 2001, it shall cease to have effect after that date.

**10.10 (a)** This Condition shall come into force on 31st December 1996.

(b) The prohibition in paragraph 10.1(b) shall not apply to acts or omissions done before 31 March 1997 in pursuance of agreements entered into prior to the date of this Licence.

**Condition 11****ESSENTIAL INTERFACES**

**11.1** This Condition operates without prejudice to the provisions of Condition 5.

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

**11.3** Where in pursuance of paragraph 11.2 the Director specifies an interface as an Essential Interface, and the Licensee thereafter makes that interface available to an Operator in relation to its Applicable Systems, it shall do so in such a manner as it considers appropriate, but shall ensure such availability in compliance with a Relevant Standard if the Operator so requires.

**11.4** For the purposes of paragraph 11.3 "Relevant Standard" means:

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

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

**11.5** Where in pursuance of paragraph 11.4(b) the Director specifies a standard as a Relevant Standard, he shall include in that Relevant Standard a technical specification, using all reasonable endeavours to obtain the agreement of the Licensee and other relevant licensees to a technical specification applicable to that Relevant Standard, being a specification defined if possible by reference to:

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

**11.6** Where after a reasonable time the Director has been unable in accordance with paragraph 11.5 to secure the agreement of the Licensee and other relevant licensees to a technical specification, the Director shall adopt for inclusion in the Relevant Standard an appropriate technical specification which has been promulgated by a recognised standards body, including, by way of example, the European Telecommunications Standards Institute, or

the British Standards Institution, or other such body as the Director considers to be representative of all relevant telecommunications interests.

11.7 The Director shall specify a Relevant Standard in pursuance of paragraph 11.4 only if the owners of relevant intellectual property rights have agreed to grant any necessary licences in respect thereof to the Licensee on reasonable terms.

11.8 For the avoidance of doubt this Condition shall not:

- (a) without prejudice to paragraph 11.3, prevent the Licensee using such interfaces as it considers appropriate in relation to the Applicable Systems; or
- (b) where it makes available to an Operator an interface which the Director has specified as an Essential Interface, require the Licensee to comply with the Relevant Standard if the Operator does not require it to do so.

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

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

provided that the Licensee shall take reasonable steps to incorporate the Relevant Standard in its plans for network development, with a view to implementation of that Standard in connection with the Applicable Systems, but without the Licensee incurring any incremental expenditure which, but for the implementation of the Relevant Standard, would not have been incurred;

- (b) if the Relevant Standard is inappropriate for the particular application for any reason, including, without limitation:
  - (i) that it does not afford the Licensee adequate protection for the security of the Applicable Systems;
  - (ii) that its implementation would be liable to cause material impairment in the quality of any telecommunication service provided by means of the Applicable Systems;

- (iii) that it does not cater adequately for billing, metering or other customer administration systems; or
  - (iv) that it is technically inadequate in the light of technical developments which have taken place since it was originally created;
- (c) if the Essential Interface concerned is of a genuinely innovative nature and accordingly the use in connection with it of the Relevant Standard would not be appropriate;
- (d) if compliance with the Relevant Standard would involve the infringement by the Licensee of any intellectual property right vested in any person; or
- (e) if the Director so agrees.

**11.10** Where paragraph 11.9(b) or 11.9(c) applies, the Licensee shall notify the Director thereof in writing, providing an explanation why.

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

**CUSTOMER INTERFACE STANDARDS**

**12.1** 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.

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

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

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

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

**12.4** Subject to paragraph 12.5, any notice under this Condition shall be published in a manner appropriate for bringing the matters to which the notice relates to the attention of persons likely to be affected by or to have an interest in them.

**12.5** Where the Director following any representation or observation made to him reasonably concludes that a notice under paragraph 12.2 has not been published in an appropriate manner he may direct the Licensee to carry out such further publication as he considers reasonably necessary to meet the requirements of paragraph 12.4.

**Condition 13****METERING AND BILLING ARRANGEMENTS**

**13.1** 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.

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

**13.3** As regards any description of Meter specified by the Director and not in use in connection with the Applicable Systems on the date specified under paragraph 13.2, the Licensee shall, unless the Director consents otherwise, apply for Approval not later than such date as is further specified by the Director or not fewer than six months before the date on which the Licensee intends to bring that Meter into such use, whichever shall be the later.

**13.4** The Licensee shall not after such date as the Director may determine in relation to any description of Meter so specified by him, keep in use or bring into use in connection with the Applicable systems, any Meter of a description so specified which is not Approved or for which the Licensee has not made an application for Approval.

**13.5** Where Approval is not granted to or is withdrawn from a particular description of Meter the Licensee shall, as soon as is reasonably practicable, either,

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

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

**13.7** Without prejudice to the generality of paragraph 13.6 the Licensee shall at all times maintain in operation such a Billing Process as facilitates compliance by the Licensee with, and is calculated to prevent contravention by it of, that paragraph.

**13.8** The Licensee shall not be regarded as being in contravention of its obligation under paragraph 13.6 except where the failure is in relation to the Billing Process and the Licensee has failed to take all reasonable steps to prevent a contravention of that obligation.

**13.9** The Licensee shall keep such records as may be necessary or as may be determined by the Director to be necessary for the purpose of satisfying the Director that the Billing Process has the characteristics required by paragraph 13.7, provided that nothing in this paragraph shall require the Licensee to retain any records for more than 2 years from the date on which they came into being.

**13.10** For the purpose of giving the Director an independent quality assurance from time to time that the Billing Process has the characteristics required by paragraph 13.7, the Licensee shall, where the Director has prima facie grounds to believe the Billing Process does not have those characteristics and has so notified the Licensee, extend its prompt co-operation to the Director and, in particular, on request by the Director shall;

- (a) furnish the Director in accordance with the Director's reasonable requirements any Information, document (including any facility enabling him to read data not held in readable form) or other thing;
- (b) carry out (or cause to be carried out by such person having such special expertise as the Director may specify and to whom the Director has raised no reasonable objection) in such manner as the Director may specify an examination of the whole or of any part of the Billing Process and as soon as practicable after the conclusion of such examination furnish to the Director a written report by the Licensee or that specified person, as the case may be, of the results of such examination;
- (c) on reasonable notice by him allow at all reasonable times the Director and, in the case of any member of his staff, on production of his special authority in that behalf, access to any relevant premises, plant or equipment of the Licensee;
- (d) on reasonable notice by him allow at all reasonable times the Director and, in the case of any member of his staff, on production of his special authority in that behalf, to examine or test the whole or any part of the Billing Process including any plant or equipment whether or not forming part of the Applicable Systems;
- (e) for the purpose of paragraphs 13.10(c) and 13.10(d), allow the Director to be accompanied by any person as the Director may specify and to whom the Licensee has raised no reasonable objection whose assistance he might reasonably require for the purpose described at the beginning of this paragraph provided that the Director shall have given the Licensee notice (save in exceptional circumstances) of at least 5 working days of the identity of that person; and
- (f) install and keep installed any equipment (whether or not supplied by the Director) for the purpose of verifying;

- (i) the accuracy and reliability of any equipment or apparatus (including any Meter) of the Licensee;
- (ii) in the case of any Meter which is or is required to be Approved and is in use in connection with the Applicable Systems, compliance with any conditions or other matters which may be required as regards such use of that Meter.

**13.11 In this Condition:**

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

## Condition 14

**NUMBERING ARRANGEMENTS**

**14.1** This Condition shall only apply where the Applicable Systems are connected to a telecommunication system not being run under a Licence issued to a particular person, or where the Licensee has been granted Numbers by the Director.

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

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

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

**14.5** The Licensee shall from time to time consult:

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

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

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

- (c) the cost of changing any of the switched Applicable Systems or any Relevant Apparatus or Relevant System in order to accommodate the revised Numbering Plan is reasonable; and
- (d) inconvenience caused by the alteration of the Numbering Plan to the Licensee and to persons using Relevant Apparatus or Relevant Systems in respect of which Numbers have previously been allocated is minimised.

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

**14.8** Before making a determination under paragraph 14.7 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 it and any other standard to which the Director consents for the purpose from time to time; and
- (e) the views of the Licensee and such other persons (including operators of telecommunication systems, those to whom telecommunication services are provided or telecommunication apparatus is supplied and producers of telecommunication apparatus) as appear to the Director to have an interest in the matter.

**14.9** Where the Licensee has adopted a Numbering Plan in accordance with paragraph 14.7, or the Director has made a determination under that paragraph (by virtue of

which the Licensee shall adopt the Numbering Plan), the Numbering Plan so adopted shall be the Licensee's Numbering Plan until the Licensee adopts a Numbering Plan pursuant to the following provisions of this Condition. The Numbering Plan referred to in the following provisions of this Condition is the Numbering Plan adopted pursuant to those provisions.

**14.10** The Director may determine a Specified Numbering Scheme (the "Scheme") in accordance with the National Numbering Conventions (the "Conventions") published in accordance with paragraph 14.14 and he will allocate Numbers from this Scheme to the Licensee in accordance with the Conventions. The initial allocation of Numbers to the Licensee shall be of those Numbers to which the Numbering Plan referred to in paragraph 14.3 relates and of any other Numbers to which any other Numbering Plan in force immediately before such allocation relates, provided that, at such time of initial allocation, those Numbers are currently in use by the Licensee, and where not so in use, the Director shall have due regard to the Licensee's plans and future requirements for its use and allocation of additional Numbers. The Director shall, at the request from time to time of the Licensee, allocate to it:

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

**14.11** The Licensee shall adopt a Numbering Plan for such Numbers as the Director may allocate to it from time to time in accordance with the Conventions. It shall within three months of being notified of such allocation furnish details of the Numbering Plan to the Director, and keep him informed of material changes to the Numbering Plan as they occur. The Licensee shall also furnish details of the Numbering Plan together with any material changes to that Numbering Plan on request to any other person having a reasonable interest. Except where the Director agrees otherwise, the Numbering Plan shall be consistent with the Conventions published in accordance with paragraph 14.14. If the Numbering Plan is not consistent with those Conventions, the Director may direct the Licensee to adopt and furnish him with a new Numbering Plan or to take such other reasonable remedial action which does not cause undue inconvenience to the Licensee's customers, as may be necessary to ensure consistency.

**14.12** The Licensee shall install, maintain and adjust its switched Applicable Systems so that those Systems route Messages and otherwise operate in accordance with the Numbering Plan. The Licensee shall not use Numbers other than those allocated to it from the Scheme except:

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

- 14.13**
- (a) The Licensee shall provide to the Director, on request, such information about its operations under its Numbering Plan as he may reasonably require to administer the Scheme and in particular on:
- (i) the percentages of Numbers in significant ranges which have already been allocated to end-users or which for other reasons are unavailable for further allocation;
  - (ii) any allocation of blocks of Numbers to any person for purposes other than end use;
  - (iii) Numbers whose use has been transferred at an end-user's request to another Operator, and
  - (iv) the Licensee's current forecasts of all of the above matters.
- (b) The Licensee shall not be required to provide information about individual end-user customers.
- (c) In making any such request the Director shall ensure that no undue burden is imposed on the Licensee in procuring and furnishing such information and, in particular, that the Licensee is not required to procure or furnish information which would not normally be available to it, unless the Director is satisfied that such information is essential to the administration of the Scheme.
- 14.14**
- (a) The Conventions referred to in this Condition will be a set of principles and rules published from time to time by the Director after consultation with interested parties who are members of the Telecommunications Numbering and Addressing Body and, if deemed appropriate, with end-users.
- (b) In consulting the said interested parties, the Director shall afford a reasonable period, not being less than 28 days, for them to make representations, and he shall take the said representations into account when publishing the Conventions. The Conventions shall govern the specification and application of the Scheme and the Numbering Plan of the Licensee and may also include such other matters relating to the use and management of Numbers as (but not limited to):
- (i) criteria and procedures relating to the application for, allocation of and withdrawal of Numbers;
  - (ii) dialling plans;
  - (iii) access codes;
  - (iv) prefixes;
  - (v) standard ways of recording Numbers for convenience or ease of use, such as the grouping of digits in Numbers of particular lengths; and

- (vi) **methods of enabling end-users to understand the meaning implicit in Numbers or other dialled digits, and in particular the rate at which a call to a particular Number will be chargeable.**
- (c) **The Director may from time to time amend or withdraw a Convention already published, after consultation with interested parties who are members of the Telecommunications Numbering and Addressing Body. The Licensee shall not be required to comply with any such amendment or withdrawal unless the Licensee has been given a reasonable period of notice, such notice not being less than three months. Numbers allocated to the Licensee may only be withdrawn after similar consultation and notice, and the Director shall consult end-users affected by such withdrawal. Subject to overriding national interests, or where there is no alternative solution available, the power to withdraw Numbers shall not apply to any Numbers which the Director has approved from time to time as part of a specific service of the Licensee, which, as a result of investment by the Licensee, has a recognised identity and quality associated with that particular Number and which the Licensee is using and plans to continue to use.**

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

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

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

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

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

**14.19** The Numbers to which this Condition applies are Numbers:

- (a) of a class described in CCITT Recommendation E.160, E.163, E.164, E.165, E.166 or F.69 or their functional successors; or
- (b) which are of a class described in CCITT Recommendation X.121 and which include any Data Network Identification Code which has been:
  - (i) allocated before 14 November 1986 in accordance with a Numbering Plan furnished to the Director; or
  - (ii) specified by the Director for the purposes of this Licence and described in a list kept for that purpose by the Director and made available by him for inspection to the general public.

**Condition 15****ARRANGEMENTS FOR PROPORTIONATE RETURN**

**15.1** This Condition shall apply in respect of the conveyance of Messages to or from each country and territory in the world other than as specified from time to time by the Secretary of State.

**15.2** Except insofar as the Director may otherwise consent in writing, the Licensee shall ensure (using the most up-to-date information available) that over each quarterly period for each Accounting Rate Service the First Ratio shall be no greater than the Second Ratio.

**15.3** Where it appears to the Director that in respect of any country or territory the obligation imposed by paragraph 15.2 is being breached, he may make a determination to that effect and the Licensee shall take such steps as the Director may direct for the purpose of remedying the situation. In particular, and without prejudice to the generality of the foregoing, any such direction may require the Licensee to cease to convey any Messages to that country or territory.

**15.4** In this Condition:

**"First Ratio"** means the volume of Messages comprised in each Accounting Rate Service which are conveyed by the Applicable Systems and are delivered to the United Kingdom divided by the volume of all Messages comprised in each Accounting Rate Service which are delivered to the United Kingdom; and

**"Second Ratio"** means the volume of all Messages comprised in each Accounting Rate Service which are conveyed by the Applicable Systems and are sent from the United Kingdom divided by the volume of all Messages comprised in each Accounting Rate Service which are sent from the United Kingdom.