

22nd September 1992

Mr. Rob Lloyd-Owen  
BT Sales  
1 Portland Street  
MANCHESTER  
M60 1HR

**Cognito Group Ltd**

Medway House  
Newbury Business Park  
London Road  
Newbury  
Berkshire RG13 2PZ  
United Kingdom

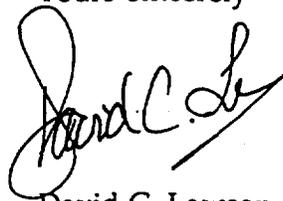
Telephone: 0635 508200  
Fax: 0635 550783

Dear Rob,

There are a number of commercial issues that need to be addressed prior to the signing of agreements between the "new" Cognito and BT. As George is out of circulation until next week I'm addressing them to you in order to save time when he gets back.

1. I understand that there are discount schemes available to provide savings in the ongoing rental costs for longer term contracts. I understand that these allow for flexibility in the location of the circuits. Could you please provide details of these.
2. Could you please provide details of the Total Care option together with the warranties that BT provide and costs associated with this facility.
3. You may be aware that Cognito have previously asked for the right to negotiate a commercial interconnect agreement (ie non-standard tariffing!) on the basis that we are a 'Relevant Connectable System'. We have been unable to gain acceptance of this position by BT and because of the timescales involved, therefore, we will be entering into agreements with you on standard tariffs. I must point out, however, that it is possible that Cognito may wish to revisit this issue again at some time in the future and that I will want to ensure that nothing in our proposed agreement will preclude this.

Yours sincerely



David C. Lawson



Telephone 061 228 1090  
Facsimile 061 236 8139  
Telex 666355 NAM G

Mr D C Lawson  
Engineering & Operations Director  
Cognito Group Limited  
Medway House  
Newbury Business Park  
London Road  
Newbury  
RG13 2PZ

23 September 1992

Dear David

Thank you for your letter dated 22nd September 1992 concerning a number of commercial issues between the "new" Cognito and BT.

1. Circuits which attract discounts on annual rentals can have a number of shifts during the term of the contract term. The normal connection charge for local ends and main links would apply. The annual rental for the circuit would be adjusted accordingly.
2. Total care option details will be included with the BT proposal re the new network.
3. Cognito will not be prevented from pursuing a commercial interconnect agreement with BT by accepting the current BT proposals under standard terms and conditions. When Cognito can demonstrate their eligibility, and such a contract is negotiated the relevant tariffing would be applied to any circuits provided under standard terms and conditions.

Yours sincerely

Rob Lloyd-Owen  
ACCOUNT MANAGER

cc George Batten



Telephone 071

Dave Lawson  
Cognito Ltd  
Newbury Business Park  
London Road  
Newbury  
Berks  
RG13 2PZ

29 October 1993

Dear Dave

**POOL CONTRACTS**

Thank you for your fax of 28 October 1993. I would like to answer the points you raised.

**1. BT Price List**

Please find attached pages 117 and 118 from the BT Price List which show the terms and conditions.

**2. Pool Contract Paragraph 9**

Please find attached a memo from Andy Crookes, the Private Circuit Services Manager, which refers to this.

As you can see the amended wording is not likely to be in place until after 1 December 1993. However I hope that this will reassure you sufficiently in order not to delay your receiving the benefits of a pool contract for at least another month.

**3. Interconnect Agreement**

In the event that Cognito Ltd obtain a change in its operating license and are able to negotiate with BT under different license conditions than Condition 16, Cognito Ltd would not be penalised by migrating to new terms and conditions from any existing contract.

I hope this now clears up all the points that concern you.

The pool contract is now being prepared and I shall bring it to you for signature on Wednesday on Thursday next week. I shall call you as soon as I am able to confirm the day.

Please let me know if you have any questions remaining.

Regards



**GEORGE BATTEN**  
0426 981040



Telephone 071 728  
Facsimile 071 388 3561

Dave Lawson  
Cognito Ltd  
Newbury Business Park  
London Road  
Newbury  
Berks  
RG13 2PZ

1st November 1993

Dear Dave

Following my letter to you earlier today I would like to follow-up the point you subsequently made on the telephone concerning your existing operating licence.

If Oftel were to rule that your existing licence allowed different Terms and Conditions, other than Condition 16, then of course BT would abide by it. Paragraph 3 of my letter 'Interconnect Agreement' would equally apply to any ruling on the interpretation of your existing operating licence.

Regards

GEORGE BATTEN  
Voicebank: 0426 981040

BT Sales  
Euston Tower Room 31/31 286 Euston Road LONDON NW1 3DG

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MARK KENDRICK  
Consultant  
BRENDAN PATTERSON

J. Bean. Esq  
OFTEL  
50 Ludgate Hill  
LONDON  
EC4

2nd May, 1996

Our ref: CRH/DP/11673/ns

WITHOUT PREJUDICE

Dear Mr. Bean.

RE: Condition 13 Interconnection Enquiry

Thank you for taking the time to discuss my preliminary enquiries on an interconnection matter and I now set out, as requested, further written details. Please appreciate that I am instructed by our client not to disclose its identity at this stage.

Approaching BT to Secure Condition 13 Wholesale Rates

Our client is an operator of a national public data network service and was granted a Licence under Section 7 of the 1984 Act. As is explained further below, this Licence grants our client the status of its system being deemed to be a Relevant Connectable System ("RCS") thereby allowing it to benefit from Condition 13 rates on interconnection with BT.

Despite the client's efforts to secure wholesale rates since being granted its Licence, BT has continued to treat our client as a retail customer, charging retail rates in accordance with Condition 16.

In this regard, I refer you to the following items of correspondence relating to our client's requests, since receipt of the Licence for wholesale rates. In a letter of 1 November 1993, a non-confidential copy of which I have attached, BT states to our client:-

"If OFTEL were to rule that your existing Licence allowed different Terms and Conditions, other than Condition 16, then of course BT would abide by it". This letter goes on to state "Paragraph 3 of my letter "Interconnect Agreement" will equally apply to any ruling on the interpretation of your existing operating licence". This makes a reference to another BT letter dated 29th October 1993, a copy of which I also enclose. The BT letter demonstrates, at best, a contradictory attitude on the part of BT. The letter of 1st November 1993 acknowledges

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that our client's existing licence is capable of entitling it to wholesale rates whereas the letter of 29th October 1993 states that a change in our client's licence will first be required. The relevant part of such letter reads "In the event that [you] obtain a change in [your] operating licence and are able to negotiate with BT under different licence conditions than Condition 16, [you] would not be penalised by migrating to new terms and conditions from any existing contract." This begs the point that if our client was entitled to such terms from day one without any licence change, then it should also receive a retrospective rebate.

Such a view is strengthened by the next item of correspondence that I attach. This is a copy of a letter dated 23rd September 1992 which refers to a letter from our client dated 22nd September 1992 concerning commercial issues of interconnection. Paragraph 3 of the letter of 23rd September 1992 reads as follows:- "[Client] will not be prevented from pursuing a commercial interconnect agreement with BT by accepting the current BT proposals under standard terms and conditions. When [client] can demonstrate their eligibility, and such a contract is negotiated the relevant tariffing would be applied to any circuits provided under standard terms and conditions." The point I would make here is that it is for BT to demonstrate our client's ineligibility rather than the reverse.

As can be seen by the above items of correspondence, our client is in need of a letter from OFTEL stating that the client was, indeed, entitled to wholesale Condition 13 rates as from the date it requested interconnection on the basis of its Section 7 Licence. It is our view that the client is, in fact, so entitled and that this applies to the client's network and the charges they ought to pay to BT.

#### Client's Telecommunications System

The client runs a national public data network service and requires the use of BT leased lines to send messages between its base stations and switching sites. These switching sites and base stations are connected as set out in the schedule to this letter.

#### Legal Reasoning for Right to Condition 13 Rates

The first point to note is that our client is not a public telecommunications operator. Its leasing of private circuits from BT does not fall within Condition 46 which would have otherwise excluded the application of Condition 13 in respect of the private circuits. It is clear that the system operated by our client falls within the definition of a RCS pursuant to Condition 13.9. To this end, I refer you to Schedule 3 of the client's Section 7 Licence which authorises connection to its Applicable Systems of any telecommunication system run under a Licence. This provision in Schedule 3 of the client's Licence is identical to the Schedule 3 provision seen in some ISR licences which grants those ISR operators the right to interconnect under Condition 13 terms.

#### Procedure for Notifying BT that Condition 13 is Applicable

If we are correct in our views then I would be grateful for OFTEL's assistance to us when we notify BT that they were incorrect in denying our client's request for wholesale rates on its interconnection. To this end, I can supply you, when required, with unedited versions of the correspondence to which I have referred you to.

Refund of Overpayments

If it appears that BT has been in breach of its own Licence in wrongly rejecting our client's request for Condition 13 pricing I would also be grateful for OFTEL's views on our proceeding to recoup the overpayments made by the client since 12th October 1992. Since I work very close to OFTEL, I would be pleased at any time to meet you at your office on short notice to discuss any of these issues.

I thank you for your kind assistance in this matter which I hope can be speedily resolved.

Yours sincerely,

pp  
Danny Preiskel

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J. Bean, Esq  
OFTEL  
50 Ludgate Hill  
LONDON  
EC4

13th May, 1996

Our ref: CRH/DP/11684/ns

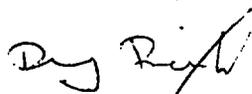
Dear Mr. Bean,

**RE: Condition 13 Interconnection Enquiry**

Further to my letter to you of 2nd May, I attach a copy of a letter referred to in British Telecom's letter of 23rd September, which has just been brought to my attention.

Thank you for your assistance in this matter.

Yours sincerely,



Danny Preiskel

Your reference  
Our reference  
Date 16 May 1996



Danny Preiskel  
Rakisons  
27 Chancery Lane  
London WC2A 1NF

50 Ludgate Hill  
London EC4M 7JJ  
Fax: 0171 634 8943  
Switchboard: 0171 634 8700  
Direct Line: 0171 634 8849

16 MAY 1996

Dear Mr Preiskel

**C13 Interconnection Inquiry**

I am replying to your letters of the 2 (received 8 May) and 13 May addressed to John Bean.

**Identity of your Client**

OFTEL cannot give you a definitive view on the questions you raise until we know the identity of your client and have fully considered the terms of your client's licence. From the information you have given us it is not possible to say whether C13 does apply. We would not, of course, disclose your client's identity to any third party without the prior consent of your client.

**Determination Procedure**

It is worth noting at this stage that were OFTEL to concur with your interpretation of your client's licence it would not "rule" that your client has a right to C13 terms, as OFTEL has no vires to do so. The procedure under C13 is that your client and BT would need to bona fide negotiate on interconnection. If these negotiations were to break down then your client would then need to formally request the Director General of Telecommunications ("DG") to determine the issues in dispute under C13 of BT's licence. We would need evidence that genuine negotiations had taken place and then proceed to consider the determination request.

Although we would be prepared to indicate before a determination request our likely view, this would not be binding or have legal effect, as to do so would fetter the DG's statutory discretion.

**Backdating of Overpayments**

OFTEL consider it more appropriate that you (as a firm of solicitors) consider the position between your client and BT and any possible overpayments. Although OFTEL has a statutory

duty to determine disputes referred to it the effects of such determinations commercially are a matter of private law and are for the parties to consider.

If you require any more assistance please don't hesitate to telephone me on 0171 634 8849.

Yours sincerely

Rob Bratby.

Robert Bratby

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Robert Bratby Esq  
Oftel  
50 Ludgate Hill  
London EC4M 7JJ

13 June 1996

Our ref: CRH/AJL/11864

Dear Mr Bratby

**RE: C13 INTERCONNECTION**

Further to your letter dated 16 May 1996 and my letter to Mr Bean dated 2 May I now set out the further information required for a Condition 13 determination.

**Identity of client**

As requested in the second paragraph of your letter, the identity of my client is Cognito Limited ("CL") and I duly attach a copy of its Section 7 licence dated 12/10/92 (Annex 1). Please note that Cognito Group Limited previously operated under a Section 7 licence dated 28/01/92 (Annex2) and applied for the new licence in the name of CL following a reorganisation.

Following your letter, CL have now supplied me with further correspondence with British Telecommunications plc ("BT") providing further evidence of CL's negotiations with BT to secure non-standard tariffing for a "relevant connectable system".

**Evidence of genuine negotiations**

The correspondence attached shows that genuine negotiations regarding CL's request for Condition 13 interconnect did indeed take place during September of 1992.

The letter dated 3 September 1992 (Annex 3) from David Lawson of CL to George Batten of BT refers Mr Batten to the Department of Trade and Industry's belief that CL are a "relevant connectable system". This letter also refers to previous discussion with BT's regulatory office on the matter. These previous discussions are further evidenced by a letter of the same date from David Lawson of ~~BT~~ to George Batten of ~~CL~~ (Annex 4) *of BT.*

CL's position was confirmed in a letter to Rob Lloyd-Owen of BT on 22 September 1992 (Annex 5). 47

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In a letter to David Lawson of CL from Rob Lloyd-Owen of BT dated 23 September 1992 (Annex 6) BT made it clear that on the facts they did not accept that CL was a "relevant connectable system" and consequently this aspect of the negotiations terminated.

We would request that this letter be treated, in conjunction with my letter dated 2 May to Mr Bean (Annex 7), as a formal request to the Director General of Telecommunications to determine the issue.

If you have any further queries about this matter please contact me or, in my absence Adrian Lewis of this firm.

Yours sincerely

**DANNY PREISKEL**

Your reference

Our reference

Date 24 June 1996



Danny Preiskel  
Rakisons  
27 Chancery Lane  
London WC2A 1NF

---

50 Ludgate Hill

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London EC4M 7JJ

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Fax: 0171 634 8943

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Switchboard: 0171 634 8700

---

Direct Line: 0171 634 8849

**26 JUN 1996**

Dear Mr Preiskel

**Determination request From Cognito Limited**

Thank you for your letter of 13 June. We have informed BT of the determination request and are seeking information from them.

I note from the annexes to your letter that there does not appear to be any correspondence between Cognito Ltd and BT Carrier Services, or evidence that you have sought an interconnect agreement with BT. Please supply such details.

Please specify each circuit requested by date and type (evidenced by correspondence).

Please also supply a list of outstanding issues between you and BT, and how you would consider it appropriate for these to be dealt with in a determination. Please outline why you consider this request should be dealt with under C13 of BT's licence (for example do you consider it to fall under C13.1(a) or (c)?).

I look forward to your early reply,

Yours sincerely

*Rob Bratby*

**Robert Bratby**

# RAKISONS

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MARK KENDRICK

David Farren  
BT UK Carrier Services Sales  
PP 56G009  
4/5 Longwalk Road  
Stockley Pk  
Uxbridge  
Middlesex UB11 1TT

30 October 1996

Our ref: CRH/DP/BAH/11684

Dear Mr Farren

**RE: Cognito Request for Condition 13 Wholesale Pricing on BT Leased Lines**

I am writing to you on behalf of Cognito Limited, a national mobile data operator operating under a licence granted under Section 7 of the Telecommunications Act 1984 ("TA Licence"), as I understand you are Cognito's account manager. As you are no doubt aware, Cognito has been using BT circuits for several years. Despite various written requests dating as far back as 1992 for these to be supplied on a wholesale basis, BT still charges these to Cognito at retail rates.

**1 *Entitlement to Condition 13 pricing on private circuits***

1.1 By virtue of Cognito's TA Licence the system that Cognito operates is deemed to be a "Relevant Connectable System" as defined under the terms of the TA Licence granted to BT. BT is therefore obliged to levy Cognito with rates derived by using the methodology in Condition 13 of BT's TA licence when Cognito seeks to interconnect its Relevant Connectable System to the BT network and to exchange traffic thereby.

**2 *Request for new circuits ordered to be provided under Condition 13***

2.1 This letter is formal notification on behalf of Cognito that all future private circuit requirements that Cognito has of BT are expected to be supplied under Condition 13 of your TA Licence.

2.2 As regards the first circuits required to be provided under Condition 13 details of these are set out in schedule 1 to this letter. Please accordingly supply us with a copy of the terms of business and proposed prices relating to supply of such circuits under Condition 13 within 14 days of the date of this letter.

3 *Conversion of existing circuits to Condition 13 terms*

- 3.1 The first written record of Cognito requiring BT to provide private circuits under Condition 13 dates back to September 1992 and is attached at schedule 2. You should be aware that Cognito has then and throughout relied on statements from BT to the effect that Cognito would not be penalised in migrating from retail rates to wholesale rates. In each and every case therefore when Cognito entered into agreements with you for such private circuits albeit at retail rates it was relying upon various representations from BT to the effect that were it to be proven that Condition 13 pricing applied then Cognito would retrospectively have the benefit of such prices from each date that it contracted for the relevant circuits at retail rates.
- 3.2 In particular I quote from correspondence from BT dated 23 September 1992 which states and I quote "Cognito will not be prevented from pursuing a commercial inter-connect agreement with BT by accepting the current BT proposals under standard terms and conditions. When Cognito can demonstrate their eligibility and such a contract is negotiated the relevant tariffing would be applied to any circuits provided under standard terms and conditions".
- 3.3 Accordingly this letter is also formal notification that Cognito requires its circuits leased from you to be migrated at the earliest possible opportunity onto tariffing derived in accordance with Condition 13 of your TA Licence.
- 3.4 This letter is also formal notification that Cognito seeks reimbursement of the overpaid differential between retail and wholesale rates in respect of all circuits ordered by it from BT dating back to 3 September 1992.

4 *Actions for BT to take*

- 4.1 In the first instance I suggest that a meeting be convened at the earliest possible opportunity to consider issues that this letter raises. In any event Cognito is also seeking confirmation at the earliest possible date and no later than 21 days from the date of this letter with regard to the following:
- (i) circuits in this letter ordered in Schedule 1 shall be provided under Condition 13 of BT's TA Licence;
  - (ii) all future circuits ordered by Cognito will also be provided under Condition 13;
  - (iii) all circuits currently being renewed will be provided on a similar basis;
  - (iv) all existing circuits will be migrated from standard retail tariffing to tariffing under Condition 13 in accordance with BT's statements since September 1992;
  - (v) provision of a draft contract to Cognito relating to supply of all circuits under Condition 13; and
  - (vi) arrangements to reimburse Cognito for the amount over-paid as a result of BT

**RAKISONS**

failing to provide relevant circuits under Condition 13 tariffing.

I look forward to receiving your response.

Yours sincerely

**Daniel Preiskel**

cc: Robert Bratby - OFTEL

## **SCHEDULE 1**

### **Circuits to be ordered**

Please can BT Carrier Services arrange to have the following additional exchange lines added alongside Cognito's existing services:

2 off new incoming circuits added to Hunt Group 01923 255 665

3 off new outgoing circuits added to Hunt Group 01923 255 700

The installation address for these lines should be:

Cognito Room, Cray Communications Limited, Caxton Way, Watford Business Park,  
Watford, Hertfordshire, WD1 8XH

All installation must "go live" only after co-ordinated with Mike Eldridge at Cognito Limited in order to ensure that Cognito's equipment is configured and available for operation.

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David Farren  
BT UK Carrier Services Sales  
PP 56G009  
4/5 Longwalk Road  
Stockley Pk  
Uxbridge  
Middlesex UB11 1TT

6th November 1996

Our ref: CRH/DP/11684/ss

Dear Mr Farren

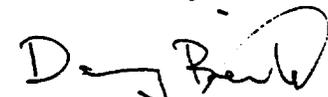
Re: Cognito Request for Condition 13 Wholesale Pricing on BT Leased Lines

Further to my letter to you of 30 October, please find attached two faxes which state that Oftel was of the opinion as early as 9 September 1992 that Cognito was entitled to Condition 13 interconnect prices.

Please accordingly attach these faxes to my letter of 30th October.

Please do not hesitate to contact me should you have any further queries and I appreciate that the letter referred to may not have arrived as yet.

Yours sincerely

  
Daniel Preiskel

**cognito**

**FACSIMILE**

**To:** Barbara Bourne, BT, Chester  
**Fax No:** 01244 319 827  
**From:** Mike Eldridge  
**Date:** 11<sup>th</sup> November 1996  
**Subject:** Additional Exchange Lines For Cognito, Watford

**Please receive 1 page(s) including this page.**

Barbara,

Please can you arrange to have the following additional exchange lines added alongside the existing services.

2 off new incoming circuits added to Hunt Group 01923 255 665

3 off new outgoing circuits added to Hunt Group 01923 225 700

The installation address for these lines should be:

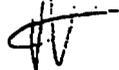
Cognito Room, Anite Networks, (formerly Cray Communications Limited), Caxton Way,  
Watford Business Park, Watford, Hertfordshire, WD1 8XH

All installations must "go live" only after co-ordinated with myself here at Cognito Limited in order to ensure that our equipment is configured and available for operation.

All of the circuits should have their charges added to the BT One Bill Account - Number: SW 00 00 00 69.

Please do not hesitate to contact me on 01635 508 230 should you require any further details.

Regards



**Mike Eldridge**  
Operations Manager

**Cognito Limited**  
Newbury Business Park, London Road  
Newbury, Berkshire RG14 2PZ  
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**INTER : +44171-831 1926**  
**DX 206 LONDON**

Your Ref :  
Our Ref : CRH/DP/11684/ss

Date : 12 November 1996

Number of Pages (including note) :

FOR THE ATTENTION OF : Barbara Bourne  
COMPANY : BT Limited  
FAX NUMBER : 01244 319 827

FROM : Daniel Preiskel

The information contained in this facsimile message is attorney privileged and confidential information intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination distribution or copying of this communication is strictly prohibited. If you have received this communication in error please immediately contact us by telephone and return the original message to us at the above addresses via postal service. Thank you.

---

Dear Ms Bourne

Re: Cognito Request for Additional Exchange Lines at Condition 13 Wholesale Pricing

I understand from Mike Eldridge, at Cognito Limited that you were not able to process a request for additional lines that I submitted as part of a letter to David Farren on 30 October 1996. That letter sets out the reasons why the additional exchange lines are required to be supplied by BT on condition 13 wholesale pricing basis.

However, I have been told that for some reason, you could not act upon that request which we submitted on behalf of Cognito Limited as their legal representatives. I therefore attach

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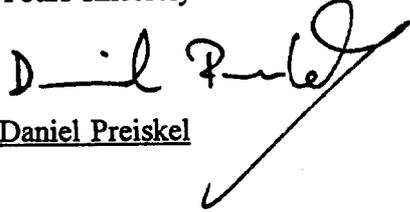
**PARTNERS :** A.S. WOLLENBERG, J.J. ADLER, P. EGERTON-VERNON, S.P.R. VIVIAN,  
J.A. JALES, C.R. HOYLE, B. PATTERSON, J.F. LONG, J.M. POLIN, M.  
GORDON-RUSSELL, M.W. KENDRICK

a fax on Cognito Limited's headed paper requesting these additional circuits although please note that the Hunt Group no. has been revised.

Please therefore kindly contact Mike Eldridge of Cognito Limited to confirm that the additional exchange lines are to be provided within the time scale envisaged and that they are to be provided on a Condition 13 wholesale pricing basis.

Please do not hesitate to contact me should you have any further queries in this regard.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Daniel Preiskel', with a long, sweeping underline that extends to the right.

Daniel Preiskel



**BT GROUP LEGAL SERVICES**

<b>To</b>	<b>Daniel Preiskel Rakinson Solicitors</b>	<b>From</b>	<b>PAUL CLOONAN Development Division PP B7047 BT Centre 81 Newgate Street London EC1A 7AJ</b>
<b>Date</b>	<b>14 November 1996</b>		
<b>Telephone</b>		<b>Telephone International</b>	<b>0171 356 6907 +44 171 356 5907</b>
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Your Ref: CRH/DB/BAH/11684  
Our Ref: M128356/SPC

Daniel Preiskel  
Rakisons  
Solicitors  
27 Chancery Lane  
London WC2A 1NF

Fax No. 0171 831 1926

14 November 1996

Dear Mr Preiskel

**COGNITO LIMITED**

I refer to your letter dated 30 October 1996 addressed to David Farren of BT UK Carrier Services Sales.

I note that the following schedules were attached to such letter:

1. list of circuits to be ordered.
2. one page fax dated 3 September 1992 from Cognito Group Limited.
3. two letters from BT - one dated 23 September 1992, and the other, consisting of one page?, a response (in reply to a fax dated 28 October 1993, which I have not seen) dated 29 October 1993.

I reply as follows to the points as numbered in your letter:

- 1.1 I agree that Cognito is entitled to connect any relevant connectable system run by it to BT's applicable system and that the terms of such connection would be governed by Condition 13 of BT's Licence.
- 2.1 While not meaning to sound pedantic, it is, of course, the case that services are provided under an agreement entered into under Condition 13 of BT's Licence. As you may be aware, the terms of BT's current standard interconnection agreement does not offer a product whereby private circuits are provided in accordance with the provisions of Condition 13 of BT's Licence. BT and OFTEL have agreed a list of BT's standard services, which list does not include private circuits.
- 2.2 In relation to schedule 1, frankly, I do not understand the reference to "additional exchange lines added alongside Cognito's existing services". In any event, BT's technical people would deal with the ordering and implementation of interconnection circuits in accordance with schedules 01 and/or schedule 130 under BT's standard interconnect agreement. Condition 13 of BT's Licence does not apply to the provision by BT of the circuits listed in the schedule.

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If, by this paragraph, your clients wish to enter into an interconnection agreement with BT under Condition 13 of BT's Licence then, I have arranged for the appropriate people in BT Carrier Services to contact your clients directly so that the process (both technical and contractual) may commence.

- 3.1 I have seen no evidence of any such representation and I do not understand the reference to something being "proven that Condition 13 prices applied" perhaps you might kindly explain this? Of course, it was (and still is) BT's policy not to penalise any customer interconnecting under condition 13. The correspondence annexed to your letter does not mean that retrospection of prices, terms and conditions would apply.
- 3.2 I am unable to relate the quoted wording to the representations (referred to in paragraph 3.1) which you allege were made.
- 3.3 As I have stated earlier, private circuits are not on the standard list of condition 13 services.
- 3.4 See response at 3.1 above.
- 4.1 (i) Please refer to my responses at 2.2 and 3.3 above.
- (ii) Interconnect circuits ordered by Cognito if, and when it enters into an interconnection agreement with BT will be supplied by BT in accordance with schedule 01 and/or schedule 130, as appropriate. Private circuits will be supplied by BT on its retail terms and conditions.
- (iii) Private circuits are supplied by BT on its retail terms and conditions.
- (iv) See my response of 3.3 above.
- (v) I know you are familiar with BT's standard interconnect agreement. I refer to my response in the second paragraph at 2.2 above.
- (vi) I am not aware of any failure by BT to provide relevant interconnect circuits under Condition 13.

In the light of this response I suggest that any meeting, if appropriate, should, in the first instance, be between you and I, as it is not clear to me exactly which "issues" would benefit from consideration.

I look forward to hearing from you.

Kind regards.

Yours sincerely



S P CLOONAN

c.c. Robert Bratby - OFTEL