

CONTROL OF INTERCONNECTION CHARGES (FIXED TO MOBILE)

70A.1 The Licensee shall secure, and shall be able to demonstrate to the satisfaction of the Director, that the Average Interconnection Charge does not exceed the Target Average Charge on 24 July 2003.

70A.2 For the purposes of this Condition, subject to where otherwise applies pursuant to a determination made by the Director under paragraph 70A.5, the Average Interconnection Charge shall be calculated by employing the following formula:

$$AIC = \frac{\sum_{i=1}^3 c_i m_i}{\sum_{i=1}^3 m_i}$$

where:

AIC is the Average Interconnection Charge;

c_i is the Fixed-to-Mobile Interconnection Charge (which is in force on 24 July in relation to the *i*th Charging Period) determined according to the Licensee's standard charges and does not include any discounts offered by the Licensee, whether in respect of any particular customer or any category of customers or any category of Fixed-to-Mobile Calls;

m_i is the sum of the volumes of minutes of Fixed-to-Mobile Calls and of Mobile-to-Mobile Calls in the *i*th Charging Period during the Year 2002-2003; and

***i*th Charging Period** is: (a) Weekday Daytime when *i* is 1; (b) Weekday Evening/Night when *i* is 2; and (c) Weekend when *i* is 3.

70A.3 For the purposes of this Condition, subject to where otherwise applies pursuant to a determination made by the Director under paragraph 70A.5, the Target Average Charge shall be calculated by employing the following formula:

$$TAC = \frac{\sum_{i=1}^3 \sum_{j=1}^{12} c_{ij} m_{ij}}{\sum_{i=1}^3 \sum_{j=1}^{12} m_{ij}} \text{ multiplied by } 0.8592$$

where:

TAC is the Target Average Charge;

c_{ij} is the Fixed-to-Mobile Interconnection Charge (for the i th Charging Period at the beginning of the j th month during the Year 2002-2003) determined according to the Licensee's standard charges and does not include any discounts offered by the Licensee, whether in respect of any particular customer or any category of customers or any category of Fixed-to-Mobile Calls;

m_j is the sum of the volumes of minutes of Fixed-to-Mobile Calls and of Mobile-to-Mobile Calls in the i th Charging Period in the j th month during the Year 2001-2002; and

i th Charging Period is: (a) Weekday Daytime when i is 1; (b) Weekday Evening/Night when i is 2; and (c) Weekend when i is 3.

70A.4 The Licensee shall, by 2 May 2003, offer to amend all Interconnection agreements entered into between the Licensee and Operators which are Schedule 2 Public Operators so that the Fixed-to-Mobile Interconnection Charge agreed between the parties accords with any reductions necessary for the Licensee to comply with its obligations under paragraph 70A.1, and the Licensee shall send a copy of such an offer to the Director not later than 10 days after it has been made.

70A.5 Where the Licensee makes any changes to any of its charging periods that apply on 1 April 2003 for its Fixed-to-Mobile Interconnection Charges or, as the case may be, introduces new such charging periods from that day:

- (a) the Director may, after consultation with the Licensee, determine to substitute the formula set out in either paragraphs 70A.2 or 70A.3 or, as the case may be, the formulae set out in both of these paragraphs for such other formula (or formulae) that he considers appropriate in the circumstances in order to reflect the changes made to the charging periods or, as the case may be, the introduction of new charging periods, and the Average Interconnection Charge and the Target Average Charge shall be calculated by employing the formula (or formulae) so determined by the Director;
- (b) in making any determination under paragraph 70A.5(a) above, the Director may consult with the Licensee in such manner and for such period (which may be no longer than 7 days notwithstanding such period during which he would normally consult under paragraph 4 of Part 1 of Schedule 1 to this Licence) as he considers appropriate in the circumstances, and with any other person he considers may be affected by the determination; and
- (c) the Licensee shall immediately (and, in any event, not later than 7 days after making such changes) give to the Director a notice in writing which identifies the changes made to its charging periods or, as the case may be, the new charging periods for its Fixed-to-Mobile Interconnection Charges.

70A.6 Unless the context otherwise requires, in this Condition:

- (a) **“Average Interconnection Charge”** has the meaning given to it in paragraph 70A.2 above;
- (b) **“Fixed-to-Mobile Call”** means a circuit switched conveyance of a speech teleservice (as defined in the relevant ETSI standards) only originating in a Fixed Public Telephone System (other than the Applicable Systems of the Licensee) and intended to terminate on a GSM mobile handset using the GSM air interface for the conveyance of that speech call, which is connected to the Applicable Systems of the Licensee. For the purposes of this definition:
 - (i) “the relevant ETSI standards” means the European Telecommunications Standard (ETS) of ETS 300 905 (GSM 02.03 version 5.3.2), Third Edition, January 1998, which has been produced by the Special Mobile Group (SMG) of the European Telecommunications Standards Institute (ETSI); and
 - (ii) “GSM” means the Global System for Mobile communications (GSM) as defined in the relevant ETSI standards;
- (c) **“Fixed-to-Mobile Interconnection Charge”** means the standard charge made by the Licensee for the interconnection of a Fixed-to-Mobile Call, and “interconnection” has the same meaning as in the Interconnection Regulations;
- (d) **“Mobile-to-Mobile Call”** has the meaning given to it in paragraph 70B.6 of Condition 70B;
- (e) **“Target Average Charge”** has the meaning given to it in paragraph 70A.3 above;
- (f) **“Weekday Daytime”** means the periods of time beginning on 8 am and ending on 6 pm of every day of the week, except Saturday and Sunday;
- (g) **“Weekday Evening/Night”** means all periods of time of every day of the week other than Weekday Daytime and Weekend;
- (h) **“Weekend”** means the period of time of every week beginning on midnight on Friday and ending on midnight on Sunday; and
- (i) **“Year”** means the period of 12 months beginning on 1 April and ending on 31 March.