
Annex D

Notification of proposals for the identification of markets, the making of market power determinations, the setting of SMP service conditions, and the setting of Directions under SMP service conditions

NOTIFICATION UNDER SECTIONS 48(2) AND 80 OF THE COMMUNICATIONS ACT 2003

Proposals for identifying markets, the making market power determinations and the setting of SMP service conditions in relation to BT and Kingston

1. The Director General of Telecommunications (the "Director"), in accordance with sections 48(2) and 80 of the Communications Act 2003 (the Act) hereby makes the following proposals for identifying markets, making market power determinations and the setting of SMP service conditions by reference to such determinations ("SMP conditions"). (The Director is able to exercise powers under the Act pursuant to section 408 of the Act and Article 3(1) of the Communications Act 2003 (Commencement No. 1) Order 2003).
 2. The Director is proposing to identify the following markets for the purpose of making market power determinations:
 - (a) the provision of traditional interface symmetric broadband origination with a bandwidth capacity up to and including eight megabits per second within the United Kingdom but not including the Hull Area;
 - (b) the provision of traditional interface symmetric broadband origination with a bandwidth capacity above eight megabits per second and up to and including one hundred and fifty five megabits per second within the United Kingdom but not including the Hull Area;
 - (c) the provision of alternative interface symmetric broadband origination at all bandwidths within the United Kingdom but not including the Hull Area;
 - (d) the provision of wholesale trunk segments at all bandwidths within the United Kingdom;
 - (e) the provision of traditional interface retail leased lines up to and including a bandwidth capacity of eight megabits per second within the United Kingdom but not including the Hull Area;
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(f) the provision of traditional interface symmetric broadband origination with a bandwidth capacity up to and including eight megabits per second within the Hull Area;

(g) the provision of traditional interface symmetric broadband origination with a bandwidth capacity above eight megabits per second and up to and including one hundred and fifty five megabits per second within the Hull Area;

(h) the provision of alternative interface symmetric broadband origination at all bandwidths within the Hull Area; and

(i) the provision of traditional interface retail leased lines up to and including a bandwidth capacity of eight megabits per second within the Hull Area.

3. The Director is proposing to make market power determinations that the following persons have significant market power:

- (a) in relation to the markets set out in paragraph 2(a)-(e) above, BT; and
- (b) in relation to the markets set out in paragraph 2(f)-(i) above, Kingston.

4. The Director is proposing to set SMP conditions on the persons referred to in paragraphs 3 (a) and (b) above as set out in Schedules 1 and 2, respectively, to this Notification.

5. The effect of, and the Director's reasons for making, the proposals to identify the markets set out in paragraph 2 above and to make the market power determinations set out in paragraph 3 above are contained in the explanatory statement accompanying this Notification.

6. The effect of, and the Director's reasons for making, the proposals to set the SMP conditions set out in Schedules 1 and 2 to this Notification are contained in the explanatory statement accompanying this Notification.

7. In identifying and analysing the markets referred to in paragraph 2 above, and in considering whether to make the proposals set out in this Notification, the Director has taken due account of all applicable guidelines and recommendations which have been issued or made by the European Commission in pursuance of a Community instrument, and relate to market identification and analysis, as required by section 79 of the Act.

8. In making all of the proposals referred to in paragraphs 2, 3 and 4 of this Notification the Director has considered and acted in accordance with the six Community requirements in section 4 of the Act;

9. Representations may be made to the Director about the proposals set out in this Notification and the accompanying explanatory statement by 6 February 2004.

10. Copies of this Notification and the accompanying explanatory statement have been sent to the Secretary of State in accordance with sections 50(1)(a) and 81(1), the European Commission and to the regulatory authorities of every other member State in accordance with sections 50(3) and 81(3) of the Act.

11. Save for the purposes of paragraph 2 of this Notification and except as otherwise defined in this Notification, words or expressions used shall have the same meaning as in the Act.

12. In this Notification:

“**BT**” means British Telecommunications plc, whose registered company number is 1800000, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 736 of the Companies Act 1985, as amended by the Companies Act 1989;

“**Hull area**” means the area defined as the ‘Licensed Area’ in the licence granted on 30 November 1987 by the Secretary of State under section 7 of the Telecommunications Act 1984 to Kingston upon Hull City Council and Kingston Communications (Hull) plc;

“**Kingston**” means Kingston Communications (Hull) plc, whose registered company number is 2150618, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 736 of the Companies Act 1985, as amended by the Companies Act 1989;

“**United Kingdom**” has the meaning given to it in the Interpretation Act 1978 (1978 c 30).

JIM NIBLETT
DIRECTOR, BROADBAND AND INTERNATIONAL AFFAIRS
A PERSON AUTHORISED UNDER PARAGRAPH 8 OF SCHEDULE 1 TO THE
TELECOMMUNICATIONS ACT 1984
18 December 2003

Schedule 1

The conditions imposed on British Telecommunications plc under the Communications Act 2003 as a result of the analysis of the market for the provision of traditional interface symmetric broadband origination with a bandwidth capacity up to and including eight megabits per second in which British Telecommunications plc has been found to have significant market power

Part 1: Definitions and Interpretation of these conditions

1. These conditions shall apply to the market for the provision of traditional interface symmetric broadband origination with a bandwidth capacity up to and including eight megabits per second within the United Kingdom but not including the Hull Area and shall also apply to Interconnection Services.
2. For the purpose of interpreting the conditions imposed on the Dominant Provider following a review of the markets referred to in paragraph 1 the following definitions shall apply:

“Act” means the Communications Act 2003;

“Access Charge Change Notice” has the meaning given to it in Condition G6;

“Director” means the Director General of Telecommunications as appointed under section 1 of the Telecommunications Act 1984;

“Dominant Provider” means British Telecommunications plc, whose registered company number is 1800000 and any British Telecommunications plc subsidiary or holding company, or any subsidiary of that holding company, all as defined by section 736 of the Companies Act 1985 as amended by the Companies Act 1989;

“the Hull Area” means the area defined as the 'Licensed Area' in the licence granted on 30 November 1987 by the Secretary of State under section 7 of the Telecommunications Act 1984 to Kingston upon Hull City Council and Kingston Communications (Hull) plc;

“Interconnection Services” mean:
In-Span Handover (“ISH”);
Customer-Sited Handover (“CSH”);
ISH extension circuits;
Synchronous Transfer Mode-1/ISH handover, and

Synchronous Transfer Mode-1/CSH handover.

"Network Component" means to the extent they are used in the Market, or for Interconnection Services, the network components specified in a direction given by the Director from time to time for the purpose of these conditions;

"Reference Offer" means the terms and conditions on which the Dominant Provider is willing to enter into an Access Contract;

"The Market" means the markets set out in paragraph 1 above;

"Third Party" means a person providing a public Electronic Communications Service or a person providing a public Electronic Communications Network;

"Transfer Charge" means the charge or price that is applied, or deemed to be applied, by the Dominant Provider to itself for the use or provision of an activity or group of activities. For the avoidance of doubt such activities or group of activities include, amongst other things, products and services provided from, to or within the Market and the use of Network Components in that Market; and

"Usage Factor" means the average usage by any Communications Provider (including the Dominant Provider itself) of each Network Component in using or providing a particular product or service or carrying out a particular activity.

3. Except insofar as 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.
 4. The Interpretation Act 1978 shall apply as if each of the conditions were an Act of Parliament.
 5. Headings and titles shall be disregarded.
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Part 2: The conditions**Condition G1 – Requirement to provide network access on reasonable request**

G1.1 Where a Third Party reasonably requests in writing Network Access, the Dominant Provider shall provide that Network Access. The Dominant Provider shall also provide such Network Access as the Director may from time to time direct.

G1.2 The provision of Network Access in accordance with paragraph G1.1 shall occur as soon as reasonably practicable and shall be provided on fair and reasonable terms, conditions and charges and on such terms, conditions and charges as the Director may from time to time direct.

G1.3 The Dominant Provider shall comply with any direction the Director may make from time to time under this Condition.

Condition G2 – Requirement not to unduly discriminate

G2.1 The Dominant Provider shall not unduly discriminate against particular persons or against a particular description of persons, in relation to matters connected with Network Access.

G2.2 In this Condition, the Dominant Provider may be deemed to have shown undue discrimination if it unfairly favours to a material extent an activity carried on by it so as to place at a competitive disadvantage persons competing with the Dominant Provider.

Condition G3 – Basis of charges

G3.1 Unless the Director directs otherwise from time to time, the Dominant Provider shall secure, and shall be able to demonstrate to the satisfaction of the Director, that each and every charge offered, payable or proposed for Network Access covered by Condition G1 is reasonably derived from the costs of provision based on a forward looking long run incremental cost approach and allowing an appropriate mark up for the recovery of common costs including an appropriate return on capital employed.

G3.2 For the avoidance of any doubt, where the charge offered, payable or proposed for Network Access covered by Condition G1 is for a service which is subject to a charge control under Condition G4, the Dominant Provider shall secure, and shall be able to demonstrate to the satisfaction of the Director, that such a charge satisfies the requirement of Condition G3.1.

G3.3 The Dominant Provider shall comply with any direction the Director may from time to time direct under this Condition.

Condition G4 – Charge control

G4.1 This Condition shall apply without prejudice to the generality of Condition G3.

G4.2 The Dominant Provider shall not increase the charge of any of the products set out in Annex A to this schedule until 1 March 2004, from which date it shall charge no more than the amounts set out in Annex A to this Schedule for each of the products set out in that Annex.

G4.3 The Dominant Provider shall apply the amounts set out in Annex A to this Schedule in a manner to be agreed from time to time with the Director.

G4.4 The Dominant Provider shall comply with any direction the Director may make from time to time under this Condition.

Condition G5 – Requirement to publish a reference offer

G5.1 Except in so far as the Director may otherwise consent in writing, the Dominant Provider shall publish a Reference Offer and act in the manner set out below.

G5.2 Subject to paragraph G5.8 below, the Dominant Provider shall ensure that a Reference Offer in relation to the provision of Network Access includes at least the following:

- (a) a description of the Network Access to be provided, including technical characteristics (which shall include information on network configuration where necessary to make effective use of Network Access);
 - (b) the locations of the points of Network Access;
 - (c) the technical standards for Network Access (including any usage restrictions and other security issues);
 - (d) the conditions for access to ancillary, supplementary and advanced services (including operational support systems, information systems or databases for pre-ordering, provisioning, ordering, maintenance and repair requests and billing);
 - (e) any ordering and provisioning procedures;
 - (f) relevant charges, terms of payment and billing procedures;
 - (g) details of interoperability tests;
 - (h) details of maintenance and quality as follows:
 - (i) specific time scales for the acceptance or refusal of a request for supply and for completion, testing and hand-over or delivery of services and facilities, for provision of support services (such as fault handling and repair);
 - (ii) service level commitments, namely the quality standards that each party must meet when performing its contractual obligations;
 - (iii) the amount of compensation payable by one party to another for failure to perform contractual commitments;
 - (iv) a definition and limitation of liability and indemnity; and
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(v) procedures in the event of alterations being proposed to the service offerings, for example, launch of new services, changes to existing services or change to prices;

(i) details of any relevant intellectual property rights;

(j) a dispute resolution procedure to be used between the parties;

(k) details of duration and renegotiation of agreements;

(l) provisions regarding confidentiality of non-public parts of the agreements;

(m) rules of allocation between the parties when supply is limited (for example, for the purpose of co-location or location of masts);

(n) the standard terms and conditions for the provision of Network Access;

(o) the amount applied to:

(i) each Network Component used in providing Network Access with the relevant Usage Factors;

(ii) the Transfer Charge for each Network Component or combination of Network Components described above;

reconciled in each case to the charge payable by a Communications Provider other than the Dominant Provider.

G5.3 To the extent that the Dominant Provider provides to itself Network Access that:

(i) is the same, similar or equivalent to that provided to any other person; or

(ii) may be used for a purpose that is the same, similar or equivalent to that provided to any other person,

in a manner that differs from that detailed in a Reference Offer in relation to Network Access provided to any other person, the Dominant Provider shall ensure that it publishes a Reference Offer in relation to the Network Access that it provides to itself which includes, where relevant, at least those matters detailed in paragraphs G5.2(a)-(o).

G5.4 The Dominant Provider shall, within one month of the date that this Condition enters into force, publish a Reference Offer in relation to any Network Access that it is providing as at the date that this Condition enters into force.

G5.5 The Dominant Provider shall update and publish the Reference Offer in relation to any amendments or in relation to any further Network Access provided after the date that this Condition enters into force.

G5.6 Publication referred to above shall be effected by:

(a) placing a copy of the Reference Offer on any relevant website operated or controlled by the Dominant Provider; and

(b) sending a copy of the Reference Offer to the Director.

G5.7 The Dominant Provider shall send a copy of the current version of the Reference Offer to any person at that person's written request (or such parts which have been requested).

G5.8 The Dominant Provider shall make such modifications to the Reference Offer as the Director may direct from time to time.

G5.9 The Dominant Provider shall provide Network Access at the charges, terms and conditions in the relevant Reference Offer and shall not depart therefrom either directly or indirectly.

G5.10 The Dominant Provider shall comply with any direction the Director may make from time to time under this Condition.

Condition G6 – Requirement to notify charges and terms and conditions

G6.1 Except in so far as the Director may otherwise consent in writing, the Dominant Provider shall publish charges, terms and conditions and act in the manner set out below.

G6.2 Save where otherwise provided in Condition G8, the Dominant Provider shall send to the Director and to every person with which it has entered into an Access Contract covered by Condition G1 a written notice of any amendment to the charges, terms and conditions on which it provides Network Access or in relation to any charges for new Network Access (an "Access Charge Change Notice") not less than 90 days before any such amendment comes into effect for Network Access being provided on the date that this Condition enters into force, or not less than 28 days before any such amendment comes into effect for new Network Access provided after the date that this Condition enters into force.

G6.3 The Dominant Provider shall ensure that an Access Charge Change Notice includes:

- (a) a description of the Network Access in question;
- (b) a reference to the location in the Dominant Provider's current Reference Offer of the terms and conditions associated with the provision of that Network Access;
- (c) the date on which or the period for which any amendments to charges, terms and conditions will take effect (the "effective date");
- (d) the current and proposed new charge and the relevant Usage Factors applied to each Network Component comprised in that Network Access, reconciled in each case with the current or proposed new charge; and
- (e) the information specified in sub paragraph (d) above with respect to that Network Access to which that paragraph applies.

G6.4 The Dominant Provider shall not apply any new charge, term and condition identified in an Access Charge Change Notice before the effective date.

G6.5 To the extent that the Dominant Provider provides to itself Network Access that:

(i) is the same, similar or equivalent to that provided to any other person;
or

(ii) may be used for a purpose that is the same, similar or equivalent to that provided to any other person,

in a manner that differs from that detailed in an Access Charge Change Notice in relation to Network Access provided to any other person, the Dominant Provider shall ensure that it sends to the Director an Access Charge Change Notice in relation to the Network Access that it provides to itself which includes, where relevant, at least those matters detailed in paragraphs G6.3(a)-(e).

Condition G7 – Quality of Service

G7.1 The Dominant provider shall publish all such information for the purposes of securing transparency as to the quality of service in relation to Network Access in relation to Network Access provided by the Dominant Provider in such manner and form as the Director may from time to time direct.

G7.2 The Dominant Provider shall comply with any direction the Director may make from time to time under this Condition.

Condition G8 – Requirement to notify technical information

G8.1 Save where the Director consents otherwise, where the Dominant Provider-

(a) proposes to provide Network Access covered by Condition G1, the terms and conditions for which comprise new-

(i) technical characteristics (including information on network configuration where necessary to make effective use of the Network Access);

(ii) locations of the points of Network Access; or

(iii) technical standards (including any usage restrictions and other security issues),

or

(b) proposes to amend an existing Access Contract covered by Condition G1 by modifying the terms and conditions listed in paragraph G8.1 (a)(i) to (ii) on which the Network Access is provided,

the Dominant Provider shall publish a written notice (the "Notice") of the new or amended terms and conditions not less than 90 days before either the Dominant Provider enters into an Access Contract to provide the new Network Access or the amended terms and conditions of the existing Access Contract come into effect.

G8.2 The Dominant Provider shall ensure that the Notice includes-

(a) a description of the Network Access in question;

(b) a reference to the location in the Dominant Provider's Reference Offer of the relevant terms and conditions;

(c) the date on which or the period for which the Dominant Provider may enter into an Access Contract to provide the new Network Access or any amendments to the relevant terms and conditions will take effect (the "effective date").

G8.3 The Dominant Provider shall not enter into an Access Contract containing the terms and conditions identified in the Notice or apply any new relevant terms and conditions identified in the Notice before the effective date.

G8.4 Publication referred to in paragraph G8.1 shall be effected by:

(a) placing a copy of the Notice on any relevant website operated or controlled by the Dominant Provider;

(b) sending a copy of the Notice to the Director, and

(c) sending a copy of the Notice to any person at that person's written request, and where the Notice identifies a modification to existing relevant terms and conditions, to every person with which the Dominant Provider has entered into an Access Contract covered by Condition G1. The provision of such a copy of Notice may be subject to a reasonable charge.

G9 - Requests for new Network Access

G9.1 The Dominant Provider shall for the purposes of transparency publish reasonable guidelines, in relation to requests for new Network Access made to it. Such guidelines shall detail:

- (a) the form in which such a request should be made;
- (b) the information that the Dominant Provider requires in order to consider a request for new Network Access; and
- (c) the time scales in which such requests will be handled by the Dominant Provider in accordance with this Condition.

G9.2 Such guidelines shall be published within two months of the date that this Condition enters into force following a consultation with the Director and Third Parties. The Dominant Provider shall keep the guidelines under review and consult with relevant Third Parties and the Director before making any amendments to the guidelines.

G9.3 The Dominant Provider shall, upon a reasonable request from a Third Party considering making a request for new Network Access, provide that Third Party with information so as to enable that Third Party to make a request for new Network Access. Such information shall be provided within a reasonable period.

G9.4 On receipt of a written request for new Network Access the Dominant Provider shall ensure that the requirements of this Condition are met. A modification of a request for new Network Access which has previously been submitted to the Dominant Provider, and rejected by the Dominant Provider, shall be considered as a new request.

G9.5 Within five working days of receipt of a request under paragraph G9.4, the Dominant Provider shall acknowledge that request in writing.

G9.6 Within fifteen working days of receipt of a request under paragraph G9.4 the Dominant Provider shall respond in writing to the requesting Third Party in one of the following ways:

- (a) the Dominant Provider shall confirm that the request will be met and shall confirm that the following will be prepared:
 - (i) the timetable for the provision of the new Network Access;
 - (ii) an initial offer of terms and conditions for the provision of the new Network Access; and
 - (iii) the timetable for the agreement of technical issues.

(b) the Dominant Provider shall confirm that a feasibility study is reasonably required in order to determine whether the request made is reasonable and the Dominant Provider shall set out its objective reasons for the need for such a study;

(c) the Dominant Provider shall confirm that the request is not sufficiently well formulated and, where it does so, the Dominant Provider shall detail all of the defects in the request which has been made; or

(d) the Dominant Provider shall confirm that the request is refused on the basis that it is not reasonable and, where it does so, the Dominant Provider shall detail its reasons for refusal.

G9.7 Where the Dominant Provider responds to a request under paragraph G9.4 in accordance with paragraph G9.6(a) it shall, within thirty five working days of receipt of a request under paragraph G9.4, respond further to the requesting Third Party in writing and:

- (i) confirm the timetable for the provision of the new Network Access;
- (ii) provide an initial offer of terms and conditions for the provision of the new Network Access; and
- (iii) confirm the timetable for the agreement of technical issues.

G9.8 Where the Dominant Provider responds to a request under paragraph G9.4 in accordance with paragraph G9.6(a) and determines, due to a genuine error of fact, that it reasonably needs to complete a feasibility study, it may, as soon as practicable and in any event, within thirty five working days of receipt of a request under paragraph G9.4, inform the requesting Third Party that a feasibility study is reasonably required and set out its objective reasons for such a study.

G9.9 Where G9.8 applies the Dominant Provider shall, within forty five working days from the date that the Dominant Provider informs the requesting Third Party that a feasibility study is reasonably required, respond further to the requesting Third party, in writing, in one of the following ways:

(a) the Dominant Provider shall confirm that the request will be met and shall:

- (i) confirm the timetable for the provision of the new Network Access;
- (ii) provide an initial offer of terms and conditions for the provision of the new Network Access; and
- (iii) confirm the timetable for the agreement of technical issues; or

(b) the Dominant Provider shall confirm that the request is refused on the basis that it is not reasonable and, where it does so, the Dominant Provider shall detail its reasons for refusal. The Dominant Provider shall provide to the Director a

copy of the feasibility study and shall provide to the requesting Third Party a non-confidential copy of the feasibility study.

G9.10 The time limit set out in paragraph G9.9 above shall be extended up to seventy working days from the date that the Dominant Provider informs the requesting Third Party that a feasibility study is reasonably required pursuant to paragraph G9.8, if:

- circumstances have arisen which, despite the Dominant Provider using its best endeavours, prevent it from completing the feasibility study within forty five working days of the date that the requesting Third Party was informed of the need for a feasibility study pursuant to paragraph G9.8; or

- the Third Party and the Dominant Provider agree to extend the time limit up to seventy working days.

G9.11 The time limit set out in paragraph G9.9 above shall be extended beyond seventy working days from the date that the Dominant Provider informs the requesting Third Party that a feasibility study is reasonably required pursuant to paragraph G9.8, if:

- the Director agrees; or

- the Third Party and the Dominant Provider agree to extend the time limit beyond seventy working days.

G9.12 Where the Dominant Provider responds to a request under paragraph G9.4 in accordance with paragraph G9.6(b) the Dominant Provider shall, within sixty working days of receipt of a request under paragraph G9.4, respond further to the requesting Third Party, in writing, in one of the following ways:

(a) the Dominant Provider shall confirm that the request will be met and shall:

(i) confirm the timetable for the provision of the new Network Access;

(ii) provide an initial offer of terms and conditions for the provision of the new Network Access; and

(iii) confirm the timetable for the agreement of technical issues; or

(b) the Dominant Provider shall confirm that the request is refused on the basis that it is not reasonable and, where it does so, the Dominant Provider shall detail its reasons for refusal. The Dominant Provider shall provide to the Director a copy of the feasibility study and shall provide to the requesting Third Party a non-confidential copy of the feasibility study.

G9.13 The time limit set out in paragraph G9.12 above shall be extended up to eighty five working days of receipt of a request under paragraph G9.4, if:

- circumstances have arisen which, despite the Dominant Provider using its best endeavours, prevent it from completing the feasibility study within sixty working days of receipt of a request under paragraph G9.4; or

- the Third Party and the Dominant Provider agree to extend the time limit up to eighty five working days.

G9.14 The time limit set out in paragraph G9.12 above shall be extended beyond eighty five working days of receipt of a request under paragraph G9.4, if:

- the Director agrees; or

- the Third Party and the Dominant Provider agree to extend the time limit beyond eighty five working days.

G9.15 Within two months of the date that this Condition enters into force the Dominant Provider shall provide the Director with a description of the processes it has put in place to ensure compliance with this Condition. It shall keep those processes under review to ensure that they remain adequate for that purpose.

G9.16 The Dominant Provider shall comply with any direction the Director may make from time to time under this Condition.

Annex A
POC equipment charges

	Connection charge (£)	Rental charge (£ per annum)
Customer Sited Handover (CSH)		
CSH Configuration SMA-16		
SMA-16 ADM with no trib interfaces (single fibre working) - existing site	96,126	1,729
SMA-16 ADM with no trib interfaces (dual fibre working 1300nm) - existing site	96,251	1,676
SMA-16 ADM with no trib interfaces (dual fibre working 1550nm) - existing site	101,945	1,782
Additional charge for new site	2,319	-
Standby batteries if required	522	9.50
STM-1 electrical trib interface (2 ports)	2,998	56
STM-1 optical (1300nm) trib interface (1 port)	3,878	72
STM-1 electrical trib card (2 ports), required for 1+1 card protection	1,499	28
STM-1 optical (1300nm) trib card (1 port), required for MSP protection	880	16
STM-4 optical (1300nm) trib interface (1 port)	9,880	183
STM-4 optical (1300nm) trib card (1 port), required for MSP protection	3,885	72
CSH Configuration SMA-4		
SMA-4 ADM with no trib interfaces (single fibre working) - existing site	62,481	1,104
SMA-4 ADM with no trib interfaces (dual fibre working 1300nm) - existing site	60,872	1,020
SMA-4 ADM with no trib interfaces (dual fibre working 1550nm) - existing site	70,034	1,189
Additional charge for new site	2,319	-
Standby batteries if required	522	9.50
STM-1 electrical trib interface (1 port)	835	15
STM-1 optical (1300nm) trib interface (1 port)		

	2,289	43
STM-1 electrical trib card (1 port), required for 1+1 card protection	704	13
STM-1 optical (1300nm) trib card (1 port), required for MSP protection	880	16
STM-4 optical (1300nm) trib interface (1 port)	9,519	177
STM-4 optical (1300nm) trib card (1 port), required for MSP protection	3,885	72
CSH Configuration MSH51		
MSH51 ADM with no trib interfaces (single fibre working) - existing site	54,226	951
MSH51 ADM with no trib interfaces (dual fibre working 1300nm) - existing site	56,504	938
MSH51 ADM with no trib interfaces (dual fibre working 1550nm) - existing site	57,891	963
Additional charge for new site	2,319	-
Per km from serving exchange to MSH node - single fibre working	2,442	0.95
Per km from serving exchange to MSH node - dual fibre working	4,883	2.80
Standby batteries if required	522	9.50
STM-1 electrical trib interface (4 ports)	3,448	64
STM-1 optical (1300nm) trib interface (2 ports)	3,835	71
STM-1 electrical trib card (4 ports), required for 1+1 card protection	1,150	20
STM-1 optical (1300nm) trib card (2 ports), required for MSP protection	1,537	28
STM-4 optical (1300nm) trib interface (1 port)	3,529	65.50
STM-4 optical (1300nm) Trib card (1 port), required for MSP protection	1,231	23
STM1 - legacy equipment	not available	445
16x2 - legacy equipment	not available	571
2M Bearer Access – required for access to DPCN	1,855	448
plus rental per km from POH serving exchange to DPCN node	-	49
In Span Handover (ISH)		

ISH Configuration STM-16		
SMA –16 ADM with single STM-16 handover (1300nm)	69,567	1,292
Optional STM-16 1550nm handover	2,847	53
ISH Configuration STM-4		
SMA-4 ADM with single STM-4 handover (1300nm)	32,656	607
Optional STM-4 1550nm handover	4,581	85
ISH Configuration STM-1		
SMA-4 ADM with single STM-1 handover (1300nm)	19,321	359
Additional cost for STM-1 1550nm handover	2,075	39
Additional STM-1 handovers (1300nm) – max 3	2,907	54
Additional STM-1 handovers (1550nm) – max 3	5,245	98
ISH Configuration MSH51		
MSH51 ADM with single STM-16 handover (1300nm)	29,615	550
Optional STM-16 1550nm handover	693	13
MSH51 ISH is provided at nearest MSH node to customer		
2M Bearer Access – required for access to DPCN	1,855	448
plus rental per km from POH serving exchange to DPCN node	-	49

Connection of a new Partial Private Circuit

Provision charge per circuit	Single charge (£)
64 kbit/s – 960 kbit/s	484.65
1 Mbit/s (from 23/10/2001)	1,673.15
2 Mbit/s	1,673.15

Third Party Equipment charges

	Connection charges (£)
KiloStream NTU 64k – 256k on existing copper or bearer	534
KiloStream NTU 64k – 256k on new copper	869
KiloStream NTU 320k – 960k on existing (2M) bearer	468
1Mb/s circuit on existing copper (from 23/10/2001)	1,072
1Mb/s circuit on new copper (from 23/10/2001)	1,488

2Mbit/s circuit on HDSL on existing copper	1,406
2Mbit/s circuit on HDSL on new copper	2,289
First 2Mbit/s circuit on 4x2 at existing site	4,942
First 2Mbit/s circuit on 16x2 at existing site	8,356
Additional Charge for 4x2 and 16x2 new site	2,319
Subsequent 2Mbit/s circuit on existing PPC 4x2 or 16x2	No infrastructure charge
Third party customer sited SMA-1 ADM	
SMA-1 ADM with no trib interfaces (single fibre working) - existing site	20,341
SMA-1 ADM with no trib interfaces (dual fibre working 1300nm) - existing site	21,236
SMA-1 ADM with no trib interfaces (dual fibre working 1550nm) - existing site	25,388
Additional charge for new site	2,319
Standby batteries if required	522
2Mbit/s trib card (16 ports)	2,311
Third party customer sited SMA-4 ADM	
SMA-4 ADM with no trib interfaces (single fibre working) - existing site	56,415
SMA-4 ADM with no trib interfaces (dual fibre working 1300nm) - existing site	54,805
SMA-4 ADM with no trib interfaces (dual fibre working 1550nm) - existing site	63,968
Additional charge for new site	2,319
Standby batteries if required	522
2Mbit/s trib cards (32 ports)	4,146
Third party customer sited SMA-16 ADM	
SMA-16 with no trib interfaces (single fibre working) - existing site	91,161
SMA-16 ADM with no trib interfaces (dual fibre working 1300nm) - existing site	91,286
SMA-16 ADM with no trib interfaces (dual fibre working 1550nm) - existing site	96,979
Additional charge for new site	2,319
Standby batteries if required	522
2Mbit/s trib cards (32 ports)	4,146

Rental and maintenance charges

	Standard maintenance		Enhanced maintenance		
local end fixed charge per annum (£)	main link fixed charge per annum (£)	main link per charge, up to SDH Tier 1 break	per charge beyond SDH Tier 1 break point (per km per	Fixed charge per annum (£)	Per km charge per annum, (£)

		point (£) annum)				
64k	279.14	60.80	1.69	4.83	39.23	0.01
128k	279.14	109.60	3.03	12.92	40.05	0.02
192k	279.14	163.55	4.55	19.37	41.08	0.02
256k	279.14	218.35	6.06	25.83	42.10	0.03
320k	279.14	273.15	7.59	32.29	43.13	0.03
384k	279.14	367.34	10.12	38.75	45.43	0.05
448k	279.14	428.13	11.81	45.21	46.67	0.05
512k	279.14	488.93	13.49	51.67	47.91	0.06
576k	279.14	550.58	15.18	58.12	49.15	0.07
640k	279.14	611.38	16.87	64.58	50.39	0.08
704k	279.14	673.03	18.56	71.04	51.63	0.09
768k	279.14	733.82	20.24	77.50	52.87	0.09
832k	279.14	795.47	21.93	83.96	54.12	0.10
896k	279.14	856.27	23.62	90.42	55.35	0.11
960k	279.14	917.06	25.30	96.87	56.59	0.12
1Mb	679.02	404.16	44.44	96.82	130.00	1.46
2Mb	679.02	404.16	44.44	96.82	130.00	1.46

The conditions imposed on British Telecommunications plc under the Communications Act 2003 as a result of the analysis of the market for the provision of traditional interface symmetric broadband origination with a bandwidth capacity above eight megabits per second and up to and including one hundred and fifty five megabits per second in which British Telecommunications plc has been found to have significant market power

Part 1: Definitions and Interpretation of these conditions

1. These conditions shall apply to the market for the provision of traditional interface symmetric broadband origination with a bandwidth capacity above eight megabits per second and up to and including one hundred and fifty five megabits per second, within the United Kingdom but not including the Hull Area and shall also apply to Interconnection Services.

2. For the purpose of interpreting the conditions imposed on the Dominant Provider following a review of the markets referred to in paragraph 1 the following definitions shall apply:

“Act” means the Communications Act 2003;

“Access Charge Change Notice” has the meaning given to it in Condition GG 6;

“Director” means the Director General of Telecommunications as appointed under section 1 of the Telecommunications Act 1984;

“Dominant Provider” means British Telecommunications plc, whose registered company number is 1800000 and any British Telecommunications plc subsidiary or holding company, or any subsidiary of that holding company, all as defined by section 736 of the Companies Act 1985 as amended by the Companies Act 1989;

“the Hull Area” means the area defined as the 'Licensed Area' in the licence granted on 30 November 1987 by the Secretary of State under section 7 of the Telecommunications Act 1984 to Kingston upon Hull City Council and Kingston Communications (Hull) plc;

“Interconnection Services” mean:
In-Span Handover (“ISH”);
Customer-Sited Handover (“CSH”);
ISH extension circuits;
Synchronous Transfer Mode-1/ISH handover; and

Synchronous Transfer Mode-1/CSH handover.

"Network Component" means to the extent they are used in the Market, or for Interconnection Services, the network components specified in a Direction given by the Director from time to time for the purpose of these conditions;

"Reference Offer" means the terms and conditions on which the Dominant Provider is willing to enter into an Access Contract;

"The Market" means the markets set out in paragraph 1 above;

"Third Party" means a person providing a public Electronic Communications Service or a person providing a public Electronic Communications Network;

"Transfer Charge" means the charge or price that is applied, or deemed to be applied, by the Dominant Provider to itself for the use or provision of an activity or group of activities. For the avoidance of doubt such activities or group of activities include, amongst other things, products and services provided from, to or within the Market and the use of Network Components in that Market; and

"Usage Factor" means the average usage by any Communications Provider (including the Dominant Provider itself) of each Network Component in using or providing a particular product or service or carrying out a particular activity.

3. Except insofar as 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.

4. The Interpretation Act 1978 shall apply as if each of the conditions were an Act of Parliament.

5. Headings and titles shall be disregarded.

Part 2: The conditions

Condition GG1 – Requirement to provide network access on reasonable request

GG1.1 Where a Third Party reasonably requests in writing Network Access, the Dominant Provider shall provide that Network Access. The Dominant Provider shall also provide such Network Access as the Director may from time to time direct.

GG1.2 The provision of Network Access in accordance with paragraph GG1.1 shall occur as soon as reasonably practicable and shall be provided on fair and reasonable terms, conditions and charges and on such terms, conditions and charges as the Director may from time to time direct.

GG1.3 The Dominant Provider shall comply with any direction the Director may make from time to time under this Condition.

Condition GG2 – Requirement not to unduly discriminate

GG2.1 The Dominant Provider shall not unduly discriminate against particular persons or against a particular description of persons, in relation to matters connected with Network Access.

GG2.2 In this Condition, the Dominant Provider may be deemed to have shown undue discrimination if it unfairly favours to a material extent an activity carried on by it so as to place at a competitive disadvantage persons competing with the Dominant Provider.

Condition GG3 – Basis of charges

GG3.1 Unless the Director directs otherwise from time to time, the Dominant Provider shall secure, and shall be able to demonstrate to the satisfaction of the Director, that each and every charge offered, payable or proposed for Network Access covered by Condition GG1 is reasonably derived from the costs of provision based on a forward looking long run incremental cost approach and allowing an appropriate mark up for the recovery of common costs including an appropriate return on capital employed.

GG3.2 For the avoidance of any doubt, where the charge offered, payable or proposed for Network Access covered by Condition GG1 is for a service which is subject to a charge control under Condition GG4, the Dominant Provider shall secure, and shall be able to demonstrate to the satisfaction of the Director, that such a charge satisfies the requirement of Condition GG3.1.

GG3.3 The Dominant Provider shall comply with any direction the Director may from time to time direct under this Condition.

Condition GG4 – Charge control

GG4.1 This Condition shall apply without prejudice to the generality of Condition GG3.

GG4.2 The Dominant Provider shall not increase the charge of any of the products set out in Annex A to this schedule until 1 March 2004, from which date it shall charge no more than the amounts set out in Annex A to this Schedule for each of the products set out in that Annex.

GG4.3 The Dominant Provider shall apply the amounts set out in Annex A to this Schedule in a manner to be agreed from time to time with the Director.

GG4.4 The Dominant Provider shall comply with any direction the Director may make from time to time under this Condition.

Condition GG5 – Requirement to publish a reference offer

GG5.1 Except in so far as the Director may otherwise consent in writing, the Dominant Provider shall publish a Reference Offer and act in the manner set out below.

GG5.2 Subject to paragraph GG5.8 below, the Dominant Provider shall ensure that a Reference Offer in relation to the provision of Network Access includes at least the following:

- (a) a description of the Network Access to be provided, including technical characteristics (which shall include information on network configuration where necessary to make effective use of Network Access);
 - (b) the locations of the points of Network Access;
 - (c) the technical standards for Network Access (including any usage restrictions and other security issues);
 - (d) the conditions for access to ancillary, supplementary and advanced services (including operational support systems, information systems or databases for pre-ordering, provisioning, ordering, maintenance and repair requests and billing);
 - (e) any ordering and provisioning procedures;
 - (f) relevant charges, terms of payment and billing procedures;
 - (g) details of interoperability tests;
 - (h) details of maintenance and quality as follows:
 - (i) specific time scales for the acceptance or refusal of a request for supply and for completion, testing and hand-over or delivery of services and facilities, for provision of support services (such as fault handling and repair);
 - (ii) service level commitments, namely the quality standards that each party must meet when performing its contractual obligations;
 - (iii) the amount of compensation payable by one party to another for failure to perform contractual commitments;
 - (iv) a definition and limitation of liability and indemnity; and
-

(v) procedures in the event of alterations being proposed to the service offerings, for example, launch of new services, changes to existing services or change to prices;

(i) details of any relevant intellectual property rights;

(j) a dispute resolution procedure to be used between the parties;

(k) details of duration and renegotiation of agreements;

(l) provisions regarding confidentiality of non-public parts of the agreements;

(m) rules of allocation between the parties when supply is limited (for example, for the purpose of co-location or location of masts);

(n) the standard terms and conditions for the provision of Network Access;

(o) the amount applied to:

(i) each Network Component used in providing Network Access with the relevant Usage Factors;

(ii) the Transfer Charge for each Network Component or combination of Network Components described above;

reconciled in each case to the charge payable by a Communications Provider other than the Dominant Provider.

GG5.3 To the extent that the Dominant Provider provides to itself Network Access that:

(i) is the same, similar or equivalent to that provided to any other person; or

(ii) may be used for a purpose that is the same, similar or equivalent to that provided to any other person,

in a manner that differs from that detailed in a Reference Offer in relation to Network Access provided to any other person, the Dominant Provider shall ensure that it publishes a Reference Offer in relation to the Network Access that it provides to itself which includes, where relevant, at least those matters detailed in paragraphs GG5.2(a)-(o).

GG5.4 The Dominant Provider shall, within one month of the date that this Condition enters into force, publish a Reference Offer in relation to any Network Access that it is providing as at the date that this Condition enters into force.

GG5.5 The Dominant Provider shall update and publish the Reference Offer in relation to any amendments or in relation to any further Network Access provided after the date that this Condition enters into force.

GG5.6 Publication referred to above shall be effected by:

- (a) placing a copy of the Reference Offer on any relevant website operated or controlled by the Dominant Provider; and
- (b) sending a copy of the Reference Offer to the Director.

GG5.7 The Dominant Provider shall send a copy of the current version of the Reference Offer to any person at that person's written request (or such parts which have been requested).

GG5.8 The Dominant Provider shall make such modifications to the Reference Offer as the Director may direct from time to time.

GG5.9 The Dominant Provider shall provide Network Access at the charges, terms and conditions in the relevant Reference Offer and shall not depart therefrom either directly or indirectly.

GG5.10 The Dominant Provider shall comply with any direction the Director may make from time to time under this Condition.

Condition GG6 – Requirement to notify charges and terms and conditions

GG6.1 Except in so far as the Director may otherwise consent in writing, the Dominant Provider shall publish charges, terms and conditions and act in the manner set out below.

GG6.2 Save where otherwise provided in Condition GG8, the Dominant Provider shall send to the Director and to every person with which it has entered into an Access Contract covered by Condition GG1, a written notice of any amendment to the charges, terms and conditions on which it provides Network Access or in relation to any charges for new Network Access (an "Access Charge Change Notice") not less than 90 days before any such amendment comes into effect for Network Access being provided on the date that this Condition enters into force, or not less than 28 days before any such amendment comes into effect for new Network Access provided after the date that this Condition enters into force.

GG6.3 The Dominant Provider shall ensure that an Access Charge Change Notice includes:

- (a) a description of the Network Access in question;
- (b) a reference to the location in the Dominant Provider's current Reference Offer of the terms and conditions associated with the provision of that Network Access;
- (c) the date on which or the period for which any amendments to charges, terms and conditions will take effect (the "effective date");
- (d) the current and proposed new charge and the relevant Usage Factors applied to each Network Component comprised in that Network Access, reconciled in each case with the current or proposed new charge; and
- (e) the information specified in sub paragraph (d) above with respect to that Network Access to which that paragraph applies.

GG6.4 The Dominant Provider shall not apply any new charge, term and condition identified in an Access Charge Change Notice before the effective date.

GG6.5 To the extent that the Dominant Provider provides to itself Network Access that:

- (i) is the same, similar or equivalent to that provided to any other person;
or
 - (ii) may be used for a purpose that is the same, similar or equivalent to that provided to any other person,
-

in a manner that differs from that detailed in an Access Charge Change Notice in relation to Network Access provided to any other person, the Dominant Provider shall ensure that it sends to the Director an Access Charge Change Notice in relation to the Network Access that it provides to itself which includes, where relevant, at least those matters detailed in paragraphs GG6.3(a)-(e).

Condition GG7 – Quality of Service

GG7.1 The Dominant provider shall publish all such information for the purposes of securing transparency as to the quality of service in relation to Network Access provided by the Dominant Provider in such manner and form as the Director may from time to time direct.

GG7.2 The Dominant Provider shall comply with any direction the Director may make from time to time under this Condition.

Condition GG8 – Requirement to notify technical information

GG8.1 Save where the Director consents otherwise, where the Dominant Provider-

(a) proposes to provide Network Access covered by Condition GG1, the terms and conditions for which comprise new-

(i) technical characteristics (including information on network configuration where necessary to make effective use of the Network Access);

(ii) locations of the points of Network Access; or

(iii) technical standards (including any usage restrictions and other security issues),

or

(b) proposes to amend an existing Access Contract covered by Condition GG1 by modifying the terms and conditions listed in paragraph GG8.1(a)(i) to (iii) on which the Network Access is provided,

the Dominant Provider shall publish a written notice (the "Notice") of the new or amended terms and conditions not less than 90 days before either the Dominant Provider enters into an Access Contract to provide the new Network Access or the amended terms and conditions of the existing Access Contract come into effect.

GG8.2 The Dominant Provider shall ensure that the Notice includes-

(a) a description of the Network Access in question;

(b) a reference to the location in the Dominant Provider's Reference Offer of the relevant terms and conditions;

(c) the date on which or the period for which the Dominant Provider may enter into an Access Contract to provide the new Network Access or any amendments to the relevant terms and conditions will take effect (the "effective date").

GG8.3 The Dominant Provider shall not enter into an Access Contract containing the terms and conditions identified in the Notice or apply any new relevant terms and conditions identified in the Notice before the effective date.

GG8.4 Publication referred to in paragraph GG8.1 shall be effected by:

(a) placing a copy of the Notice on any relevant website operated or controlled by the Dominant Provider;

(b) sending a copy of the Notice to the Director, and

(c) sending a copy of the Notice to any person at that person's written request, and where the Notice identifies a modification to existing relevant terms and conditions, to every person with which the Dominant Provider has entered into an Access Contract covered by Condition GG1. The provision of such a copy of Notice may be subject to a reasonable charge.

GG9 - Requests for new Network Access

GG9.1 The Dominant Provider shall for the purposes of transparency publish reasonable guidelines, in relation to requests for new Network Access made to it. Such guidelines shall detail:

- (a) the form in which such a request should be made;
- (b) the information that the Dominant Provider requires in order to consider a request for new Network Access; and
- (c) the time scales in which such requests will be handled by the Dominant Provider in accordance with this Condition.

GG9.2 Such guidelines shall be published within two months of the date that this Condition enters into force following a consultation with the Director and Third Parties. The Dominant Provider shall keep the guidelines under review and consult with relevant Third Parties and the Director before making any amendments to the guidelines.

GG9.3 The Dominant Provider shall, upon a reasonable request from a Third Party considering making a request for new Network Access, provide that Third Party with information so as to enable that Third Party to make a request for new Network Access. Such information shall be provided within a reasonable period.

GG9.4 On receipt of a written request for new Network Access the Dominant Provider shall ensure that the requirements of this Condition are met. A modification of a request for new Network Access which has previously been submitted to the Dominant Provider, and rejected by the Dominant Provider, shall be considered as a new request.

GG9.5 Within five working days of receipt of a request under paragraph GG9.4, the Dominant Provider shall acknowledge that request in writing.

GG9.6 Within fifteen working days of receipt of a request under paragraph GG9.4 the Dominant Provider shall respond in writing to the requesting Third Party in one of the following ways:

- (a) the Dominant Provider shall confirm that the request will be met and shall confirm that the following will be prepared:
 - (i) the timetable for the provision of the new Network Access;
 - (ii) an initial offer of terms and conditions for the provision of the new Network Access; and
 - (iii) the timetable for the agreement of technical issues.

(b) the Dominant Provider shall confirm that a feasibility study is reasonably required in order to determine whether the request made is reasonable and the Dominant Provider shall set out its objective reasons for the need for such a study;

(c) the Dominant Provider shall confirm that the request is not sufficiently well formulated and, where it does so, the Dominant Provider shall detail all of the defects in the request which has been made; or

(d) the Dominant Provider shall confirm that the request is refused on the basis that it is not reasonable and, where it does so, the Dominant Provider shall detail its reasons for refusal.

GG9.7 Where the Dominant Provider responds to a request under paragraph GG9.4 in accordance with paragraph GG9.6 (a) it shall, within thirty five working days of receipt of a request under paragraph GG9.4, respond further to the requesting Third Party in writing and:

- (i) confirm the timetable for the provision of the new Network Access;
- (ii) provide an initial offer of terms and conditions for the provision of the new Network Access; and
- (iii) confirm the timetable for the agreement of technical issues.

GG9.8 Where the Dominant Provider responds to a request under paragraph GG9.4 in accordance with paragraph GG9.6 (a) and determines, due to a genuine error of fact, that it reasonably needs to complete a feasibility study, it may, as soon as practicable and in any event, within thirty five working days of receipt of a request under paragraph GG9.4, inform the requesting Third Party that a feasibility study is reasonably required and set out its objective reasons for such a study.

GG9.9 Where GG9.8 applies the Dominant Provider shall, within forty five working days from the date that the Dominant Provider informs the requesting Third Party that a feasibility study is reasonably required, respond further to the requesting Third party, in writing, in one of the following ways:

(a) the Dominant Provider shall confirm that the request will be met and shall:

- (i) confirm the timetable for the provision of the new Network Access;
- (ii) provide an initial offer of terms and conditions for the provision of the new Network Access; and
- (iii) confirm the timetable for the agreement of technical issues; or

(b) the Dominant Provider shall confirm that the request is refused on the basis that it is not reasonable and, where it does so, the Dominant Provider shall detail its reasons for refusal. The Dominant Provider shall provide to the Director a

copy of the feasibility study and shall provide to the requesting Third Party a non-confidential copy of the feasibility study.

GG9.10 The time limit set out in paragraph GG9.9 above shall be extended up to seventy working days from the date that the Dominant Provider informs the requesting Third Party that a feasibility study is reasonably required pursuant to paragraph GG9.8, if:

- circumstances have arisen which, despite the Dominant Provider using its best endeavours, prevent it from completing the feasibility study within forty five working days of the date that the requesting Third Party was informed of the need for a feasibility study pursuant to paragraph GG9.8; or

- the Third Party and the Dominant Provider agree to extend the time limit up to seventy working days.

GG9.11 The time limit set out in paragraph GG9.9 above shall be extended beyond seventy working days from the date that the Dominant Provider informs the requesting Third Party that a feasibility study is reasonably required pursuant to paragraph GG9.8, if:

- the Director agrees; or

- the Third Party and the Dominant Provider agree to extend the time limit beyond seventy working days.

GG9.12 Where the Dominant Provider responds to a request under paragraph GG9.4 in accordance with paragraph GG9.6(b) the Dominant Provider shall, within sixty working days of receipt of a request under paragraph GG9.4, respond further to the requesting Third Party, in writing, in one of the following ways:

(a) the Dominant Provider shall confirm that the request will be met and shall:

(i) confirm the timetable for the provision of the new Network Access;

(ii) provide an initial offer of terms and conditions for the provision of the new Network Access; and

(iii) confirm the timetable for the agreement of technical issues; or

(b) the Dominant Provider shall confirm that the request is refused on the basis that it is not reasonable and, where it does so, the Dominant Provider shall detail its reasons for refusal. The Dominant Provider shall provide to the Director a copy of the feasibility study and shall provide to the requesting Third Party a non-confidential copy of the feasibility study.

GG9.13 The time limit set out in paragraph GG9.12 above shall be extended up to eighty five working days of receipt of a request under paragraph GG9.4, if:

- circumstances have arisen which, despite the Dominant Provider using its best endeavours, prevent it from completing the feasibility study within sixty working days of receipt of a request under paragraph GG9.4; or

- the Third Party and the Dominant Provider agree to extend the time limit up to eighty five working days.

GG9.14 The time limit set out in paragraph GG9.12 above shall be extended beyond eighty five working days of receipt of a request under paragraph GG9.4, if:

- the Director agrees; or

- the Third Party and the Dominant Provider agree to extend the time limit beyond eighty five working days.

GG9.15 Within two months of the date that this Condition enters into force the Dominant Provider shall provide the Director with a description of the processes it has put in place to ensure compliance with this Condition. It shall keep those processes under review to ensure that they remain adequate for that purpose.

GG9.16 The Dominant Provider shall comply with any direction the Director may make from time to time under this Condition.

Annex A**POC equipment charges**

	Connection charge (£)	Rental charge (£ per annum)
Customer Sited Handover (CSH)		
CSH Configuration SMA-16		
SMA-16 ADM with no trib interfaces (single fibre working) - existing site	96,126	1,729
SMA-16 ADM with no trib interfaces (dual fibre working 1300nm) - existing site	96,251	1,676
SMA-16 ADM with no trib interfaces (dual fibre working 1550nm) - existing site	101,945	1,782
Additional charge for new site	2,319	-
Standby batteries if required	522	9.50
STM-1 electrical trib interface (2 ports)	2,998	56
STM-1 optical (1300nm) trib interface (1 port)	3,878	72
STM-1 electrical trib card (2 ports), required for 1+1 card protection	1,499	28
STM-1 optical (1300nm) trib card (1 port), required for MSP protection	880	16
STM-4 optical (1300nm) trib interface (1 port)	9,880	183
STM-4 optical (1300nm) trib card (1 port), required for MSP protection	3,885	72
CSH Configuration SMA-4		
SMA-4 ADM with no trib interfaces (single fibre working) - existing site	62,481	1,104
SMA-4 ADM with no trib interfaces (dual fibre working 1300nm) - existing site	60,872	1,020
SMA-4 ADM with no trib interfaces (dual fibre working 1550nm) - existing site	70,034	1,189
Additional charge for new site	2,319	-
Standby batteries if required	522	9.50
STM-1 electrical trib interface (1 port)	835	15
STM-1 optical (1300nm) trib interface (1 port)	2,289	43

STM-1 electrical trib card (1 port), required for 1+1 card protection	704	13
STM-1 optical (1300nm) trib card (1 port), required for MSP protection	880	16
STM-4 optical (1300nm) trib interface (1 port)	9,519	177
STM-4 optical (1300nm) trib card (1 port), required for MSP protection	3,885	72
CSH Configuration MSH51		
MSH51 ADM with no trib interfaces (single fibre working) - existing site	54,226	951
MSH51 ADM with no trib interfaces (dual fibre working 1300nm) - existing site	56,504	938
MSH51 ADM with no trib interfaces (dual fibre working 1550nm) - existing site	57,891	963
Additional charge for new site	2,319	-
Per km from serving exchange to MSH node - single fibre working	2,442	0.95
Per km from serving exchange to MSH node - dual fibre working	4,883	2.80
Standby batteries if required	522	9.50
STM-1 electrical trib interface (4 ports)	3,448	64
STM-1 optical (1300nm) trib interface (2 ports)	3,835	71
STM-1 electrical trib card (4 ports), required for 1+1 card protection	1,150	20
STM-1 optical (1300nm) trib card (2 ports), required for MSP protection	1,537	28
STM-4 optical (1300nm) trib interface (1 port)	3,529	65.50
STM-4 optical (1300nm) Trib card (1 port), required for MSP protection	1,231	23
STM1 - legacy equipment	not available	445
16x2 - legacy equipment	not available	571
2M Bearer Access – required for access to DPCN	1,855	448
plus rental per km from POH serving exchange to DPCN node	-	49
In Span Handover (ISH)		
ISH Configuration STM-16		

SMA –16 ADM with single STM-16 handover (1300nm)	69,567	1,292
Optional STM-16 1550nm handover	2,847	53
ISH Configuration STM-4		
SMA-4 ADM with single STM-4 handover (1300nm)	32,656	607
Optional STM-4 1550nm handover	4,581	85
ISH Configuration STM-1		
SMA-4 ADM with single STM-1 handover (1300nm)	19,321	359
Additional cost for STM-1 1550nm handover	2,075	39
Additional STM-1 handovers (1300nm) – max 3	2,907	54
Additional STM-1 handovers (1550nm) – max 3	5,245	98
ISH Configuration MSH51		
MSH51 ADM with single STM-16 handover (1300nm)	29,615	550
Optional STM-16 1550nm handover	693	13
MSH51 ISH is provided at nearest MSH node to customer		

Connection of a new Partial Private Circuit

Provision charge per circuit	Single charge (£)
34 Mbit/s – 45 Mbit/s	1,757.06
140 Mbit/s and above	1,840.12

Third Party Equipment charges

	Connection charges (£)
Third party customer sited SMA-1 ADM	
SMA-1 ADM with no trib interfaces (single fibre working) - existing site	20,341
SMA-1 ADM with no trib interfaces (dual fibre working 1300nm) - existing site	21,236
SMA-1 ADM with no trib interfaces (dual fibre working 1550nm) - existing site	25,388
Additional charge for new site	2,319
Standby batteries if required	522
34Mbit/s trib card (3 ports)	1,191
45Mbit/s trib card (3 ports)	1,191
STM-1 electrical trib card (1 port)	704

STM-1 optical (1300nm) trib card (1 port)	880
140Mbit/s electrical trib card (1 port)	950
Third party customer sited SMA-4 ADM	
SMA-4 ADM with no trib interfaces (single fibre working) - existing site	56,415
SMA-4 ADM with no trib interfaces (dual fibre working 1300nm) - existing site	54,805
SMA-4 ADM with no trib interfaces (dual fibre working 1550nm) - existing site	63,968
Additional charge for new site	2,319
Standby batteries if required	522
34Mbit/s trib card (3 ports)	1,191
45Mbit/s trib card (3 ports)	1,191
STM-1 electrical trib card (1 port)	704
STM-1 optical (1300nm) trib card (1 port)	880
140Mbit/s electrical trib card (1 port)	950
STM-4 optical (1300nm) trib card (1 port)	3,885
Third party customer sited SMA-16 ADM	
SMA-16 with no trib interfaces (single fibre working) - existing site	91,161
SMA-16 ADM with no trib interfaces (dual fibre working 1300nm) - existing site	91,286
SMA-16 ADM with no trib interfaces (dual fibre working 1550nm) - existing site	96,979
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34Mbit/s trib card (3 ports)	1,191
45Mbit/s trib card (3 ports)	1,191
STM-1 electrical trib card (2 ports)	1,498
STM-1 optical (1300nm) trib card (1 port)	880
140Mbit/s electrical trib card (1 port)	950
STM-4 optical (1300nm) trib card (1 port)	3,885
Third party customer sited MSH-51C ADM	
MSH51 with no trib interfaces (single fibre working) - existing site	61,286
MSH51 with no trib interfaces (dual fibre working 1300nm) - existing site	59,676
MSH51 with no trib interfaces (dual fibre working 1550nm) - existing site	68,838
Additional charge for new site	2,319
Per km from serving exchange to MSH node - single fibre working	2,442
Per km from serving exchange to MSH node - dual fibre working	4,883

Standby batteries if required	522
STM-1 electrical trib card (4 ports)	1,150
STM-1 optical (1300nm) trib card (2 ports)	880
140Mbit/s electrical trib card (1 port)	1,150
STM-4 optical (1300nm) trib card (1 port)	3,885

Rental and maintenance charges

	Standard maintenance			Enhanced maintenance		
	local end fixed charge per annum (£)	main link fixed charge per annum (£)	main link per charge km charge, up to SDH Tier 1 break point (£)	per charge beyond SDH Tier 1 break point (per km per annum)	Fixed charge per annum (£)	Per km charge per annum, (£)
34/45Mb	3,491.01	3,134.80	492.14	526.48	214.55	2.41
140/155Mb	15,694.55	10,595.47	1,238.65	1,115.39	386.20	5.51

The conditions imposed on British Telecommunications plc under the Communications Act 2003 as a result of the analysis of the market for the provision of wholesale trunk segments at all bandwidths in which British Telecommunications plc has been found to have significant market power

Part 1: Definitions and Interpretation of these conditions

1. These conditions shall apply to the market for the provision of wholesale trunk segments at all bandwidths within the United Kingdom and shall also apply to Interconnection Services.
2. For the purpose of interpreting the conditions imposed on the Dominant Provider following a review of the markets referred to in paragraph 1 the following definitions shall apply:

"Act" means the Communications Act 2003;

"Access Charge Change Notice" has the meaning given to it in Condition H5;

"Director" means the Director General of Telecommunications as appointed under section 1 of the Telecommunications Act 1984;

"Dominant Provider" means British Telecommunications plc, whose registered company number is 1800000 and any British Telecommunications plc subsidiary or holding company, or any subsidiary of that holding company, all as defined by section 736 of the Companies Act 1985 as amended by the Companies Act 1989;

"Interconnection Services" mean:

In-Span Handover ("ISH");

Customer-Sited Handover ("CSH");

ISH extension circuits;

Synchronous Transfer Mode-1/ISH handover; and

Synchronous Transfer Mode-1/CSH handover.

"Network Component" means to the extent they are used in the Market, or for Interconnection Services, the network components specified in a Direction given by the Director from time to time for the purpose of these conditions;

"Reference Offer" means the terms and conditions on which the Dominant Provider is willing to enter into an Access Contract;

"The Market" means the market set out in paragraph 1 above;

"Third Party" means a person providing a public Electronic Communications Service or a person providing a public Electronic Communications Network;

"Transfer Charge" means the charge or price that is applied, or deemed to be applied, by the Dominant Provider to itself for the use or provision of an activity or group of activities. For the avoidance of doubt such activities or group of activities include, amongst other things, products and services provided from, to or within the Market and the use of Network Components in that Market; and

"Usage Factor" means the average usage by any Communications Provider (including the Dominant Provider itself) of each Network Component in using or providing a particular product or service or carrying out a particular activity.

3. Except insofar as 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.
 4. The Interpretation Act 1978 shall apply as if each of the conditions were an Act of Parliament.
 5. Headings and titles shall be disregarded.
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Part 2: The conditions**Condition H1 – Requirement to provide network access on reasonable request**

H1.1 Where a Third Party reasonably requests in writing Network Access, the Dominant Provider shall provide that Network Access. The Dominant Provider shall also provide such Network Access as the Director may from time to time direct.

H1.2 The provision of Network Access in accordance with paragraph H1.1 shall occur as soon as reasonably practicable and shall be provided on fair and reasonable terms, conditions and charges and on such terms, conditions and charges as the Director may from time to time direct.

H1.3 The Dominant Provider shall comply with any direction the Director may make from time to time under this Condition.

Condition H2 – Requirement not to unduly discriminate

H2.1 The Dominant Provider shall not unduly discriminate against particular persons or against a particular description of persons, in relation to matters connected with Network Access.

H2.2 In this Condition, the Dominant Provider may be deemed to have shown undue discrimination if it unfairly favours to a material extent an activity carried on by it so as to place at a competitive disadvantage persons competing with the Dominant Provider.

Condition H3 – Basis of charges

H3.1 Unless the Director directs otherwise from time to time, the Dominant Provider shall secure, and shall be able to demonstrate to the satisfaction of the Director, that each and every charge offered, payable or proposed for Network Access covered by Condition H1 is reasonably derived from the costs of provision based on a forward looking long run incremental cost approach and allowing an appropriate mark up for the recovery of common costs and an appropriate return on capital employed.

H3.2 The Dominant Provider shall comply with any direction the Director may from time to time direct under this Condition.

Condition H4 – Requirement to publish a reference offer

H4.1 Except in so far as the Director may otherwise consent in writing, the Dominant Provider shall publish a Reference Offer and act in the manner set out below.

H4.2 Subject to paragraph H4.8 below, the Dominant Provider shall ensure that a Reference Offer in relation to the provision of Network Access includes at least the following:

- (a) a description of the Network Access to be provided, including technical characteristics (which shall include information on network configuration where necessary to make effective use of Network Access);
 - (b) the locations of the points of Network Access;
 - (c) the technical standards for Network Access (including any usage restrictions and other security issues);
 - (d) the conditions for access to ancillary, supplementary and advanced services (including operational support systems, information systems or databases for pre-ordering, provisioning, ordering, maintenance and repair requests and billing);
 - (e) any ordering and provisioning procedures;
 - (f) relevant charges, terms of payment and billing procedures;
 - (g) details of interoperability tests;
 - (h) details of maintenance and quality as follows:
 - (i) specific time scales for the acceptance or refusal of a request for supply and for completion, testing and hand-over or delivery of services and facilities, for provision of support services (such as fault handling and repair);
 - (ii) service level commitments, namely the quality standards that each party must meet when performing its contractual obligations;
 - (iii) the amount of compensation payable by one party to another for failure to perform contractual commitments;
 - (iv) a definition and limitation of liability and indemnity; and
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(v) procedures in the event of alterations being proposed to the service offerings, for example, launch of new services, changes to existing services or change to prices;

(i) details of any relevant intellectual property rights;

(j) a dispute resolution procedure to be used between the parties;

(k) details of duration and renegotiation of agreements;

(l) provisions regarding confidentiality of non-public parts of the agreements;

(m) rules of allocation between the parties when supply is limited (for example, for the purpose of co-location or location of masts);

(n) the standard terms and conditions for the provision of Network Access;

(o) the amount applied to:

(i) each Network Component used in providing Network Access with the relevant Usage Factors;

(ii) the Transfer Charge for each Network Component or combination of Network Components described above;

reconciled in each case to the charge payable by a Communications Provider other than the Dominant Provider.

H4.3 To the extent that the Dominant Provider provides to itself Network Access that:

(i) is the same, similar or equivalent to that provided to any other person; or

(ii) may be used for a purpose that is the same, similar or equivalent to that provided to any other person,

in a manner that differs from that detailed in a Reference Offer in relation to Network Access provided to any other person, the Dominant Provider shall ensure that it publishes a Reference Offer in relation to the Network Access that it provides to itself which includes, where relevant, at least those matters detailed in paragraphs H4.2(a)-(o).

H4.4 The Dominant Provider shall, within one month of the date that this Condition enters into force, publish a Reference Offer in relation to any Network Access that it is providing as at the date that this Condition enters into force.

H4.5 The Dominant Provider shall update and publish the Reference Offer in relation to any amendments or in relation to any further Network Access provided after the date that this Condition enters into force.

H4.6 Publication referred to above shall be effected by:

(a) placing a copy of the Reference Offer on any relevant website operated or controlled by the Dominant Provider; and

(b) sending a copy of the Reference Offer to the Director.

H4.7 The Dominant Provider shall send a copy of the current version of the Reference Offer to any person at that person's written request (or such parts which have been requested).

H4.8 The Dominant Provider shall make such modifications to the Reference Offer as the Director may direct from time to time.

H4.9 The Dominant Provider shall provide Network Access at the charges, terms and conditions in the relevant Reference Offer and shall not depart therefrom either directly or indirectly.

H4.10 The Dominant Provider shall comply with any direction the Director may make from time to time under this Condition.

Condition H5 – Requirement to notify charges and terms and conditions

H5.1 Except in so far as the Director may otherwise consent in writing, the Dominant Provider shall publish charges, terms and conditions and act in the manner set out below.

H5.2 Save where otherwise provided in Condition H7, the Dominant Provider shall send to the Director and to every person with which it has entered into an Access Contract covered by Condition H1 a written notice of any amendment to the charges, terms and conditions on which it provides Network Access or in relation to any charges for new Network Access (an "Access Charge Change Notice") on the same day as any such amendment comes into effect.

H5.3 The Dominant Provider shall ensure that an Access Charge Change Notice includes:

- (a) a description of the Network Access in question;
- (b) a reference to the location in the Dominant Provider's current Reference Offer of the terms and conditions associated with the provision of that Network Access;
- (c) the date on which or the period for which any amendments to charges, terms and conditions will take effect (the "effective date");
- (d) the current and proposed new charge and the relevant Usage Factors applied to each Network Component comprised in that Network Access, reconciled in each case with the current or proposed new charge; and
- (e) the information specified in sub paragraph (d) above with respect to that Network Access to which that paragraph applies.

H5.4 The Dominant Provider shall not apply any new charge, term and condition identified in an Access Charge Change Notice before the effective date.

H5.5 To the extent that the Dominant Provider provides to itself Network Access that:

- (i) is the same, similar or equivalent to that provided to any other person;
or
- (ii) may be used for a purpose that is the same, similar or equivalent to that provided to any other person,

in a manner that differs from that detailed in an Access Charge Change Notice in relation to Network Access provided to any other person, the Dominant Provider shall ensure that it sends to the Director an Access Charge Change Notice in

relation to the Network Access that it provides to itself which includes, where relevant, at least those matters detailed in paragraphs H5.3(a)-(e).

Condition H6 – Quality of Service

H6.1 The Dominant provider shall publish all such information for the purposes of securing transparency as to the quality of service in relation to Network Access provided by the Dominant Provider in such manner and form as the Director may from time to time direct.

H6.2 The Dominant Provider shall comply with any direction the Director may make from time to time under this Condition.

Condition H7 – Requirement to notify technical information

H7.1 Save where the Director consents otherwise, where the Dominant Provider-

(a) proposes to provide Network Access covered by Condition H1, the terms and conditions for which comprise new-

(i) technical characteristics (including information on network configuration where necessary to make effective use of the Network Access);

(ii) locations of the points of Network Access; or

(iii) technical standards (including any usage restrictions and other security issues),

or

(b) proposes to amend an existing Access Contract covered by Condition H1 by modifying the terms and conditions listed in paragraph H7.1(a)(i) to (iii) on which the Network Access is provided,

the Dominant Provider shall publish a written notice (the "Notice") of the new or amended terms and conditions not less than 90 days before either the Dominant Provider enters into an Access Contract to provide the new Network Access or the amended terms and conditions of the existing Access Contract come into effect.

H7.2 The Dominant Provider shall ensure that the Notice includes-

(a) a description of the Network Access in question;

(b) a reference to the location in the Dominant Provider's Reference Offer of the relevant terms and conditions;

(c) the date on which or the period for which the Dominant Provider may enter into an Access Contract to provide the new Network Access or any amendments to the relevant terms and conditions will take effect (the "effective date").

H7.3 The Dominant Provider shall not enter into an Access Contract containing the terms and conditions identified in the Notice or apply any new relevant terms and conditions identified in the Notice before the effective date.

H7.4 Publication referred to in paragraph H7.1 shall be effected by:

(a) placing a copy of the Notice on any relevant website operated or controlled by the Dominant Provider;

(b) sending a copy of the Notice to the Director, and

(c) sending a copy of the Notice to any person at that person's written request, and where the Notice identifies a modification to existing relevant terms and conditions, to every person with which the Dominant Provider has entered into an Access Contract covered by Condition H1. The provision of such a copy of Notice may be subject to a reasonable charge.

H8 - Requests for new Network Access

H8.1 The Dominant Provider shall for the purposes of transparency publish reasonable guidelines, in relation to requests for new Network Access made to it. Such guidelines shall detail:

- (a) the form in which such a request should be made;
- (b) the information that the Dominant Provider requires in order to consider a request for new Network Access; and
- (c) the time scales in which such requests will be handled by the Dominant Provider in accordance with this Condition.

H8.2 Such guidelines shall be published within two months of the date that this Condition enters into force following a consultation with the Director and Third Parties. The Dominant Provider shall keep the guidelines under review and consult with relevant Third Parties and the Director before making any amendments to the guidelines.

H8.3 The Dominant Provider shall, upon a reasonable request from a Third Party considering making a request for new Network Access, provide that Third Party with information so as to enable that Third Party to make a request for new Network Access. Such information shall be provided within a reasonable period.

H8.4 On receipt of a written request for new Network Access the Dominant Provider shall ensure that the requirements of this Condition are met. A modification of a request for new Network Access which has previously been submitted to the Dominant Provider, and rejected by the Dominant Provider, shall be considered as a new request.

H8.5 Within five working days of receipt of a request under paragraph H8.4, the Dominant Provider shall acknowledge that request in writing.

H8.6 Within fifteen working days of receipt of a request under paragraph H8.4 the Dominant Provider shall respond in writing to the requesting Third Party in one of the following ways:

- (a) the Dominant Provider shall confirm that the request will be met and shall confirm that the following will be prepared:
 - (i) the timetable for the provision of the new Network Access;
 - (ii) an initial offer of terms and conditions for the provision of the new Network Access; and
 - (iii) the timetable for the agreement of technical issues.

(b) the Dominant Provider shall confirm that a feasibility study is reasonably required in order to determine whether the request made is reasonable and the Dominant Provider shall set out its objective reasons for the need for such a study;

(c) the Dominant Provider shall confirm that the request is not sufficiently well formulated and, where it does so, the Dominant Provider shall detail all of the defects in the request which has been made; or

(d) the Dominant Provider shall confirm that the request is refused on the basis that it is not reasonable and, where it does so, the Dominant Provider shall detail its reasons for refusal.

H8.7 Where the Dominant Provider responds to a request under paragraph H8.4 in accordance with paragraph H8.6(a) it shall, within thirty five working days of receipt of a request under paragraph H8.4, respond further to the requesting Third Party in writing and:

- (i) confirm the timetable for the provision of the new Network Access;
- (ii) provide an initial offer of terms and conditions for the provision of the new Network Access; and
- (iii) confirm the timetable for the agreement of technical issues.

H8.8 Where the Dominant Provider responds to a request under paragraph H8.4 in accordance with paragraph H8.6(a) and determines, due to a genuine error of fact, that it reasonably needs to complete a feasibility study, it may, as soon as practicable and in any event, within thirty five working days of receipt of a request under paragraph H8.4, inform the requesting Third Party that a feasibility study is reasonably required and set out its objective reasons for such a study.

H8.9 Where H8.8 applies the Dominant Provider shall, within forty five working days from the date that the Dominant Provider informs the requesting Third Party that a feasibility study is reasonably required, respond further to the requesting Third party, in writing, in one of the following ways:

(a) the Dominant Provider shall confirm that the request will be met and shall:

- (i) confirm the timetable for the provision of the new Network Access;
- (ii) provide an initial offer of terms and conditions for the provision of the new Network Access; and
- (iii) confirm the timetable for the agreement of technical issues; or

(b) the Dominant Provider shall confirm that the request is refused on the basis that it is not reasonable and, where it does so, the Dominant Provider shall detail its reasons for refusal. The Dominant Provider shall provide to the Director a

copy of the feasibility study and shall provide to the requesting Third Party a non-confidential copy of the feasibility study.

H8.10 The time limit set out in paragraph H8.9 above shall be extended up to seventy working days from the date that the Dominant Provider informs the requesting Third Party that a feasibility study is reasonably required pursuant to paragraph H8.8, if:

- circumstances have arisen which, despite the Dominant Provider using its best endeavours, prevent it from completing the feasibility study within forty five working days of the date that the requesting Third Party was informed of the need for a feasibility study pursuant to paragraph H8.8; or

- the Third Party and the Dominant Provider agree to extend the time limit up to seventy working days.

H8.11 The time limit set out in paragraph H8.9 above shall be extended beyond seventy working days from the date that the Dominant Provider informs the requesting Third Party that a feasibility study is reasonably required pursuant to paragraph H8.8, if:

- the Director agrees; or

- the Third Party and the Dominant Provider agree to extend the time limit beyond seventy working days.

H8.12 Where the Dominant Provider responds to a request under paragraph H8.4 in accordance with paragraph H8.6(b) the Dominant Provider shall, within sixty working days of receipt of a request under paragraph H8.4, respond further to the requesting Third Party, in writing, in one of the following ways:

(a) the Dominant Provider shall confirm that the request will be met and shall:

(i) confirm the timetable for the provision of the new Network Access;

(ii) provide an initial offer of terms and conditions for the provision of the new Network Access; and

(iii) confirm the timetable for the agreement of technical issues; or

(b) the Dominant Provider shall confirm that the request is refused on the basis that it is not reasonable and, where it does so, the Dominant Provider shall detail its reasons for refusal. The Dominant Provider shall provide to the Director a copy of the feasibility study and shall provide to the requesting Third Party a non-confidential copy of the feasibility study.

H8.13 The time limit set out in paragraph H8.12 above shall be extended up to eighty five working days of receipt of a request under paragraph H8.4, if:

- circumstances have arisen which, despite the Dominant Provider using its best endeavours, prevent it from completing the feasibility study within sixty working days of receipt of a request under paragraph H8.4; or

- the Third Party and the Dominant Provider agree to extend the time limit up to eighty five working days.

H8.14 The time limit set out in paragraph H8.12 above shall be extended beyond eighty five working days of receipt of a request under paragraph H8.4, if:

- the Director agrees; or

- the Third Party and the Dominant Provider agree to extend the time limit beyond eighty five working days.

H8.15 Within two months of the date that this Condition enters into force the Dominant Provider shall provide the Director with a description of the processes it has put in place to ensure compliance with this Condition. It shall keep those processes under review to ensure that they remain adequate for that purpose.

H8.16 The Dominant Provider shall comply with any direction the Director may make from time to time under this Condition.

The conditions imposed on British Telecommunications plc under the Communications Act 2003 as a result of the analysis of the market for the provision of alternative interface symmetric broadband origination at all bandwidths in which British Telecommunications plc has been found to have significant market power

Part 1: Definitions and Interpretation of these conditions

1. These conditions shall apply to the market for the provision of alternative interface symmetric broadband origination at all bandwidths within the United Kingdom but not including the Hull Area.

2. For the purpose of interpreting the conditions imposed on the Dominant Provider following a review of the markets referred to in paragraph 1 the following definitions shall apply:

“Act” means the Communications Act 2003;

“Access Charge Change Notice” has the meaning given to it in Condition HH5;

“Director” means the Director General of Telecommunications as appointed under section 1 of the Telecommunications Act 1984;

“Dominant Provider” means British Telecommunications plc, whose registered company number is 1800000 and any British Telecommunications plc subsidiary or holding company, or any subsidiary of that holding company, all as defined by section 736 of the Companies Act 1985 as amended by the Companies Act 1989;

“the Hull Area” means the area defined as the 'Licensed Area' in the licence granted on 30 November 1987 by the Secretary of State under section 7 of the Telecommunications Act 1984 to Kingston upon Hull City Council and Kingston Communications (Hull) plc;

“Network Component” means to the extent they are used in the Market the network components specified in a Direction given by the Director from time to time for the purpose of these conditions;

“Reference Offer” means the terms and conditions on which the Dominant Provider is willing to enter into an Access Contract;

“The Market” means the markets set out in paragraph 1 above;

"Third Party" means a person providing a public Electronic Communications Service or a person providing a public Electronic Communications Network;

"Transfer Charge" means the charge or price that is applied, or deemed to be applied, by the Dominant Provider to itself for the use or provision of an activity or group of activities. For the avoidance of doubt such activities or group of activities include, amongst other things, products and services provided from, to or within the Market and the use of Network Components in that Market; and

"Usage Factor" means the average usage by any Communications Provider (including the Dominant Provider itself) of each Network Component in using or providing a particular product or service or carrying out a particular activity.

3. Except insofar as 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.

4. The Interpretation Act 1978 shall apply as if each of the conditions were an Act of Parliament.

5. Headings and titles shall be disregarded.

Part 2: The conditions

Condition HH1 – Requirement to provide network access on reasonable request

HH1.1 Where a Third Party reasonably requests in writing Network Access, the Dominant Provider shall provide that Network Access. The Dominant Provider shall also provide such Network Access as the Director may from time to time direct.

HH1.2 The provision of Network Access in accordance with paragraph HH1.1 shall occur as soon as reasonably practicable and shall be provided on fair and reasonable terms, conditions and charges and on such terms, conditions and charges as the Director may from time to time direct.

HH1.3 The Dominant Provider shall comply with any direction the Director may make from time to time under this Condition.

Condition HH2 – Requirement not to unduly discriminate

HH2.1 The Dominant Provider shall not unduly discriminate against particular persons or against a particular description of persons, in relation to matters connected with Network Access.

HH2.2 In this Condition, the Dominant Provider may be deemed to have shown undue discrimination if it unfairly favours to a material extent an activity carried on by it so as to place at a competitive disadvantage persons competing with the Dominant Provider.

Condition HH3 – Basis of charges

HH3.1 Unless the Director directs otherwise from time to time, the Dominant Provider shall secure, and shall be able to demonstrate to the satisfaction of the Director, that each and every charge offered, payable or proposed for Network Access covered by Condition HH1 is reasonably derived from the costs of provision based on a forward looking long run incremental cost approach and allowing an appropriate mark up for the recovery of common costs including an appropriate return on capital employed.

HH3.2 The Dominant Provider shall comply with any direction the Director may from time to time direct under this Condition.

Condition HH4 – Requirement to publish a reference offer

HH4.1 Except in so far as the Director may otherwise consent in writing, the Dominant Provider shall publish a Reference Offer and act in the manner set out below.

HH4.2 Subject to paragraph HH4.8 below, the Dominant Provider shall ensure that a Reference Offer in relation to the provision of Network Access includes at least the following:

- (a) a description of the Network Access to be provided, including technical characteristics (which shall include information on network configuration where necessary to make effective use of Network Access);
 - (b) the locations of the points of Network Access;
 - (c) the technical standards for Network Access (including any usage restrictions and other security issues);
 - (d) the conditions for access to ancillary, supplementary and advanced services (including operational support systems, information systems or databases for pre-ordering, provisioning, ordering, maintenance and repair requests and billing);
 - (e) any ordering and provisioning procedures;
 - (f) relevant charges, terms of payment and billing procedures;
 - (g) details of interoperability tests;
 - (h) details of maintenance and quality as follows:
 - (i) specific time scales for the acceptance or refusal of a request for supply and for completion, testing and hand-over or delivery of services and facilities, for provision of support services (such as fault handling and repair);
 - (ii) service level commitments, namely the quality standards that each party must meet when performing its contractual obligations;
 - (iii) the amount of compensation payable by one party to another for failure to perform contractual commitments;
 - (iv) a definition and limitation of liability and indemnity; and
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(v) procedures in the event of alterations being proposed to the service offerings, for example, launch of new services, changes to existing services or change to prices;

(i) details of any relevant intellectual property rights;

(j) a dispute resolution procedure to be used between the parties;

(k) details of duration and renegotiation of agreements;

(l) provisions regarding confidentiality of non-public parts of the agreements;

(m) rules of allocation between the parties when supply is limited (for example, for the purpose of co-location or location of masts);

(n) the standard terms and conditions for the provision of Network Access;

(o) the amount applied to:

(i) each Network Component used in providing Network Access with the relevant Usage Factors;

(ii) the Transfer Charge for each Network Component or combination of Network Components described above;

reconciled in each case to the charge payable by a Communications Provider other than the Dominant Provider.

HH4.3 To the extent that the Dominant Provider provides to itself Network Access that:

(i) is the same, similar or equivalent to that provided to any other person; or

(ii) may be used for a purpose that is the same, similar or equivalent to that provided to any other person,

in a manner that differs from that detailed in a Reference Offer in relation to Network Access provided to any other person, the Dominant Provider shall ensure that it publishes a Reference Offer in relation to the Network Access that it provides to itself which includes, where relevant, at least those matters detailed in paragraphs HH4.2(a)-(o).

HH4.4 The Dominant Provider shall, within one month of the date that this Condition enters into force, publish a Reference Offer in relation to any Network Access that it is providing as at the date that this Condition enters into force

HH4.5 The Dominant Provider shall update and publish the Reference Offer in relation to any amendments or in relation to any further Network Access provided after the date that this Condition enters into force.

HH4.6 Publication referred to above shall be effected by:

(a) placing a copy of the Reference Offer on any relevant website operated or controlled by the Dominant Provider; and

(b) sending a copy of the Reference Offer to the Director.

HH4.7 The Dominant Provider shall send a copy of the current version of the Reference Offer to any person at that person's written request (or such parts which have been requested).

HH4.8 The Dominant Provider shall make such modifications to the Reference Offer as the Director may direct from time to time.

HH4.9 The Dominant Provider shall provide Network Access at the charges, terms and conditions in the relevant Reference Offer and shall not depart therefrom either directly or indirectly.

HH4.10 The Dominant Provider shall comply with any direction the Director may make from time to time under this Condition.

Condition HH5 – Requirement to notify charges and terms and conditions

HH5.1 Except in so far as the Director may otherwise consent in writing, the Dominant Provider shall publish charges, terms and conditions and act in the manner set out below.

HH5.2 Save where otherwise provided in Condition HH7, the Dominant Provider shall send to the Director and to every person with which it has entered into an Access Contract covered by Condition HH1, a written notice of any amendment to the charges, terms and conditions on which it provides Network Access or in relation to any charges for new Network Access (an "Access Charge Change Notice") not less than 90 days before any such amendment comes into effect for Network Access being provided on the date that this Condition enters into force, or not less than 28 days before any such amendment comes into effect for new Network Access provided after the date that this Condition enters into force.

HH5.3 The Dominant Provider shall ensure that an Access Charge Change Notice includes:

- (a) a description of the Network Access in question;
- (b) a reference to the location in the Dominant Provider's current Reference Offer of the terms and conditions associated with the provision of that Network Access;
- (c) the date on which or the period for which any amendments to charges, terms and conditions will take effect (the "effective date");
- (d) the current and proposed new charge and the relevant Usage Factors applied to each Network Component comprised in that Network Access, reconciled in each case with the current or proposed new charge; and
- (e) the information specified in sub paragraph (d) above with respect to that Network Access to which that paragraph applies.

HH5.4 The Dominant Provider shall not apply any new charge, term and condition identified in an Access Charge Change Notice before the effective date.

HH5.5 To the extent that the Dominant Provider provides to itself Network Access that:

- (i) is the same, similar or equivalent to that provided to any other person;
or
 - (ii) may be used for a purpose that is the same, similar or equivalent to that provided to any other person,
-

in a manner that differs from that detailed in an Access Charge Change Notice in relation to Network Access provided to any other person, the Dominant Provider shall ensure that it sends to the Director an Access Charge Change Notice in relation to the Network Access that it provides to itself which includes, where relevant, at least those matters detailed in paragraphs HH5.3 (a)-(e).

Condition HH6 – Quality of Service

HH6.1 The Dominant provider shall publish all such information for the purposes of securing transparency as to the quality of service in relation to Network Access provided by the Dominant Provider in such manner and form as the Director may from time to time direct.

HH6.2 The Dominant Provider shall comply with any direction the Director may make from time to time under this Condition.

Condition HH7 – Requirement to notify technical information

HH7.1 Save where the Director consents otherwise, where the Dominant Provider-

(a) proposes to provide Network Access covered by Condition HH1, the terms and conditions for which comprise new-

(i) technical characteristics (including information on network configuration where necessary to make effective use of the Network Access);

(ii) locations of the points of Network Access; or

(iii) technical standards (including any usage restrictions and other security issues),

or

(b) proposes to amend an existing Access Contract covered by Condition HH1 by modifying the terms and conditions listed in paragraph HH7.1 (a)(i) to (ii) on which the Network Access is provided,

the Dominant Provider shall publish a written notice (the "Notice") of the new or amended terms and conditions not less than 90 days before either the Dominant Provider enters into an Access Contract to provide the new Network Access or the amended terms and conditions of the existing Access Contract come into effect.

HH7.2 The Dominant Provider shall ensure that the Notice includes-

(a) a description of the Network Access in question;

(b) a reference to the location in the Dominant Provider's Reference Offer of the relevant terms and conditions;

(c) the date on which or the period for which the Dominant Provider may enter into an Access Contract to provide the new Network Access or any amendments to the relevant terms and conditions will take effect (the "effective date").

HH7.3 The Dominant Provider shall not enter into an Access Contract containing the terms and conditions identified in the Notice or apply any new relevant terms and conditions identified in the Notice before the effective date.

HH7.4 Publication referred to in paragraph HH7.1 shall be effected by:

(a) placing a copy of the Notice on any relevant website operated or controlled by the Dominant Provider;

(b) sending a copy of the Notice to the Director, and

(c) sending a copy of the Notice to any person at that person's written request, and where the Notice identifies a modification to existing relevant terms and conditions, to every person with which the Dominant Provider has entered into an Access Contract covered by Condition HH1. The provision of such a copy of Notice may be subject to a reasonable charge.

HH8 - Requests for new Network Access

HH8.1 The Dominant Provider shall for the purposes of transparency publish reasonable guidelines, in relation to requests for new Network Access made to it. Such guidelines shall detail:

- (a) the form in which such a request should be made;
- (b) the information that the Dominant Provider requires in order to consider a request for new Network Access; and
- (c) the time scales in which such requests will be handled by the Dominant Provider in accordance with this Condition.

HH8.2 Such guidelines shall be published within two months of the date that this Condition enters into force following a consultation with the Director and Third Parties. The Dominant Provider shall keep the guidelines under review and consult with relevant Third Parties and the Director before making any amendments to the guidelines.

HH8.3 The Dominant Provider shall, upon a reasonable request from a Third Party considering making a request for new Network Access, provide that Third Party with information so as to enable that Third Party to make a request for new Network Access. Such information shall be provided within a reasonable period.

HH8.4 On receipt of a written request for new Network Access the Dominant Provider shall ensure that the requirements of this Condition are met. A modification of a request for new Network Access which has previously been submitted to the Dominant Provider, and rejected by the Dominant Provider, shall be considered as a new request.

HH8.5 Within five working days of receipt of a request under paragraph HH8.4, the Dominant Provider shall acknowledge that request in writing.

HH8.6 Within fifteen working days of receipt of a request under paragraph HH8.4 the Dominant Provider shall respond in writing to the requesting Third Party in one of the following ways:

- (a) the Dominant Provider shall confirm that the request will be met and shall confirm that the following will be prepared:
 - (i) the timetable for the provision of the new Network Access;
 - (ii) an initial offer of terms and conditions for the provision of the new Network Access; and
 - (iii) the timetable for the agreement of technical issues.

(b) the Dominant Provider shall confirm that a feasibility study is reasonably required in order to determine whether the request made is reasonable and the Dominant Provider shall set out its objective reasons for the need for such a study;

(c) the Dominant Provider shall confirm that the request is not sufficiently well formulated and, where it does so, the Dominant Provider shall detail all of the defects in the request which has been made; or

(d) the Dominant Provider shall confirm that the request is refused on the basis that it is not reasonable and, where it does so, the Dominant Provider shall detail its reasons for refusal.

HH8.7 Where the Dominant Provider responds to a request under paragraph HH8.4 in accordance with paragraph HH8.6(a) it shall, within thirty five working days of receipt of a request under paragraph HH8.4, respond further to the requesting Third Party in writing and:

- (i) confirm the timetable for the provision of the new Network Access;
- (ii) provide an initial offer of terms and conditions for the provision of the new Network Access; and
- (iii) confirm the timetable for the agreement of technical issues.

HH8.8 Where the Dominant Provider responds to a request under paragraph HH8.4 in accordance with paragraph HH8.6(a) and determines, due to a genuine error of fact, that it reasonably needs to complete a feasibility study, it may, as soon as practicable and in any event, within thirty five working days of receipt of a request under paragraph HH8.4, inform the requesting Third Party that a feasibility study is reasonably required and set out its objective reasons for such a study.

HH8.9 Where HH8.8 applies the Dominant Provider shall, within forty five working days from the date that the Dominant Provider informs the requesting Third Party that a feasibility study is reasonably required, respond further to the requesting Third party, in writing, in one of the following ways:

(a) the Dominant Provider shall confirm that the request will be met and shall:

- (i) confirm the timetable for the provision of the new Network Access;
- (ii) provide an initial offer of terms and conditions for the provision of the new Network Access; and
- (iii) confirm the timetable for the agreement of technical issues; or

(b) the Dominant Provider shall confirm that the request is refused on the basis that it is not reasonable and, where it does so, the Dominant Provider shall detail its reasons for refusal. The Dominant Provider shall provide to the Director a

copy of the feasibility study and shall provide to the requesting Third Party a non-confidential copy of the feasibility study.

HH8.10 The time limit set out in paragraph HH8.9 above shall be extended up to seventy working days from the date that the Dominant Provider informs the requesting Third Party that a feasibility study is reasonably required pursuant to paragraph HH8.8, if:

- circumstances have arisen which, despite the Dominant Provider using its best endeavours, prevent it from completing the feasibility study within forty five working days of the date that the requesting Third Party was informed of the need for a feasibility study pursuant to paragraph HH8.8; or

- the Third Party and the Dominant Provider agree to extend the time limit up to seventy working days.

HH8.11 The time limit set out in paragraph HH8.9 above shall be extended beyond seventy working days from the date that the Dominant Provider informs the requesting Third Party that a feasibility study is reasonably required pursuant to paragraph HH8.8, if:

- the Director agrees; or

- the Third Party and the Dominant Provider agree to extend the time limit beyond seventy working days.

HH8.12 Where the Dominant Provider responds to a request under paragraph HH8.4 in accordance with paragraph HH8.6(b) the Dominant Provider shall, within sixty working days of receipt of a request under paragraph HH8.4, respond further to the requesting Third Party, in writing, in one of the following ways:

(a) the Dominant Provider shall confirm that the request will be met and shall:

(i) confirm the timetable for the provision of the new Network Access;

(ii) provide an initial offer of terms and conditions for the provision of the new Network Access; and

(iii) confirm the timetable for the agreement of technical issues; or

(b) the Dominant Provider shall confirm that the request is refused on the basis that it is not reasonable and, where it does so, the Dominant Provider shall detail its reasons for refusal. The Dominant Provider shall provide to the Director a copy of the feasibility study and shall provide to the requesting Third Party a non-confidential copy of the feasibility study.

HH8.13 The time limit set out in paragraph HH8.12 above shall be extended up to eighty five working days of receipt of a request under paragraph HH8.4, if:

- circumstances have arisen which, despite the Dominant Provider using its best endeavours, prevent it from completing the feasibility study within sixty working days of receipt of a request under paragraph HH8.4; or

- the Third Party and the Dominant Provider agree to extend the time limit up to eighty five working days.

HH8.14 The time limit set out in paragraph HH8.12 above shall be extended beyond eighty five working days of receipt of a request under paragraph HH8.4, if:

- the Director agrees; or

- the Third Party and the Dominant Provider agree to extend the time limit beyond eighty five working days.

HH8.15 Within two months of the date that this Condition enters into force the Dominant Provider shall provide the Director with a description of the processes it has put in place to ensure compliance with this Condition. It shall keep those processes under review to ensure that they remain adequate for that purpose.

HH8.16 The Dominant Provider shall comply with any direction the Director may make from time to time under this Condition.

The conditions imposed on British Telecommunications plc under the Communications Act 2003 as a result of the analysis of the market for the provision of traditional interface retail leased lines up to and including a bandwidth capacity of eight megabits per second in which British Telecommunications plc has been found to have significant market power

Part 1: Definitions and Interpretation of these conditions

1. These conditions shall apply to the market for the provision of traditional interface retail leased lines up to and including a bandwidth capacity of eight megabits per second within the United Kingdom but not including the Hull Area.

2. For the purpose of interpreting the conditions imposed on the Dominant Provider following a review of the market referred to in paragraph 1 the following definitions shall apply:

“Act” means the Communications Act 2003;

“Director” means the Director General of Telecommunications as appointed under section 1 of the Telecommunications Act 1984;

“Dominant Provider” means British Telecommunications plc, whose registered company number is 1800000 and any British Telecommunications plc subsidiary or holding company, or any subsidiary of that holding company, all as defined by section 736 of the Companies Act 1985 as amended by the Companies Act 1989;

“the Hull Area” means the area defined as the 'Licensed Area' in the licence granted on 30 November 1987 by the Secretary of State under section 7 of the Telecommunications Act 1984 to Kingston upon Hull City Council and Kingston Communications (Hull) plc;

“The Minimum Set” means the minimum set of leased line services as identified in the Annex to the Commission Decision of 24 July 2003 and published in the Official Journal of the European Communities, reference L186/43, 25 July 2003;

“Reference Offer” means the terms and conditions on which the Dominant Provider is willing to enter into an agreement for the provision of a retail leased line;

“The Market” means the market set out in paragraph 1 above; and

“Third Party” means person.

3. Except insofar as 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.
 4. The Interpretation Act 1978 shall apply as if each of the conditions were an Act of Parliament.
 5. Headings and titles shall be disregarded.
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Part 2: The conditions**Condition I1 – Requirement to provide retail leased lines**

I1.1 The Dominant Provider shall provide a retail leased line falling within the Minimum Set to every Third Party who reasonably requests in writing such a leased line.

I1.2 The provision of retail leased lines in accordance with paragraph I1.1 shall occur as soon as reasonably practicable and shall be provided on fair and reasonable terms, conditions and charges and on such terms, conditions and charges as the Director may from time to time direct.

I1.3 The Dominant Provider shall not be required to provide a retail leased line of eight megabits per second bandwidth capacity to a Third Party unless it was supplying that leased line to the Third Party on the date that this Condition enters into force.

I1.4 The provision of retail leased lines in accordance with paragraph I1.3 shall be provided on fair and reasonable terms, conditions and charges and on such terms, conditions and charges as the Director may from time to time direct.

I1.5 The Dominant Provider shall comply with any direction the Director may make from time to time under this Condition.

Condition 12 – Requirement not to unduly discriminate

12.1 The Dominant Provider shall not unduly discriminate against particular persons or against a particular description of persons, in relation to matters connected with the supply of retail leased lines up to and including a bandwidth capacity of eight megabits per second.

12.2 In this Condition, the Dominant Provider may be deemed to have shown undue discrimination if it unfairly favours to a material extent an activity carried on by it so as to place at a competitive disadvantage persons competing with the Dominant Provider.

Condition 13 – Basis of charges

13.1 This Condition shall only apply if the Director gives notice to the Dominant Provider that it has breached the voluntary undertaking it gave to the Director concerning the pricing of the leased lines which are the subject of this Condition and as set out in a letter from the Dominant Provider to the Director dated 24 September 2003.

13.2 Unless the Director directs otherwise from time to time, the Dominant Provider shall secure, and shall be able to demonstrate to the satisfaction of the Director, that each and every charge offered, payable or proposed for retail leased lines of a bandwidth capacity of eight megabits per second or for analogue retail leased lines, is reasonably derived from the costs of provision based on a forward looking long run incremental cost approach and allowing an appropriate mark up for the recovery of common costs and an appropriate return on capital employed.

13.3 The Dominant Provider shall comply with any direction the Director may make from time to time.

Condition I4 – Requirement to publish a reference offer

4.1 Except in so far as the Director may otherwise consent in writing the Dominant Provider shall publish a Reference Offer and act in the manner set out below.

4.2 Subject to paragraph 4.7 below, the Dominant Provider shall ensure that a Reference Offer in relation to the provision of retail leased lines of up to and including eight megabits per second bandwidth capacity includes at least the following:

- (a) the technical characteristics, including the physical and electrical characteristics as well as the detailed technical and performance specifications which apply at the network termination point;
- (b) charges, including the initial connection charges, the periodic rental charges and other charges. Where charges are differentiated, this must be indicated;
- (c) information concerning the ordering procedure;
- (d) the contractual period, which includes the period which is in general laid down in the contract and the minimum contractual period which the user is obliged to accept;
- (e) any refund procedure.

4.3 The Dominant Provider shall, within one month of the date that this Condition enters into force, publish a Reference Offer in relation to retail leased lines of up to and including eight megabits per second bandwidth capacity that it is providing as at the date that this Condition enters into force

4.4 The Dominant Provider shall update and publish the Reference Offer, in relation to any amendments or in relation to any further retail leased lines of up to and including eight megabits per second bandwidth capacity provided after the date that this Condition enters into force, on the same day as such amendments take effect or further retail leased lines are offered.

4.5 Publication referred to above shall be effected by:

- (a) placing a copy of the Reference Offer on any relevant website operated or controlled by the Dominant Provider; and
 - (b) sending a copy of the Reference Offer to the Director.
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14.6 The Dominant Provider shall send a copy of the current version of the Reference Offer to any person at that person's written request (or such parts which have been requested).

14.7 The Dominant Provider shall make such modifications to the Reference Offer as the Director may direct from time to time.

14.8 The Dominant Provider shall provide retail leased lines of up to and including eight megabits per second bandwidth capacity at the charges, terms and conditions in the relevant Reference Offer and shall not depart therefrom either directly or indirectly, unless the Director otherwise directs. In addition, where, in response to a particular request, the Dominant Provider considers it unreasonable to provide a retail leased line of up to and including eight megabits per second bandwidth capacity at the charges, terms and conditions set out in the relevant Reference Offer, it may only depart from its Reference Offer with the consent of the Director.

14.9 The Dominant Provider shall comply with any direction the Director may make from time to time under this Condition.

Condition 15 – Requirement to publish information concerning delivery and repair times

15.1 The Dominant Provider shall publish:

(a) the typical delivery period, which is the period, counted from the date when the user has made a firm request for a leased line, in which 95% of all leased lines of the same type have been put through to the customers. Such period to be established on the basis of the actual delivery periods of leased lines during a recent time interval of reasonable duration. The calculation must not include cases where late delivery periods were requested by users; and

(b) the typical repair time, which is the period, counted from the time when a failure message has been given to the responsible unit within the Dominant Provider up to the moment in which 80% of all leased lines of the same type have been re-established and in appropriate cases notified back in operation to the users. Where different classes of quality of repair are offered for the same type of leased lines, the different typical repair times shall be published.

15.2 Publication referred to above shall be effected by:

(a) placing a copy of the information referred to in Condition 15.1 on any relevant website operated or controlled by the Dominant Provider; and

(b) sending a copy of the information referred to in Condition 15.1 to the Director.

Schedule 2

The conditions imposed on Kingston Communications (Hull) plc under the Communications Act 2003 as a result of the analysis of the market for the provision of traditional interface symmetric broadband origination with a bandwidth capacity up to and including eight megabits per second in which Kingston Communications (Hull) plc has been found to have significant market power

Part 1: Definitions and Interpretation of these conditions

1. These conditions shall apply to the market for the provision of traditional interface symmetric broadband origination with a bandwidth capacity up to and including eight megabits per second within the Hull Area.
2. For the purpose of interpreting the conditions imposed on the Dominant Provider following a review of the markets referred to in paragraph 1 the following definitions shall apply:

"Act" means the Communications Act 2003;

"Director" means the Director General of Telecommunications as appointed under section 1 of the Telecommunications Act 1984;

"Dominant Provider" means Kingston Communications (Hull) plc whose registered company number is 2150618 and any Kingston Communications (Hull) plc subsidiary or holding company, or any subsidiary of that holding company, all as defined by section 736 of the Companies Act 1985 as amended by the Companies Act 1989;

"the Hull Area" means the area defined as the 'Licensed Area' in the licence granted on 30 November 1987 by the Secretary of State under section 7 of the Telecommunications Act 1984 to Kingston upon Hull City Council and Kingston Communications (Hull) plc;

"Network Component" means to the extent they are used in the Market the network components specified in a Direction given by the Director from time to time for the purpose of these conditions;

"Reference Offer" means the terms and conditions on which the Dominant Provider is willing to enter into an Access Contract;

"The Market" means the markets set out in paragraph 1 above;

"Third Party" means a person providing a public Electronic Communications Service or a person providing a public Electronic Communications Network;

"Transfer Charge" means the charge or price that is applied, or deemed to be applied, by the Dominant Provider to itself for the use or provision of an activity or group of activities. For the avoidance of doubt such activities or group of activities include, amongst other things, products and services provided from, to or within the Market and the use of Network Components in that Market; and

"Usage Factor" means the average usage by any Communications Provider (including the Dominant Provider itself) of each Network Component in using or providing a particular product or service or carrying out a particular activity.

3. Except insofar as 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.
 4. The Interpretation Act 1978 shall apply as if each of the conditions were an Act of Parliament.
 5. Headings and titles shall be disregarded.
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Part 2: The conditions**Condition G1 – Requirement to provide network access on reasonable request**

G1.1 Where a Third Party reasonably requests in writing Network Access, the Dominant Provider shall provide that Network Access. The Dominant Provider shall also provide such Network Access as the Director may from time to time direct.

G1.2 The provision of Network Access in accordance with paragraph G1.1 shall occur as soon as reasonably practicable and shall be provided on fair and reasonable terms, conditions and charges and on such terms, conditions and charges as the Director may from time to time direct.

G1.3 The Dominant Provider shall comply with any direction the Director may make from time to time under this Condition.

Condition G2 – Requirement not to unduly discriminate

G2.1 The Dominant Provider shall not unduly discriminate against particular persons or against a particular description of persons, in relation to matters connected with Network Access.

G2.2 In this Condition, the Dominant Provider may be deemed to have shown undue discrimination if it unfairly favours to a material extent an activity carried on by it so as to place at a competitive disadvantage persons competing with the Dominant Provider.

Condition G3 – Basis of charges

G3.1 Unless the Director directs otherwise from time to time, the Dominant Provider shall secure, and shall be able to demonstrate to the satisfaction of the Director, that each and every charge offered, payable or proposed for Network Access covered by Condition G1 is reasonably derived from the costs of provision based on a forward looking long run incremental cost approach and allowing an appropriate mark up for the recovery of common costs including an appropriate return on capital employed.

G3.2 The Dominant Provider shall comply with any direction the Director may from time to time direct under this Condition.

Condition G4 – Requirement to publish a reference offer

G4.1 Except in so far as the Director may otherwise consent in writing, the Dominant Provider shall publish a Reference Offer and act in the manner set out below.

G4.2 Subject to paragraph G4.8 below, the Dominant Provider shall ensure that a Reference Offer in relation to the provision of Network Access includes at least the following:

- (a) a description of the Network Access to be provided, including technical characteristics (which shall include information on network configuration where necessary to make effective use of Network Access);
 - (b) the locations of the points of Network Access;
 - (c) the technical standards for Network Access (including any usage restrictions and other security issues);
 - (d) the conditions for access to ancillary, supplementary and advanced services (including operational support systems, information systems or databases for pre-ordering, provisioning, ordering, maintenance and repair requests and billing);
 - (e) any ordering and provisioning procedures;
 - (f) relevant charges, terms of payment and billing procedures;
 - (g) details of interoperability tests;
 - (h) details of maintenance and quality as follows:
 - (i) specific time scales for the acceptance or refusal of a request for supply and for completion, testing and hand-over or delivery of services and facilities, for provision of support services (such as fault handling and repair);
 - (ii) service level commitments, namely the quality standards that each party must meet when performing its contractual obligations;
 - (iii) the amount of compensation payable by one party to another for failure to perform contractual commitments;
 - (iv) a definition and limitation of liability and indemnity; and
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(v) procedures in the event of alterations being proposed to the service offerings, for example, launch of new services, changes to existing services or change to prices;

(i) details of any relevant intellectual property rights;

(j) a dispute resolution procedure to be used between the parties;

(k) details of duration and renegotiation of agreements;

(l) provisions regarding confidentiality of non-public parts of the agreements;

(m) rules of allocation between the parties when supply is limited (for example, for the purpose of co-location or location of masts);

(n) the standard terms and conditions for the provision of Network Access;

(o) the amount applied to:

(i) each Network Component used in providing Network Access with the relevant Usage Factors;

(ii) the Transfer Charge for each Network Component or combination of Network Components described above;

reconciled in each case to the charge payable by a Communications Provider other than the Dominant Provider.

G4.3 To the extent that the Dominant Provider provides to itself Network Access that:

(i) is the same, similar or equivalent to that provided to any other person; or

(ii) may be used for a purpose that is the same, similar or equivalent to that provided to any other person,

in a manner that differs from that detailed in a Reference Offer in relation to Network Access provided to any other person, the Dominant Provider shall ensure that it publishes a Reference Offer in relation to the Network Access that it provides to itself which includes, where relevant, at least those matters detailed in paragraphs G4.2(a)-(o).

G4.4 The Dominant Provider shall, within one month of the date that this Condition enters into force, publish a Reference Offer in relation to any Network Access that it is providing as at the date that this Condition enters into force.

G4.5 The Dominant Provider shall update and publish the Reference Offer in relation to any amendments or in relation to any further Network Access provided after the date that this Condition enters into force.

G4.6 Publication referred to above shall be effected by:

(a) placing a copy of the Reference Offer on any relevant website operated or controlled by the Dominant Provider, and

(b) sending a copy of the Reference Offer to the Director.

G4.7 The Dominant Provider shall send a copy of the current version of the Reference Offer to any person at that person's written request (or such parts which have been requested).

G4.8 The Dominant Provider shall make such modifications to the Reference Offer as the Director may direct from time to time.

G4.9 The Dominant Provider shall provide Network Access at the charges, terms and conditions in the relevant Reference Offer and shall not depart therefrom either directly or indirectly.

G4.10 The Dominant Provider shall comply with any direction the Director may make from time to time under this Condition.

Condition G5 – Requirement to notify technical information

G5.1 Save where the Director consents otherwise, where the Dominant Provider-

(a) proposes to provide Network Access covered by Condition G1, the terms and conditions for which comprise new-

(i) technical characteristics (including information on network configuration where necessary to make effective use of the Network Access);

(ii) locations of the points of Network Access; or

(iii) technical standards (including any usage restrictions and other security issues),

or

(b) proposes to amend an existing Access Contract covered by Condition G1 by modifying the terms and conditions listed in paragraph G5.1 (a)(i) to (ii) on which the Network Access is provided,

the Dominant Provider shall publish a written notice (the "Notice") of the new or amended terms and conditions not less than 90 days before either the Dominant Provider enters into an Access Contract to provide the new Network Access or the amended terms and conditions of the existing Access Contract come into effect.

G5.2 The Dominant Provider shall ensure that the Notice includes-

(a) a description of the Network Access in question;

(b) a reference to the location in the Dominant Provider's Reference Offer of the relevant terms and conditions;

(c) the date on which or the period for which the Dominant Provider may enter into an Access Contract to provide the new Network Access or any amendments to the relevant terms and conditions will take effect (the "effective date").

G5.3 The Dominant Provider shall not enter into an Access Contract containing the terms and conditions identified in the Notice or apply any new relevant terms and conditions identified in the Notice before the effective date.

G5.4 Publication referred to in paragraph G5.1 shall be effected by:

(a) placing a copy of the Notice on any relevant website operated or controlled by the Dominant Provider;

(b) sending a copy of the Notice to the Director, and

(c) sending a copy of the Notice to any person at that person's written request, and where the Notice identifies a modification to existing relevant terms and conditions, to every person with which the Dominant Provider has entered into an Access Contract covered by Condition G1. The provision of such a copy of Notice may be subject to a reasonable charge.

The conditions imposed on Kingston Communications (Hull) plc under the Communications Act 2003 as a result of the analysis of the market for the provision of traditional interface symmetric broadband origination with a bandwidth capacity above eight megabits per second and up to and including one hundred and fifty five megabits per second in which Kingston Communications (Hull) plc has been found to have significant market power

Part 1: Definitions and Interpretation of these conditions

1. These conditions shall apply to the market for the provision of traditional interface symmetric broadband origination with a bandwidth capacity above eight megabits per second and up to and including one hundred and fifty five megabits per second within the Hull Area.
2. For the purpose of interpreting the conditions imposed on the Dominant Provider following a review of the markets referred to in paragraph 1 the following definitions shall apply:

"Act" means the Communications Act 2003;

"Director" means the Director General of Telecommunications as appointed under section 1 of the Telecommunications Act 1984;

"Dominant Provider" means Kingston Communications (Hull) plc whose registered company number is 2150618 and any Kingston Communications (Hull) plc subsidiary or holding company, or any subsidiary of that holding company, all as defined by section 736 of the Companies Act 1985 as amended by the Companies Act 1989;

"the Hull Area" means the area defined as the 'Licensed Area' in the licence granted on 30 November 1987 by the Secretary of State under section 7 of the Telecommunications Act 1984 to Kingston upon Hull City Council and Kingston Communications (Hull) plc;

"Network Component" means to the extent they are used in the Market the network components specified in a Direction given by the Director from time to time for the purpose of these conditions;

"Reference Offer" means the terms and conditions on which the Dominant Provider is willing to enter into an Access Contract;

"The Market" means the markets set out in paragraph 1 above;

"Third Party" means a person providing a public Electronic Communications Service or a person providing a public Electronic Communications Network;

"Transfer Charge" means the charge or price that is applied, or deemed to be applied, by the Dominant Provider to itself for the use or provision of an activity or group of activities. For the avoidance of doubt such activities or group of activities include, amongst other things, products and services provided from, to or within the Market and the use of Network Components in that Market; and

"Usage Factor" means the average usage by any Communications Provider (including the Dominant Provider itself) of each Network Component in using or providing a particular product or service or carrying out a particular activity.

3. Except insofar as 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.
 4. The Interpretation Act 1978 shall apply as if each of the conditions were an Act of Parliament.
 5. Headings and titles shall be disregarded.
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Part 2: The conditions**Condition GG1 – Requirement to provide network access on reasonable request**

GG1.1 Where a Third Party reasonably requests in writing Network Access, the Dominant Provider shall provide that Network Access. The Dominant Provider shall also provide such Network Access as the Director may from time to time direct.

GG1.2 The provision of Network Access in accordance with paragraph GG1.1 shall occur as soon as reasonably practicable and shall be provided on fair and reasonable terms, conditions and charges and on such terms, conditions and charges as the Director may from time to time direct.

GG1.3 The Dominant Provider shall comply with any direction the Director may make from time to time under this Condition.

Condition GG2 – Requirement not to unduly discriminate

GG2.1 The Dominant Provider shall not unduly discriminate against particular persons or against a particular description of persons, in relation to matters connected with Network Access.

GG2.2 In this Condition, the Dominant Provider may be deemed to have shown undue discrimination if it unfairly favours to a material extent an activity carried on by it so as to place at a competitive disadvantage persons competing with the Dominant Provider.

Condition GG3 – Basis of charges

GG3.1 Unless the Director directs otherwise from time to time, the Dominant Provider shall secure, and shall be able to demonstrate to the satisfaction of the Director, that each and every charge offered, payable or proposed for Network Access covered by Condition GG1 is reasonably derived from the costs of provision based on a forward looking long run incremental cost approach and allowing an appropriate mark up for the recovery of common costs including an appropriate return on capital employed.

GG3.2 The Dominant Provider shall comply with any direction the Director may from time to time direct under this Condition.

Condition GG4 – Requirement to publish a reference offer

GG4.1 Except in so far as the Director may otherwise consent in writing, the Dominant Provider shall publish a Reference Offer and act in the manner set out below.

GG4.2 Subject to paragraph GG4.8 below, the Dominant Provider shall ensure that a Reference Offer in relation to the provision of Network Access includes at least the following:

- (a) a description of the Network Access to be provided, including technical characteristics (which shall include information on network configuration where necessary to make effective use of Network Access);
 - (b) the locations of the points of Network Access;
 - (c) the technical standards for Network Access (including any usage restrictions and other security issues);
 - (d) the conditions for access to ancillary, supplementary and advanced services (including operational support systems, information systems or databases for pre-ordering, provisioning, ordering, maintenance and repair requests and billing);
 - (e) any ordering and provisioning procedures;
 - (f) relevant charges, terms of payment and billing procedures;
 - (g) details of interoperability tests;
 - (h) details of maintenance and quality as follows:
 - (i) specific time scales for the acceptance or refusal of a request for supply and for completion, testing and hand-over or delivery of services and facilities, for provision of support services (such as fault handling and repair);
 - (ii) service level commitments, namely the quality standards that each party must meet when performing its contractual obligations;
 - (iii) the amount of compensation payable by one party to another for failure to perform contractual commitments;
 - (iv) a definition and limitation of liability and indemnity; and
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(v) procedures in the event of alterations being proposed to the service offerings, for example, launch of new services, changes to existing services or change to prices;

(i) details of any relevant intellectual property rights;

(j) a dispute resolution procedure to be used between the parties;

(k) details of duration and renegotiation of agreements;

(l) provisions regarding confidentiality of non-public parts of the agreements;

(m) rules of allocation between the parties when supply is limited (for example, for the purpose of co-location or location of masts);

(n) the standard terms and conditions for the provision of Network Access;

(o) the amount applied to:

(i) each Network Component used in providing Network Access with the relevant Usage Factors;

(ii) the Transfer Charge for each Network Component or combination of Network Components described above;

reconciled in each case to the charge payable by a Communications Provider other than the Dominant Provider.

GG4.3 To the extent that the Dominant Provider provides to itself Network Access that:

(i) is the same, similar or equivalent to that provided to any other person; or

(ii) may be used for a purpose that is the same, similar or equivalent to that provided to any other person,

in a manner that differs from that detailed in a Reference Offer in relation to Network Access provided to any other person, the Dominant Provider shall ensure that it publishes a Reference Offer in relation to the Network Access that it provides to itself which includes, where relevant, at least those matters detailed in paragraphs GG4.2(a)-(o).

GG4.4 The Dominant Provider shall, within one month of the date that this Condition enters into force, publish a Reference Offer in relation to any Network Access that it is providing as at the date that this Condition enters into force.

GG4.5 The Dominant Provider shall update and publish the Reference Offer in relation to any amendments or in relation to any further Network Access provided after the date that this Condition enters into force.

GG4.6 Publication referred to above shall be effected by:

(a) placing a copy of the Reference Offer on any relevant website operated or controlled by the Dominant Provider; and

(b) sending a copy of the Reference Offer to the Director.

GG4.7 The Dominant Provider shall send a copy of the current version of the Reference Offer to any person at that person's written request (or such parts which have been requested).

GG4.8 The Dominant Provider shall make such modifications to the Reference Offer as the Director may direct from time to time.

GG4.9 The Dominant Provider shall provide Network Access at the charges, terms and conditions in the relevant Reference Offer and shall not depart therefrom either directly or indirectly.

GG4.10 The Dominant Provider shall comply with any direction the Director may make from time to time under this Condition.

Condition GG5 – Requirement to notify technical information

GG5.1 Save where the Director consents otherwise, where the Dominant Provider-

(a) proposes to provide Network Access covered by Condition GG1, the terms and conditions for which comprise new-

(i) technical characteristics (including information on network configuration where necessary to make effective use of the Network Access);

(ii) locations of the points of Network Access; or

(iii) technical standards (including any usage restrictions and other security issues),

or

(b) proposes to amend an existing Access Contract covered by Condition GG1 by modifying the terms and conditions listed in paragraph GG5.1(a)(i) to (iii) on which the Network Access is provided,

the Dominant Provider shall publish a written notice (the "Notice") of the new or amended terms and conditions not less than 90 days before either the Dominant Provider enters into an Access Contract to provide the new Network Access or the amended terms and conditions of the existing Access Contract come into effect.

GG5.2 The Dominant Provider shall ensure that the Notice includes-

(a) a description of the Network Access in question;

(b) a reference to the location in the Dominant Provider's Reference Offer of the relevant terms and conditions;

(c) the date on which or the period for which the Dominant Provider may enter into an Access Contract to provide the new Network Access or any amendments to the relevant terms and conditions will take effect (the "effective date").

GG5.3 The Dominant Provider shall not enter into an Access Contract containing the terms and conditions identified in the Notice or apply any new relevant terms and conditions identified in the Notice before the effective date.

GG5.4 Publication referred to in paragraph GG5.1 shall be effected by:

(a) placing a copy of the Notice on any relevant website operated or controlled by the Dominant Provider;

(b) sending a copy of the Notice to the Director, and

(c) sending a copy of the Notice to any person at that person's written request, and where the Notice identifies a modification to existing relevant terms and conditions, to every person with which the Dominant Provider has entered into an Access Contract covered by Condition GG1. The provision of such a copy of Notice may be subject to a reasonable charge.

The conditions imposed on Kingston Communications (Hull) plc under the Communications Act 2003 as a result of the analysis of the market for the provision of alternative interface symmetric broadband origination at all bandwidths in which Kingston Communications (Hull) plc has been found to have significant market power

Part 1: Definitions and Interpretation of these conditions

1. These conditions shall apply to the market for the provision of alternative interface symmetric broadband origination at all bandwidths within the Hull Area.
2. For the purpose of interpreting the conditions imposed on the Dominant Provider following a review of the markets referred to in paragraph 1 the following definitions shall apply:

"Act" means the Communications Act 2003;

"Director" means the Director General of Telecommunications as appointed under section 1 of the Telecommunications Act 1984;

"Dominant Provider" means Kingston Communications (Hull) plc whose registered company number is 2150618 and any Kingston Communications (Hull) plc subsidiary or holding company, or any subsidiary of that holding company, all as defined by section 736 of the Companies Act 1985 as amended by the Companies Act 1989;

"the Hull Area" means the area defined as the 'Licensed Area' in the licence granted on 30 November 1987 by the Secretary of State under section 7 of the Telecommunications Act 1984 to Kingston upon Hull City Council and Kingston Communications (Hull) plc;

"Network Component" means to the extent they are used in the Market the network components specified in a Direction given by the Director from time to time for the purpose of these conditions;

"Reference Offer" means the terms and conditions on which the Dominant Provider is willing to enter into an Access Contract;

"The Market" means the markets set out in paragraph 1 above;

"Third Party" means a person providing a public Electronic Communications Service or a person providing a public Electronic Communications Network;

"Transfer Charge" means the charge or price that is applied, or deemed to be applied, by the Dominant Provider to itself for the use or provision of an activity or group of activities. For the avoidance of doubt such activities or group of activities include, amongst other things, products and services provided from, to or within the Market and the use of Network Components in that Market; and

"Usage Factor" means the average usage by any Communications Provider (including the Dominant Provider itself) of each Network Component in using or providing a particular product or service or carrying out a particular activity.

3. Except insofar as 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.
 4. The Interpretation Act 1978 shall apply as if each of the conditions were an Act of Parliament.
 5. Headings and titles shall be disregarded.
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Part 2: The conditions**Condition H1 – Requirement to provide network access on reasonable request**

H1.1 Where a Third Party reasonably requests in writing Network Access, the Dominant Provider shall provide that Network Access. The Dominant Provider shall also provide such Network Access as the Director may from time to time direct.

H1.2 The provision of Network Access in accordance with paragraph H1.1 shall occur as soon as reasonably practicable and shall be provided on fair and reasonable terms, conditions and charges and on such terms, conditions and charges as the Director may from time to time direct.

H1.3 The Dominant Provider shall comply with any direction the Director may make from time to time under this Condition.

Condition H2 – Requirement not to unduly discriminate

H2.1 The Dominant Provider shall not unduly discriminate against particular persons or against a particular description of persons, in relation to matters connected with Network Access.

H2.2 In this Condition, the Dominant Provider may be deemed to have shown undue discrimination if it unfairly favours to a material extent an activity carried on by it so as to place at a competitive disadvantage persons competing with the Dominant Provider.

Condition H3 – Basis of charges

H3.1 Unless the Director directs otherwise from time to time, the Dominant Provider shall secure, and shall be able to demonstrate to the satisfaction of the Director, that each and every charge offered, payable or proposed for Network Access covered by Condition H1 is reasonably derived from the costs of provision based on a forward looking long run incremental cost approach and allowing an appropriate mark up for the recovery of common costs including an appropriate return on capital employed.

H3.2 The Dominant Provider shall comply with any direction the Director may from time to time direct under this Condition.

Condition H4 – Requirement to publish a reference offer

H4.1 Except in so far as the Director may otherwise consent in writing, the Dominant Provider shall publish a Reference Offer and act in the manner set out below.

H4.2 Subject to paragraph H4.8 below, the Dominant Provider shall ensure that a Reference Offer in relation to the provision of Network Access includes at least the following:

- (a) a description of the Network Access to be provided, including technical characteristics (which shall include information on network configuration where necessary to make effective use of Network Access);
 - (b) the locations of the points of Network Access;
 - (c) the technical standards for Network Access (including any usage restrictions and other security issues);
 - (d) the conditions for access to ancillary, supplementary and advanced services (including operational support systems, information systems or databases for pre-ordering, provisioning, ordering, maintenance and repair requests and billing);
 - (e) any ordering and provisioning procedures;
 - (f) relevant charges, terms of payment and billing procedures;
 - (g) details of interoperability tests;
 - (h) details of maintenance and quality as follows:
 - (i) specific time scales for the acceptance or refusal of a request for supply and for completion, testing and hand-over or delivery of services and facilities, for provision of support services (such as fault handling and repair);
 - (ii) service level commitments, namely the quality standards that each party must meet when performing its contractual obligations;
 - (iii) the amount of compensation payable by one party to another for failure to perform contractual commitments;
 - (iv) a definition and limitation of liability and indemnity; and
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(v) procedures in the event of alterations being proposed to the service offerings, for example, launch of new services, changes to existing services or change to prices;

(i) details of any relevant intellectual property rights;

(j) a dispute resolution procedure to be used between the parties;

(k) details of duration and renegotiation of agreements;

(l) provisions regarding confidentiality of non-public parts of the agreements;

(m) rules of allocation between the parties when supply is limited (for example, for the purpose of co-location or location of masts);

(n) the standard terms and conditions for the provision of Network Access;

(o) the amount applied to:

(i) each Network Component used in providing Network Access with the relevant Usage Factors;

(ii) the Transfer Charge for each Network Component or combination of Network Components described above;

reconciled in each case to the charge payable by a Communications Provider other than the Dominant Provider.

H4.3 to the extent that the Dominant Provider provides to itself Network Access that:

(i) is the same, similar or equivalent to that provided to any other person; or

(ii) may be used for a purpose that is the same, similar or equivalent to that provided to any other person,

in a manner that differs from that detailed in a Reference Offer in relation to Network Access provided to any other person, the Dominant Provider shall ensure that it publishes a Reference Offer in relation to the Network Access that it provides to itself which includes, where relevant, at least those matters detailed in paragraphs H4.2(a)-(o).

H4.4 The Dominant Provider shall, within one month of the date that this Condition enters into force, publish a Reference Offer in relation to any Network Access that it is providing as at the date that this Condition enters into force.

H4.5 The Dominant Provider shall update and publish the Reference Offer in relation to any amendments or in relation to any further Network Access provided after the date that this Condition enters into force.

H4.6 Publication referred to above shall be effected by:

(a) placing a copy of the Reference Offer on any relevant website operated or controlled by the Dominant Provider, and

(b) sending a copy of the Reference Offer to the Director.

H4.7 The Dominant Provider shall send a copy of the current version of the Reference Offer to any person at that person's written request (or such parts which have been requested).

H4.8 The Dominant Provider shall make such modifications to the Reference Offer as the Director may direct from time to time.

H4.9 The Dominant Provider shall provide Network Access at the charges, terms and conditions in the relevant Reference Offer and shall not depart therefrom either directly or indirectly.

H4.10 The Dominant Provider shall comply with any direction the Director may make from time to time under this Condition.

Condition H5 – Requirement to notify technical information

H5.1 Save where the Director consents otherwise, where the Dominant Provider-

(a) proposes to provide Network Access covered by Condition H1, the terms and conditions for which comprise new-

(i) technical characteristics (including information on network configuration where necessary to make effective use of the Network Access);

(ii) locations of the points of Network Access; or

(iii) technical standards (including any usage restrictions and other security issues),

or

(b) proposes to amend an existing Access Contract covered by Condition H1 by modifying the terms and conditions listed in paragraph H5.1(a)(i) to (iii) on which the Network Access is provided,

the Dominant Provider shall publish a written notice (the "Notice") of the new or amended terms and conditions not less than 90 days before either the Dominant Provider enters into an Access Contract to provide the new Network Access or the amended terms and conditions of the existing Access Contract come into effect.

H5.2 The Dominant Provider shall ensure that the Notice includes-

(a) a description of the Network Access in question;

(b) a reference to the location in the Dominant Provider's Reference Offer of the relevant terms and conditions;

(c) the date on which or the period for which the Dominant Provider may enter into an Access Contract to provide the new Network Access or any amendments to the relevant terms and conditions will take effect (the "effective date").

H5.3 The Dominant Provider shall not enter into an Access Contract containing the terms and conditions identified in the Notice or apply any new relevant terms and conditions identified in the Notice before the effective date.

H5.4 Publication referred to in paragraph H5.1 shall be effected by:

(a) placing a copy of the Notice on any relevant website operated or controlled by the Dominant Provider;

(b) sending a copy of the Notice to the Director, and

(c) sending a copy of the Notice to any person at that person's written request, and where the Notice identifies a modification to existing relevant terms and conditions, to every person with which the Dominant Provider has entered into an Access Contract covered by Condition H1. The provision of such a copy of Notice may be subject to a reasonable charge.

The conditions imposed on Kingston Communications (Hull) plc under the Communications Act 2003 as a result of the analysis of the market for the provision of traditional interface retail leased lines up to and including a bandwidth capacity of eight megabits per second in which Kingston Communications (Hull) plc has been found to have significant market power

Part 1: Definitions and Interpretation of these conditions

1. These conditions shall apply to the market for the provision of traditional interface retail leased lines up to and including a bandwidth capacity of eight megabits per second within the Hull Area.
2. For the purpose of interpreting the conditions imposed on the Dominant Provider following a review of the market referred to in paragraph 1 the following definitions shall apply:

"Act" means the Communications Act 2003;

"Director" means the Director General of Telecommunications as appointed under section 1 of the Telecommunications Act 1984;

"Dominant Provider" means Kingston Communications (Hull) plc whose registered company number is 2150618 and any Kingston Communications (Hull) plc subsidiary or holding company, or any subsidiary of that holding company, all as defined by section 736 of the Companies Act 1985 as amended by the Companies Act 1989;

"the Hull Area" means the area defined as the 'Licensed Area' in the licence granted on 30 November 1987 by the Secretary of State under section 7 of the Telecommunications Act 1984 to Kingston upon Hull City Council and Kingston Communications (Hull) plc;

"Reference Offer" means the terms and conditions on which the Dominant Provider is willing to enter into an agreement for the provision of a retail leased line.

"The Market" means the market set out in paragraph 1 above;

"The Minimum Set" means the minimum set of leased line services as identified in the Annex to the Commission Decision of 24 July 2003 and published in the Official Journal of the European Communities, reference L186/43, 25 July 2003; and

"Third Party" means person.

3. Except insofar as 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.
 4. The Interpretation Act 1978 shall apply as if each of the conditions were an Act of Parliament.
 5. Headings and titles shall be disregarded.
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Part 2: The conditions**Condition I1 – Requirement to provide retail leased lines**

I1.1 The Dominant Provider shall provide a retail leased line falling within the Minimum Set to every Third Party who reasonably requests in writing such a leased line.

I1.2 The provision of retail leased lines in accordance with paragraph I.1 shall occur as soon as reasonably practicable and shall be provided on fair and reasonable terms, conditions and charges and on such terms, conditions and charges as the Director may from time to time direct.

I1.3 The Dominant Provider shall comply with any direction the Director may make from time to time under this Condition.

Condition 12 – Requirement not to unduly discriminate

12.1 The Dominant Provider shall not unduly discriminate against particular persons or against a particular description of persons, in relation to matters connected with the supply of a retail leased line falling within the Minimum Set.

12.2 In this Condition, the Dominant Provider may be deemed to have shown undue discrimination if it unfairly favours to a material extent an activity carried on by it so as to place at a competitive disadvantage persons competing with the Dominant Provider.

Condition I3 – Basis of charges

I3.1 Unless the Director directs otherwise from time to time, the Dominant Provider shall secure, and shall be able to demonstrate to the satisfaction of the Director, that each and every charge offered, payable or proposed for a retail leased line falling within the Minimum Set is reasonably derived from the costs of provision based on a forward looking long run incremental cost approach and allowing an appropriate mark up for the recovery of common costs including an appropriate return on capital employed.

I3.2 The Dominant Provider shall comply with any direction the Director may from time to time direct under this Condition.

Condition I4 – Requirement to publish a reference offer

14.1 Except in so far as the Director may otherwise consent in writing, such consent only to be granted where it is unreasonable for the Dominant Provider to provide a retail leased line falling within the Minimum Set in accordance with its Reference offer, the Dominant Provider shall publish a Reference Offer and act in the manner set out below.

14.2 Subject to paragraph 14.7 below, the Dominant Provider shall ensure that a Reference Offer in relation to the provision of a retail leased line falling within the Minimum Set includes at least the following:

(a) the technical characteristics, including the physical and electrical characteristics as well as the detailed technical and performance specifications which apply at the network termination point;

(b) charges, including the initial connection charges, the periodic rental charges and other charges. Where charges are differentiated, this must be indicated;

(c) information concerning the ordering procedure;

(d) the contractual period, which includes the period which is in general laid down in the contract and the minimum contractual period which the user is obliged to accept;

(e) any refund procedure.

14.3 The Dominant Provider shall, within one month of the date that this Condition enters into force, publish a Reference Offer in relation to retail leased lines falling within the Minimum Set that it is providing as at the date that this Condition enters into force.

14.4 The Dominant Provider shall update and publish the Reference Offer, in relation to any amendments or in relation to any further retail leased lines falling within the Minimum Set provided after the date that this Condition enters into force, on the same day as such amendments take effect or further retail leased lines are offered.

14.5 Publication referred to above shall be effected by placing a copy of the Reference Offer on any relevant website operated or controlled by the Dominant Provider.

14.6 The Dominant Provider shall send a copy of the current version of the Reference Offer to any person at that person's written request (or such parts which have been requested).

4.7 The Dominant Provider shall make such modifications to the Reference Offer as the Director may direct from time to time.

4.8 The Dominant Provider shall provide retail leased lines falling within the Minimum Set retail at the charges, terms and conditions in the relevant Reference Offer and shall not depart therefrom either directly or indirectly, unless the Director otherwise directs. In addition, where, in response to a particular request, the Dominant Provider considers it unreasonable to provide a retail leased line of up to and including eight megabits per second bandwidth capacity at the charges, terms and conditions set out in the relevant Reference Offer, it may only depart from its Reference Offer with the consent of the Director.

4.9 The Dominant Provider shall comply with any direction the Director may make from time to time under this Condition.

Condition 15 – Requirement to publish information concerning delivery and repair times

15.1 The Dominant Provider shall publish:

(a) the typical delivery period, which is the period, counted from the date when the user has made a firm request for a leased line, in which 95% of all leased lines of the same type have been put through to the customers. Such period to be established on the basis of the actual delivery periods of leased lines during a recent time interval of reasonable duration. The calculation must not include cases where late delivery periods were requested by users; and

(b) the typical repair time, which is the period, counted from the time when a failure message has been given to the responsible unit within the Dominant Provider up to the moment in which 80% of all leased lines of the same type have been re-established and in appropriate cases notified back in operation to the users. Where different classes of quality of repair are offered for the same type of leased lines, the different typical repair times shall be published.

15.2 Publication referred to above shall be effected by placing a copy of the information referred to in Condition 15.1 on any relevant website operated or controlled by the Dominant Provider.

Annex E

Draft Directions

Notification of proposals under Section 49 of the Communications Act 2003

Proposal for making a Direction under proposed Condition G1 imposed on British Telecommunications plc ('BT') as a result of the market power determinations proposed to be made by the Director General of Telecommunications that BT has significant market power in the market for the provision of traditional interface symmetric broadband origination with a bandwidth capacity up to and including eight megabits per second

1. The Director General of Telecommunications hereby makes, in accordance with section 49 of the Communications Act 2003 (the 'Act'), the following proposal for a Direction to be given under proposed Condition G1.
2. The draft Direction is set out in the Schedule to this notification.
3. The effect of the draft Direction, and the reasons for making the proposal, are set out in the accompanying explanatory statement hereto.
4. Representations may be made to the Director about the proposed draft Direction by 6 February 2004.
5. In accordance with section 50 of the Communications Act 2003, copies of this notification have been sent to the Secretary of State, the European Commission and to the regulatory authorities of every other member State.

JIM NIBLETT
DIRECTOR, BROADBAND AND INTERNATIONAL AFFAIRS
A PERSON AUTHORISED UNDER PARAGRAPH 8 OF SCHEDULE 1 TO THE
TELECOMMUNICATIONS ACT 1984
18 December 2003

Schedule

**Draft Direction under Condition G1 imposed on British
Telecommunications plc as a result of the analysis of the market
for the provision of traditional interface symmetric broadband origination
with a bandwidth capacity up to and including eight megabits per second
in which British Telecommunications plc has been found to have
significant market power**

WHEREAS:

(A) the Director is able to exercise powers under the Act pursuant to section 408 of the Act and Article 3(1) of the Communications Act 2003 (Commencement No. 1) Order 2003, until Ofcom assumes those powers at a later date;

(B) the Director having considered every representation duly made, and thereafter pursuant to sections 48(1) and 79 of the Act by way of publication of a notification identified the relevant services markets, has designated British Telecommunications plc as having significant market power in the market for the provision of traditional interface symmetric broadband origination with a bandwidth capacity up to and including eight megabits per second within the United Kingdom but not including the Hull Area;

(C) this Direction concerns matters to which Condition G1 relates;

(D) for the reasons set out in the explanatory statement accompanying this Direction, the Director is satisfied that, in accordance with section 49(2) of the Act, this Direction is:

- (i) objectively justifiable in relation to the networks, services, facilities, apparatus or directories to which it relates;
- (ii) not such as to discriminate unduly against particular persons or against a particular description of persons;
- (iii) proportionate to what it is intended to achieve; and
- (iv) in relation to what it is intended to achieve, transparent;

(E) for the reasons set out in the explanatory statement accompanying this Direction, the Director is satisfied that he has acted in accordance with the relevant duties set out in section 4 of the Act;

(F) the Director has published a notification of the proposed Direction in accordance with section 49 of the Act;

(G) the Director has considered every representation about the proposed Direction duly made to him; and

NOW, therefore, pursuant to Condition G1 the Director makes the following Direction:

For the purpose of interpreting this Direction the following definitions shall apply:

“Act” means the Communications Act 2003;

“The Directions” means the Directions made under Conditions G1, G3 and G7 and published on [];

“Director” means the Director General of Telecommunications;

“Dominant Provider” means British Telecommunications plc, whose registered company number is 1800000 and any British Telecommunications plc subsidiary or holding company, or any subsidiary of that holding company, all as defined by Section 736 of the Companies Act 1985 as amended by the Companies Act 1989;

“Hull Area” means the area defined as the 'Licensed Area' in the licence granted on 30 November 1987 by the Secretary of State under section 7 of the Telecommunications Act 1984 to Kingston upon Hull City Council and Kingston Communications (Hull) plc;

“Point of Connection” means a point at which the Dominant Provider’s Electronic Communications Network and another person’s Electronic Communications Network are connected;

“Third Party” means a person providing a public Electronic Communications Service or a person providing a public Electronic Communications Network.

For the purpose of this Direction the following terms shall have the meaning as set out in the Dominant Provider’s Standard PPC Handover Agreement, as at the date of publication of this Direction, but with the necessary changes in order to ensure compliance with the Directions.

Advance Capacity Order

Advance Order Commitment

BT Retail Private Circuit

BT Serving Node

Capacity Order

Capacity Profile

Customer Sited Handover (“CSH”)

Forecast Profile

In-Span Handover (“ISH”)

Re-Designation

Qualifying BT Retail Private Circuit

The following definitions shall also apply for the purpose of this Direction:

Term	Definition
Acceptance of Terms	Date on which a Third Party confirms acceptance of delivery conditions and is committed to the order.
Civil Works	Works that necessitate the digging up of a street for the installation of ducts.
Committed Delivery Date	The date confirmed by the Dominant Provider as the delivery date.
Firm Order Confirmation (“FOC”)	Confirmation by the Dominant Provider in writing (by fax or e-mail) to a Third Party of the delivery conditions including price and Committed Delivery Date, after acknowledging receipt of an order for a Partial Private Circuit or Network Infrastructure from a Third Party.
FOC Acceptance Interval	The number of working days from the FOC Date until the Acceptance of Terms.
FOC Date	The date on which the Dominant Provider makes a Firm Order Confirmation.
FOC Receipt Interval	The number of working days from the Order Request Date until the FOC Date.
Installation Date	Date of installation of a Partial Private Circuit or Network Infrastructure.

Network Infrastructure	The categories of products listed in the table contained in paragraph 49 of this Direction.
Order Request Date	Date on which a Third Party dispatches a valid Partial Private Circuit order, or Network Infrastructure order, to the Dominant Provider.
Partial Private Circuit ("PPC")	A circuit provided pursuant to the PPC Contract and in accordance with the Directions.
PPC Contract	The Dominant Provider's Standard PPC Handover Agreement as at the date of publication of this Direction.
Provisioning Interval	The number of working days from the Order Request Date until the Installation Date.
Requisite Period	The period commencing on the Order Request Date and ending on the applicable working day as set out in the tables in paragraphs 39 and 49 of this Direction.
Reduced Requisite Period	The period commencing on the Order Request Date and ending on the applicable working day as set out in the tables in paragraphs 42 and 52 of this Direction.
Subsequent Partial Private Circuit	A Partial Private Circuit which can be delivered on dedicated pre-provided Network Infrastructure where spare capacity exists.

Except insofar as the context otherwise requires, words or expressions shall have the meaning assigned to them.

The Interpretation Act 1978 shall apply as if this Direction was an Act of Parliament.
Headings and titles shall be disregarded.

The Dominant Provider shall provide Partial Private Circuits and shall do so in accordance with this Direction.

Migration

1. The 12 month contractual minimum term placed upon a Third Party, for the provision of a Partial Private Circuit which has been migrated pursuant to the PPC Contract, shall be measured from the date that the original BT Retail Private Circuit was brought into service.
 2. The Dominant Provider shall not impose any deadline before which a Third Party must inform the Dominant Provider that it requires a BT Retail Private Circuit to be migrated to an equivalent Partial Private Circuit status under the PPC Contract.
 3. The Dominant Provider shall allow a BT Retail Private Circuit, which fell within paragraph 1.3 of the Phase 1 PPC Direction published on 14 June 2002, to be considered under the PPC Contract as a Qualifying BT Retail Private Circuit.
 4. A circuit deemed to be a Qualifying BT Retail Private Circuit under paragraphs 20 or 21 of the Phase 2 PPC Direction published on 23 December 2002 shall continue to be a Qualifying BT Retail Private Circuit.
 5. Where a Third Party was not previously eligible to migrate a BT Retail Private Circuit to a Qualifying BT Retail Private Circuit, but subsequently becomes eligible to do so, the Dominant Provider shall, for 60 working days following the date on which the Third Party's circuits become eligible for migration, allow migration without the Third Party incurring any penalty (including any default or early termination charge) under its agreement with the Dominant Provider for the provision of BT Retail Private Circuits.
 6. Where, at the date of publication of this Direction, the Dominant Provider offers a BT Retail Private Circuit product and does not offer an equivalent Partial Private Circuit product, but subsequently offers to provide an equivalent Partial Private Circuit product, it shall allow a Third Party to migrate to the equivalent Partial Private Circuit product without it incurring any penalty (including any default or early termination charge) under its agreement with the Dominant Provider for the provision of BT Retail Private Circuits, for a period of 60 working days following the date on which the equivalent Partial Private Circuit product is first offered by the Dominant Provider.
 7. Where the Dominant Provider has taken, or will take, longer than five working days from receiving a request from a Third Party to migrate a Qualifying BT Retail Private Circuit to a Partial Private Circuit, it shall give to the Third Party a refund as set out in paragraphs 8 and 9 of this Direction.
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8. Where paragraph 7 of this Direction applies, the Dominant Provider shall refund to the Third Party a sum of money equal to the difference between:

- the charge levied by the Dominant Provider for the BT Retail Private Circuit to which the request for migration relates; and
- the charge levied by the Dominant Provider for the Partial Private Circuit to which the request for migration relates.

9. The refund set out in paragraph 8 of this Direction shall cover the period from the date the Dominant Provider receives the request to migrate until the date the Dominant Provider completes the migration.

10. The Dominant Provider shall, upon a Third Party's written request, provide to the Third Party a map of its network within the United Kingdom which clearly illustrates and labels the geographic location of each Dominant Provider tier 1, tier 1.5, tier 2, and tier 3 node.

Forecasts

11. The Dominant Provider shall only require a Third Party to provide a profile of future Partial Private Circuit capacity ordering intentions over a 12 month period, on a national aggregate basis for the following groupings of bandwidths:

- less than 1 Mbit/s; and
- 1 Mbit/s through to 2 Mbit/s.

12. The Dominant Provider shall allow a Third Party to set its Advance Capacity Order and Advance Order Commitment without any penalty by up to, 10% (by volume) below, or 20% (by volume) above, the amount stated in the Third Party's previous Capacity Profile or Forecast Profile for the period covered by the Advance Capacity Order or Advance Order Commitment.

13. The Dominant Provider shall allow a Third Party to revise periods covered by its previously stated Capacity Profile and Forecast Profile without any penalty by up to, 30% (by volume) below, or 30% (by volume) above, the amount stated in the Third Party's previous Capacity Profile or Forecast Profile, provided that paragraph 12 of this Direction does not apply.

14. In calculating any increase to an Advance Capacity Order, Advance Order Commitment, Capacity Profile or Forecast Profile pursuant to paragraphs 12 and 13 of this Direction, the outcome of the revision shall, if not an integer, be rounded up to the nearest integer.

15. In calculating any decrease to an Advance Capacity Order, Advance Order Commitment, Capacity Profile or Forecast Profile pursuant to paragraphs 12 and 13 of this Direction, the outcome of the revision shall, if not an integer, be rounded down to the nearest integer.

16. Where a Third Party places a Capacity Order at a Point of Connection for the period corresponding to that of the Advance Capacity Order, which total less than its Advance Capacity Order for the Point of Connection, the Dominant Provider may levy a charge no more than a sum equal to:

$$[(80\% \text{ of } B) - C] \times \text{£}2,490$$

Where B is the total capacity provision by number of VC4-equivalent units specified in the relevant Advance Capacity Order in respect of each Point of Connection; and

Where C is the number of VC4-equivalents ordered during the period to which the relevant Advance Capacity Order relates in respect of each Point of Connection, but does not include cancellations of Capacity Orders made during or after the relevant Advance Capacity Order period, but does include any Capacity Order cancelled as a result of the inability of the Dominant Provider to secure consents for CSH links.

17. Where a Third Party places orders for Partial Private Circuits below 1 Mbit for the period corresponding to that of the Advanced Order Commitment, which total less than its Advance Order Commitment for the Partial Private Circuits below 1 Mbit, the Dominant Provider may levy a charge no more than a sum equal to:

$$[(80\% \text{ of } B) - C] \times \text{£}52$$

Where B is the total Advance Order Commitment for Private Partial Circuits below 1 Mbit; and

Where C is the number of Partial Private Circuits below 1 Mbit ordered during the period to which the Advance Order Commitment relates, but does not include cancellations of orders for Partial Private Circuits made during or after the relevant Advance Order Commitment period, but does include any order for a Partial Private Circuit cancelled as a result of the inability of the Dominant Provider to secure consents for Partial Private Circuits.

18. Where a Third Party places orders for Partial Private Circuits from 1 Mbit through to 2 Mbit/s for the period corresponding to that of the Advanced Order Commitment, which total less than its Advance Order Commitment for Partial Private Circuits from 1 Mbit through to 2 Mbit/s, the Dominant Provider may levy a charge no more than a sum equal to:

$$[(80\% \text{ of } B) - C] \times \text{£}143$$

Where B is the total Advance Order Commitment for Private Partial Circuits from 1 Mbit through to 2 Mbit/s; and

Where C is the number of Partial Private Circuits from 1 Mbit through to 2 Mbit/s ordered during the period to which the Advance Order Commitment relates, but does not include cancellations of orders for Partial Private Circuits made during or after the relevant Advanced Order Commitment period, but does include any order for a Partial Private Circuit cancelled as a result of the inability of Dominant Provider to secure consents for Partial Private Circuits.

19. [Paragraph not used].

20. In calculating (80% of B) in paragraphs 16 to 18 inclusive of this Direction the outcome shall, if not an integer, be rounded down to the nearest integer.

Service level agreements

General

21. The Dominant Provider shall set a Committed Delivery Date for each Partial Private Circuit or Network Infrastructure ordered from it by a Third Party.

22. For each Partial Private Circuit or Network Infrastructure ordered from the Dominant Provider by a Third Party, the Dominant Provider shall provide to a Third Party Firm Order Confirmation in the manner set out in the definition section of this Direction.

23. The time scales and levels of fixed individual compensation payments to be payable under the service level agreement shall be those set out in the Directions, unless otherwise agreed between the Dominant Provider and a Third Party, or except to the extent that the Director otherwise consents.

24. Unless otherwise agreed between the Dominant Provider and a Third Party, any fixed individual compensation payment, or reimbursement pursuant to paragraph 28 of this Direction, payable by the Dominant Provider to a Third Party pursuant to the Directions shall be offset by the Dominant Provider against the money owed to it by the Third Party, on a quarterly basis. The Dominant Provider shall keep complete and accurate record of the amounts it has offset in accordance with this paragraph. Such records shall be made available by the Dominant Provider following a request by a Third Party.

25. The Dominant Provider shall not be liable to pay fixed individual compensation payments pursuant to the Directions for periods of delay which arise due to circumstances beyond its reasonable control. The Dominant Provider shall notify a Third Party as soon as reasonably practicable when such circumstances arise. All contractors or sub-contractors of whatever level, and their respective employees, servants and agents, shall for the purpose of this paragraph be treated as employees of the Dominant Provider. Major construction works shall not be considered circumstances beyond the Dominant Provider's reasonable control.

26. The Dominant Provider shall ensure that any time limits set out in this Direction shall not apply to a Third Party to the extent that periods of delay arise due to circumstances beyond its reasonable control. The Third Party shall notify the Dominant Provider as soon as reasonably practicable when such circumstances arise. All contractors or sub-contractors of whatever level, and their respective employees, servants and agents, shall for the purpose of this paragraph be treated as employees of the relevant Third Party.

27. The Dominant Provider shall, at the reasonable request of a Third Party, postpone the Committed Delivery Date of a Partial Private Circuit or Network Infrastructure if such postponement is technically and organisationally reasonable. In agreeing to such a postponement the Dominant Provider shall only charge for reasonable additional expenses it has directly incurred as a result of the postponement.

28. The Dominant Provider shall only postpone the Committed Delivery Date of a Partial Private Circuit or Network Infrastructure with the written agreement of the Third Party. The Dominant Provider shall inform the Third Party as soon as reasonably possible of any proposed postponement of the Committed Delivery Date. Where such a postponement takes place the Dominant Provider shall reimburse the Third Party for any reasonable additional cost incurred by the Third Party as a direct result of the postponement.

29. The FOC Receipt Interval shall be a maximum of:

- five working days for Partial Private Circuits of less than 2 Mbit/s; and
- eight working days for Partial Private Circuits of 2 Mbit/s and Network Infrastructure;

regardless of how many Partial Private Circuits are, or the amount of Network Infrastructure is, ordered at a particular site.

30. The Dominant Provider shall ensure that the FOC Acceptance Interval is a maximum of one working day for Partial Private Circuits of 2 Mbit/s or below and two working days for Network Infrastructure. Where a Third Party has not informed the Dominant Provider of its Acceptance of Terms or rejection of the order within five working days of the FOC Date, the Dominant Provider may cancel the Third Party's order.

31. The Dominant Provider shall keep complete and accurate records of the ordering, provision and repair of Partial Private Circuits and Network Infrastructure it provides to a Third Party.

32. Where any Partial Private Circuit or Network Infrastructure which is ordered by a Third Party is in excess of 110% (by volume), rounded up to the nearest

integer where necessary, of its Advance Order Commitment or Advance Capacity Order, the applicable Requisite Period set out in the tables in paragraphs 39 and 49 of this Direction shall be extended by 50% and rounded up to the nearest working day, where necessary, for the purposes of calculating fixed individual compensation payments.

Unliquidated damages

33. Nothing in the PPC Contract, as amended by the Directions, shall prevent a Third Party from bringing a claim against the Dominant Provider for unliquidated damages over and above the fixed individual compensation payments set out in the Directions.

Partial Private Circuits

Quick quote and high bandwidth quote on line

34. The Dominant Provider shall provide to a Third Party, upon written request, the necessary wholesale network and pricing information to enable the Third Party to obtain the same information for Partial Private Circuits that is available to the Dominant Provider's retail arm, for its "Quick Quote" quote facilities.

Concurrency of Partial Private Circuit and ISH link and CSH link delivery times

35. Where a Third Party has ordered a Partial Private Circuit, and the operation of the circuit requires the provision of an ISH link or CSH link, the Dominant Provider shall ensure that the delivery dates of the Partial Private Circuit and the CSH link or ISH link are the same.

Expedited orders

36. Upon a Third Party's written request, the Dominant Provider shall make reasonable endeavours to set a Committed Delivery Date for Partial Private Circuits within 50% of the relevant Requisite Period set out in the table in paragraph 39 of this Direction, rounded up to the nearest working day where necessary, for at least 15% (by volume) of a Third Party's previous month's order. The Third Party shall inform the Dominant Provider which particular Partial Private Circuits it shall endeavour to be expedited pursuant to this paragraph. This paragraph shall only apply to the delivery of Partial Private Circuits of 2 Mbit/s or less. This paragraph shall not apply to Partial Private Circuits which exceed 110% (by volume), rounded up to the nearest integer where necessary, of a Third Party's Advance Order Commitment.

37. Paragraph 46 of this Direction does not apply to orders of Partial Private Circuits made pursuant to paragraph 36 of this Direction.

 Time scales for fixed individual compensation

38. Where the Committed Delivery Date for Partial Private Circuits is set by the Dominant Provider later than the relevant Requisite Period (as set out in the table in paragraph 39 of this Direction) without the agreement of a Third Party, the Dominant Provider shall be liable to pay the Third Party a fixed individual compensation payment equal to 5% of the monthly rental for the Private Partial Circuit delayed, per working day or part of a working day in respect of the period commencing immediately on the expiry of the relevant Requisite Period and expiring on the Installation Date.

39. Where the Committed Delivery Date for Partial Private Circuits is set by the Dominant Provider either, later than the relevant Requisite Period (as set out in the table below) but with the agreement of a Third Party, or within the Requisite Period, the Dominant Provider shall be liable to pay the Third Party a fixed individual compensation payment equal to 5% of the monthly rental for the Private Partial Circuit delayed, per working day or part of a working day in respect of the period commencing immediately on the working day following the Committed Delivery Date and expiring on the Installation Date.

Bandwidth of Partial Private Circuit	Requisite Period
64 kbit/s	10 working days
128 kbit/s to 256 kbit/s delivered over copper	10 working days
128 kbit/s to 256 kbit/s delivered over fibre	30 working days
320 kbit/s to 960 kbit/s	30 working days
1 Mbit	30 working days
2 Mbit/s	30 working days
Subsequent Partial Private Circuit of 2 Mbit/s	10 working days

Third Party's ability to cancel order

40. Where the Provisioning Interval exceeds the relevant Requisite Period set out in the table in paragraph 39 of this Direction, a Third Party shall be allowed to cancel its order for a Partial Private Circuit after the Cancellation Threshold (as set out in the table below) has expired. The Cancellation Threshold shall commence upon the expiry of the relevant Requisite Period set out in the table in paragraph 39 of this Direction. The Requisite Periods in the table in paragraph 39 shall apply, for the purposes of this paragraph, regardless of whether there is

a delay in delivery of a Partial Private Circuit which is due to circumstances beyond the Dominant Provider's reasonable control.

Requisite Period set out in the table in paragraph 39 of this Direction	Cancellation Threshold
10 working days	10 working days
30 working days	20 working days

41. Where a Third Party cancels a Partial Private Circuit pursuant to paragraph 40 of this Direction, the Dominant Provider shall not charge the Third Party for the circuit and shall not charge for cancelling the circuit. The Dominant Provider shall also be liable to pay the Third Party any fixed individual compensation payments accumulated pursuant to the PPC Contract as amended by the Directions.

Reduced Requisite Periods for Partial Private Circuits

42. The Dominant Provider shall ensure that for at least 70% (by volume) of Partial Private Circuits of a particular bandwidth delivered by the Dominant Party to a Third Party within a three month period (such period not to be calculated on a rolling basis) the Committed Delivery Date is set within the relevant Reduced Requisite Period (as set out in the table below).

Bandwidth of Partial Private Circuit	Reduced Requisite Period
128 kbit/s to 256 kbit/s delivered over fibre	20 working days
320 kbit/s to 960 kbit/s	20 working days
1 Mbit	20 working days
2 Mbit/s	20 working days

43. In calculating the 70% (by volume) of Partial Private Circuits to which paragraph 42 of this Direction applies the following shall not be included:

- Partial Private Circuits of 64 kbit/s;
- Partial Private Circuits of 128 kbit/s to 256 kbit/s delivered over copper;
- Subsequent Private Partial Circuits of 2Mbit/s;
- Partial Private Circuit orders to which paragraph 36 of this Direction applies; and

- Partial Private Circuits which exceed 110% (by volume), rounded up to the nearest integer where necessary, of a Third Party's Advance Order Commitment.

44. The Reduced Requisite Periods set out in the table in paragraph 42 of this Direction apply only if, in the previous three month reporting period (such period not to be calculated on a rolling basis), a Third Party has ordered from the Dominant Provider at least ten Partial Private Circuits of the same bandwidth where such Partial Private Circuits are 2 Mbit/s or less.

For the purposes of this paragraph the first reporting period of three months shall be the first three month reporting period falling after 30 working days following the date of publication of this Direction.

45. For the purposes of this Direction, in determining whether 110% (by volume), rounded up to the nearest integer where necessary, of a Third Party's Advance Order Commitment has been exceeded, the calculation shall be at a national level for each individual Partial Private Circuit bandwidth category and applied in the order in which the Partial Private Circuits were ordered by the Third Party.

Multiple orders

46. Where the Dominant Provider receives an order for more than 10 Partial Private Circuits at one site from a Third Party, the relevant Requisite Period applicable to determine whether the Dominant Provider shall pay fixed individual compensation as set out in paragraphs 38 and 39 of this Direction, shall be the relevant Requisite Period set out in the table in paragraph 39 of this Direction increased by a maximum of 50%. The Dominant Provider shall inform the Third Party of the revised time scales as soon as reasonably practicable.

Availability of service

47. When total loss of service (i.e. total loss of service for one minute or longer) occurs three or more times, within a 12 month period, to a Partial Private Circuit, the Third Party shall not be liable to the Dominant Provider for the monthly rental in any subsequent month where total loss of failure occurs to the Partial Private Circuit, until such time as 12 months have passed and the Partial Private Circuit has not suffered total loss of service. Occurrences of total loss of service which result in the Dominant Provider being liable to pay fixed individual compensation pursuant to paragraphs 58, 59 and 61 of this Direction, shall not be considered as an occurrence of a total loss of service for the purposes of this paragraph.

Network Infrastructure

Time scales for fixed individual compensation

48. Where the Committed Delivery Date for Network Infrastructure is set by the Dominant Provider later than the relevant Requisite Period (as set out in the table in paragraph 49 of this Direction) without the agreement of a Third Party, the Dominant Provider shall be liable to pay the Third Party a fixed individual compensation payment equal to 0.3% of the connection fee for the Network Infrastructure, per working day, or part of a working day, in respect of the period commencing immediately on the expiry of the relevant Requisite Period and expiring on the Installation Date,

49. Where the Committed Delivery Date for Network Infrastructure is set by the Dominant Provider either, later than the relevant Requisite Period (as set out in the table below) but with the agreement of a Third Party, or within the Requisite Period, the Dominant Provider shall be liable to pay the Third Party a fixed individual compensation payment equal to 0.3% of the connection fee for the Network Infrastructure, in respect of the period commencing immediately on the working day following the Committed Delivery Date and expiring on the Installation Date.

Network Infrastructure	Requisite Period (where the Dominant Provider needs to carry out Civil Works)	Requisite Period (where the Dominant Provider does not need to carry out Civil Works)
ISH links	110 working days	85 working days
CSH links	110 working days	85 working days
ISH links – provision of new multiplexor on an existing Point of Connection	Not applicable	60 working days
ISH links - provision of extra STM-1 interface on existing STM-1 ISH SMA4 multiplexor	Not applicable	60 working Days
CSH links - provision of new multiplexor on existing Point of Connection	Not applicable	60 working Days
CSH links requiring only provision of new tributary card on		

existing multiplexor	Not applicable	25 working Days
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Third Party's ability to cancel order

50. Where the Provisioning Interval exceeds the relevant Requisite Period set out in the table in paragraph 49 of this Direction, a Third Party shall be allowed to cancel its order for Network Infrastructure after the Cancellation Threshold (as set out in the table below) has expired. The Cancellation Threshold shall commence upon the expiry of the relevant Requisite Period set out in the table in paragraph 49 of this Direction. The Requisite periods in the table in paragraph 49 shall apply, for the purpose of this paragraph, regardless of whether there is a delay in delivery of Network Infrastructure which is due to circumstances beyond the Dominant Provider's reasonable control.

Requisite Period set out in the table in paragraph 49 of this Direction	Cancellation Threshold
21 to 40 working days	20 working days
41 to 60 working days	25 working days
61 to 90 working days	30 working days
Over 90 working days	40 working days

51. Where a Third Party cancels Network Infrastructure pursuant to paragraph 50 of this Direction, the Dominant Provider shall not charge the Third Party for the Network Infrastructure and shall not charge for cancelling the Network Infrastructure. The Dominant Provider shall also be liable to pay the Third Party any fixed compensation payments accumulated pursuant to the PPC Contract as amended by the Directions.

Reduced Requisite periods for Network Infrastructure

52. The Dominant Provider shall ensure that for at least 70% (by volume) of the total VC4-equivalents of Network Infrastructure delivered by it to a Third Party during a three month period (such period not to be calculated on a rolling basis) the Committed Delivery Date is set within the relevant Reduced Requisite Period (as set out in the table below).

Network Infrastructure	Reduced Requisite Period (where the Dominant Provider needs to carry out Civil Works)	Reduced Requisite Period where the Dominant Provider does not need to carry out Civil Works)
ISH links	75 working days	60 working days
CSH links	75 working days	60 working days

ISH links - provision of new multiplexor on an existing Point of Connection	Not applicable	40 working days
ISH links - provision of extra STM-1 interface on existing STM-1 ISH SMA4 multiplexor	Not applicable	40 working days
CSH links - provision of new multiplexor on existing Point of Connection	Not applicable	40 working days
CSH links requiring only provision of new tributary card on existing multiplexor	Not applicable	20 working days

53. In calculating the 70% (by volume) of the total VC4-equivalents of Network Infrastructure to which paragraph 52 of this Direction applies the following shall not be included:

- Network Infrastructure which exceeds 110% (by volume), rounded up to the nearest integer where necessary, of a Third Party's Advance Capacity Order.

54. The Reduced Requisite Periods set out in the table in paragraph 52 of this Direction only apply if, in the previous three month reporting period (such period not to be calculated on a rolling basis) a Third Party has ordered from the Dominant Provider at least 2 VC4-equivalents of Network Infrastructure. For the purposes of this paragraph the first reporting period of three months shall be the first such reporting period falling after 30 working days following the date of publication of this Direction.

55. For the purposes of this Direction, in determining whether 110% (by volume), rounded up to the nearest integer where necessary, of a Third Party's Advance Capacity Order has been exceeded, the calculation shall be made using VC4-equivalents at each Point of Connection applied in the order in which the Network Infrastructure was ordered by the Third Party.

Repair of Partial Private Circuits and Network Infrastructure

56. Where the Dominant Provider offers to a Third Party Regular Care and Enhanced Care for Partial Private Circuits and Network Infrastructure it shall do so at a cost orientated price and as set out in the table below:

	Operational hours	Repair/response time	Extras
Regular Care	Normal working hours	Response within one working day of receipt of a fault report by a Third Party. Repair within two working days of receipt of a fault report by a Third Party.	If a fault is not remedied within two working days of receipt of a fault report by a Third Party, the Dominant Provider shall call the Third Party to report progress being made to remedy the fault.
Enhanced Care	24 hours per day, 7 days per week (including public and bank holidays).	Response within four hours of receipt of a fault report from a Third Party. Repair within five hours of receipt of a fault report by a Third Party.	If a fault is not remedied within five hours of receipt of a fault report by a Third Party, the Dominant Provider shall contact the Third Party to report progress being made to remedy the fault.

57. Receipt by the Dominant Provider from a Third Party of a report of a fault concerning a Partial Private Circuit or Network Infrastructure, shall be acknowledged by the Dominant Provider to the Third Party within one hour.

58. Where the Dominant Provider fails to repair a Partial Private Circuit within the time limits set out in the table in paragraph 56 of this Direction it shall pay to the Third Party a fixed individual compensation payment as set out in paragraphs 59 to 63 inclusive of this Direction in respect of the period commencing on the expiry of the applicable repair time set out in the table in paragraph 56 and expiring at the time the Partial Private Circuit or Network Infrastructure is repaired.

59. Where the Third Party has ordered the Dominant Provider's Regular Care for Partial Private Circuits, the Dominant Provider shall pay the Third Party an amount equal to 100% of the monthly rental payable for the type of Partial Private Circuit being repaired per working day, or part of a working day, of delay in repair.

60. Where the Third Party has ordered the Dominant Provider's Regular Care for Network Infrastructure, the Dominant Provider shall pay the Third Party an

amount equal to 1% of the connection fee for the type of Network Infrastructure being repaired per working day, or part of a working day, of delay in repair.

61. Where the Third Party has ordered the Dominant Provider's Enhanced Care for Partial Private Circuits, the Dominant Provider shall pay the Third Party an amount equal to 15% of the monthly rental payable for the type of Partial Private Circuit being repaired per hour, or part of an hour, of delay in repair.

62. Where the Third Party has ordered the Dominant Provider's Enhanced Care for Network Infrastructure, the Dominant Provider shall pay the Third Party an amount equal to 0.15% of the connection fee for the type of Network Infrastructure being repaired per hour, or part of an hour, of delay in repair.

63. The Dominant Provider shall not be liable to pay fixed individual compensation pursuant to paragraphs 60 and 62 of this Direction where it is also liable for fixed individual compensation pursuant to paragraphs 59 and 61 of this Direction where the Partial Private Circuit is being provided using the Network Infrastructure which is being repaired.

64. The Dominant Provider shall attend, and invite Third Parties to regular meetings to review the level of service provided by it in relation to Partial Private Circuits and related Network Infrastructure.

Change of speed or interface

65. The Dominant Provider shall offer to provide within a reasonable period of a Third Party's written request, the ability to alter the speed or interface of a Partial Private Circuit.

66. The Dominant Provider shall ensure that it provides to a Third Party a Partial Private Circuit variant for the services to which paragraph 65 of this Direction applies, which are equivalent to the services it currently provides on a retail basis for retail leased lines.

STM-1, ISH and CSH handover

67. The Dominant Provider shall offer to provide within a reasonable period of a Third Party's written request for a Synchronous Transfer Mode-1 ("STM-1"), an interface using an ISH link or CSH link; and handover pursuant to paragraph 68 of this Direction. Such link or handover shall be provided by way of network connecting apparatus capable of providing no more than the STM-1 capacity ordered by the Third Party.

68. The Dominant Provider shall within a reasonable period of a Third Party's written request, handover in a footway jointing chamber for Partial Private Circuits at a reasonable point nominated by the Third Party. The footway jointing

chamber shall be located in the same Dominant Provider local serving exchange area as the Dominant Provider Serving Node to which the Partial Private Circuits being handed over are connected.

Equipment re-use

69. Paragraph 70 of this Direction shall only apply to the re-use of Plesiochronous Digital Hierarchy ("PDH") and Synchronous Digital Hierarchy ("SDH") equipment situated at a third party site ("Equipment").

70. The Dominant Provider may reject a request by a Third Party for re-use of PDH Equipment if such re-use would be incompatible with its network. Any such rejection by the Dominant Provider shall be made within 10 working days of a request by the Third Party and fully justified in writing to the requesting Third Party at the same time as the request is rejected.

Other Partial Private Circuits

71. Unless the Director otherwise agrees, the Dominant Provider shall, offer to provide Partial Private Circuit with no single point of failure, within a reasonable period of a Third Party's request.

72. The Dominant Provider shall offer to provide, within a reasonable period of a Third Party's written request, a Partial Private Circuit which is dual pathed and diversely routed from a third party customer's premises to a Third Party's single Point of Connection.

73. The Dominant Provider shall offer to provide to a Third Party, within a reasonable period of the Third Party's written request, transparent transmission capacity at all bandwidths up to and including a bandwidth capacity of two megabits per second between a radio base station and a Point of Connection with a Third Party's electronic communications network connected to the nearest appropriate digital cross connection node.

74. The Dominant Provider shall provide to the Third Party the product set out in paragraph 73 of this Direction on terms and conditions which, where appropriate, are comparable to the provisions relating to service level agreements, forecasting penalties and migration set out in paragraphs 1 to 64 of this Direction and the Direction made under Condition G3 and published on [].

LLU Backhaul

75. The Dominant Provider shall offer to enter into an agreement with any Third Party, within a reasonable period of the Third Party's written request, LLU Backhaul Services (as set out in the Annex to this Direction) on reasonable terms. Without prejudice to the generality of this requirement, terms will not be

considered reasonable if they fail to include a Service Level Agreement ("SLA") such as could be expected to be negotiated in a competitive market.

76. The agreement for the supply of LLU Backhaul Services by the Dominant Provider shall include an SLA relating to the supply of such a product. This SLA shall include provision for the reasonable payment of fixed compensation by the Dominant Provider to a Third Party in cases where the Dominant Provider fails to fulfill its obligations under the SLA relating to the supply of LLU Backhaul.

77. The Dominant Provider shall implement this Direction within 10 working days of its publication.

78. The Annex to this Direction shall form part of the Direction.

79. This Direction shall take effect on the day it is published.

Annex

(A) The provision of transparent transmission capacity by the Dominant Provider, at all bandwidths between two megabits per second and eight megabits per second (inclusive) between a Local Loop Unbundling Third Party's (LLUTP's) equipment at an MDF site of the Dominant Provider's and a Point of Connection with a Third Party's electronic communications network connected to the nearest appropriate Dominant Provider Synchronous Digital Hierarchy ('SDH') node to the customer. Such node could be a Tier 3, Tier 2, Tier 1.5 or Tier 1 node.

(B) The provision of transparent transmission capacity by the Dominant Provider, at all bandwidths between two megabits per second and eight megabits per second (inclusive) between a LLUTP's equipment at an MDF site of the Dominant Provider and a Point of Connection with a Third Party's electronic communications network connected to the nearest appropriate Dominant Provider SDH node to the customer which is superior in the hierarchy to the node defined in (A) above, where such node exists. Such node could be a Tier 2, Tier 1.5 or Tier 1 node.

(C) The provision of transparent transmission capacity by the Dominant Provider, at all bandwidths between two megabits per second and eight megabits per second (inclusive) between a LLUTP's equipment at an MDF site of the Dominant Provider and a Point of Connection with a Third Party's electronic communications network connected to the nearest appropriate Dominant Provider SDH node to the customer which is superior in the hierarchy to the node defined in (B) above, where such node exists, and which could be a Tier 1.5 or Tier 1 node.

(D) The provision of transparent transmission capacity by the Dominant Provider, at all bandwidths between two megabits per second and eight megabits per second (inclusive) between a LLUTP's equipment at an MDF site of the Dominant Provider and a Point of Connection with a Third Party's electronic communications network connected to the nearest appropriate Dominant Provider SDH node to the customer which is superior in the hierarchy to the node defined in (C) above, where such node exists, and which is a Tier 1 node.

(E) The provision of transparent transmission capacity by the Dominant Provider, at all bandwidths between two megabits per second and eight megabits per second (inclusive) between a LLUTP's equipment at a MDF site of the Dominant Provider and a Point of Connection with a Third Party's electronic communications network connected to any Dominant Provider SDH Tier 1 node.

Notification of proposals under Section 49 of the Communications Act 2003

Proposal for making a Direction under proposed Condition G3 imposed on British Telecommunications plc ('BT') as a result of the market power determinations proposed to be made by the Director General of Telecommunications that BT has significant market power in the market for the provision of traditional interface symmetric broadband origination with a bandwidth capacity up to and including eight megabits per second

1. The Director General of Telecommunications hereby makes, in accordance with section 49 of the Communications Act 2003 (the 'Act'), the following proposal for a Direction to be given under proposed Condition G3.
2. The draft Direction is set out in the Schedule to this notification.
3. The effect of the draft Direction, and the reasons for making the proposal, are set out in the accompanying explanatory statement hereto.
4. Representations may be made to the Director about the proposed draft Direction by 6 February 2004.
5. In accordance with section 50 of the Communications Act 2003, copies of this notification have been sent to the Secretary of State, the European Commission and to the regulatory authorities of every other member State.

**JIM NIBLETT
DIRECTOR, BROADBAND AND INTERNATIONAL AFFAIRS
A PERSON AUTHORISED UNDER PARAGRAPH 8 OF SCHEDULE 1 TO THE
TELECOMMUNICATIONS ACT 1984
18 December 2003**

Schedule

**Draft Direction under Condition G3 imposed on British
Telecommunications plc as a result of the analysis of the market
for the provision of traditional interface symmetric broadband origination
with a bandwidth capacity up to and including eight megabits per second
in which British Telecommunications plc has been found to have
significant market power**

WHEREAS :

(A) the Director is able to exercise powers under the Act pursuant to section 408 of the Act and Article 3(1) of the Communications Act 2003 (Commencement No. 1) Order 2003, until Ofcom assumes those powers at a later date;

(B) the Director having considered every representation duly made, and thereafter pursuant to sections 48(1) and 79 of the Act by way of publication of a notification identified the relevant services markets, has designated British Telecommunications plc as having significant market power in the market for the provision of traditional interface symmetric broadband origination with a bandwidth capacity up to and including eight megabits per second within the United Kingdom but not including the Hull Area;

(C) this Direction concerns matters to which Condition G3 relates;

(D) for the reasons set out in the explanatory statement accompanying this Direction, the Director is satisfied that, in accordance with section 49(2) of the Act, this Direction is:

- (i) objectively justifiable in relation to the networks, services, facilities, apparatus or directories to which it relates;
- (ii) not such as to discriminate unduly against particular persons or against a particular description of persons;
- (iii) proportionate to what it is intended to achieve; and
- (iv) in relation to what it is intended to achieve, transparent;

(E) for the reasons set out in the explanatory statement accompanying this Direction, the Director is satisfied that he has acted in accordance with the relevant duties set out in section 4 of the Act;

(F) the Director has published a notification of the proposed Direction in accordance with section 49 of the Act;

(G) the Director has considered every representation about the proposed Direction duly made to him; and

NOW, therefore, pursuant to Condition G3 the Director makes the following Direction:

For the purpose of interpreting this Direction the definitions set out in the Direction made under Condition G1 and published on [] shall apply.

Except insofar as the context otherwise requires, words or expressions shall have the meaning assigned to them.

The Interpretation Act 1978 shall apply as if this Direction was an Act of Parliament.

Headings and titles shall be disregarded.

The Dominant Provider shall provide Partial Private Circuits in accordance with this Direction.

Charges for capacity on third party customer infrastructure

1. Where a Third Party already has a Partial Private Circuit connected to third party customer infrastructure which was in situ before 1 August 2001, and has a Subsequent Partial Private Circuit connected to the same third party customer infrastructure the Dominant Provider shall charge no more than the amount set out in the table below for such a connection.

Bandwidth	Charge (£)
2 Mbit/s	2,275

Charge for change of speed or interface

2. *The Dominant Provider shall charge no more than £94 for changing the speed or interface of a 1 Mbit Partial Private Circuit.*

Charges for reclassification of BT Retail Private Circuits

3. *Where a BT Retail Private Circuit is migrated to a Partial Private Circuit in accordance with the PPC Contract, as amended by the Directions, it shall charge the Third Party no more than £37 per migrated circuit as a reclassification charge.*

Charges for failed migration orders

4. Where the Dominant Provider informs a Third Party that a request for migration of a BT Retail Private Circuit to a Partial Private Circuit is invalid in accordance with the PPC Contract, as amended by the Directions, it shall charge the Third Party no more than £36 per request rejected.

Infrastructure tariff conversion charges

5. The Dominant Provider's infrastructure tariff conversion charges to a Third Party shall be no more than the amounts set out in the Annex of this Direction and calculated in accordance with the Annex of this Direction.

6. The Dominant Provider may also levy an infrastructure tariff conversion charge, in accordance with the Annex of this Direction, on a BT Retail Private Circuit which was in situ on the date that this Direction enters into force and being provided to a Third Party which at the time was a non-schedule 2 public operator which was running a telecommunications system under a telecommunication licence, but which is subsequently provided to a Third Party after the date of publication of this Direction. This paragraph shall apply whether or not the non-schedule 2 public operator which was running a telecommunication system under a telecommunications licence, and the Third Party, are the same person.

Equipment re-use

7. Paragraphs 8 to 12 inclusive of this Direction shall only apply to the re-use of Plesiochronous Digital Hierarchy ("PDH") and Synchronous Digital Hierarchy ("SDH") equipment situated at a third party site ("Equipment").

8. Where a Third Party requests the Dominant Provider to provide Equipment at a specific site, and the Third Party has already used the Equipment at the site, the Dominant Provider shall allow the Third Party to re-use the Equipment at that site, subject to paragraph 70 of the Direction made under Condition G1 and published on [], without charge, subject to paragraph 11 of this Direction, or at any other third party site without charge, subject to paragraphs 10 and 11 of this Direction, for as long as the Equipment remains available for use.

9. Where a Third Party requests the Dominant Provider to provide Equipment at a specific site, and the Third Party has not used the Equipment at the site, the Dominant Provider shall allow the Third Party to re-use the Equipment at the site, subject to paragraph 70 of the Direction made under Condition G1 and published on [], and shall charge the Third Party a discounted charge equivalent to its remaining value. Such discounted charge shall be cost orientated and shall be passed on to the Third Party which had previously used the Equipment at that site, less any reasonable costs incurred by the Dominant Provider in administering a system necessary to implement paragraphs 7 to 12 inclusive of

this Direction and paragraph 70 of the Direction made under Condition G1 and published on [].

10. The Dominant Provider shall only charge a Third Party for testing SDH Equipment before such equipment is re-used, where such infrastructure is to be re-located. Such charge shall be cost orientated. In addition the Dominant Provider may levy a cost orientated charge for re-locating SDH Equipment.

11. The Dominant Provider may levy a cost orientated charge for testing PDH Partial Private Circuit Equipment before such infrastructure is re-used. In addition The Dominant Provider may levy a cost orientated charge for re-locating PDH Equipment.

12. The charge contained in paragraph 9 of this Direction shall:

- reflect all the incremental costs necessarily and efficiently incurred;
- reflect the value of the Equipment being re-used; and
- be non-discriminatory.

Cost orientation of LLU Backhaul prices

13. The Licensee shall ensure that its charges for LLU Backhaul Services (as set out in paragraph 17 of this Direction) are consistent with its charges for those elements which are common to LLU Backhaul and Partial Private circuits.

14. The Dominant Provider shall implement this Direction within 10 working days of its publication.

15. This Direction shall take effect on the day it is published.

16. The Annex to this Direction shall form part of the Direction.

17. LLU Backhaul Services are:

(A) The provision of transparent transmission capacity by the Dominant Provider, at all bandwidths between two megabits per second and eight megabits per second (inclusive) between a Local Loop Unbundling Third Party's (LLUTP's) equipment at an MDF site of the Dominant Provider's and a Point of Connection with a Third Party's electronic communications network connected to the nearest appropriate Dominant Provider Synchronous Digital Hierarchy ('SDH') node to the customer. Such node could be a Tier 3, Tier 2, Tier 1.5 or Tier 1 node.

(B) The provision of transparent transmission capacity by the Dominant Provider, at all bandwidths between two megabits per second and eight megabits per second (inclusive) between a LLUTP's equipment at an MDF site of the Dominant Provider and a Point of Connection with a Third Party's electronic communications network connected to the nearest appropriate Dominant

Provider SDH node to the customer which is superior in the hierarchy to the node defined in (A) above, where such node exists. Such node could be a Tier 2, Tier 1.5 or Tier 1 node.

(C) The provision of transparent transmission capacity by the Dominant Provider, at all bandwidths between two megabits per second and eight megabits per second (inclusive) between a LLUTP's equipment at an MDF site of the Dominant Provider and a Point of Connection with a Third Party's electronic communications network connected to the nearest appropriate Dominant Provider SDH node to the customer which is superior in the hierarchy to the node defined in (B) above, where such node exists, and which could be a Tier 1.5 or Tier 1 node.

(D) The provision of transparent transmission capacity by the Dominant Provider, at all bandwidths between two megabits per second and eight megabits per second (inclusive) between a LLUTP's equipment at an MDF site of the Dominant Provider and a Point of Connection with a Third Party's electronic communications network connected to the nearest appropriate Dominant Provider SDH node to the customer which is superior in the hierarchy to the node defined in (C) above, where such node exists, and which is a Tier 1 node.

(E) The provision of transparent transmission capacity by the Dominant Provider, at all bandwidths between two megabits per second and eight megabits per second (inclusive) between a LLUTP's equipment at a MDF site of the Dominant Provider and a Point of Connection with a Third Party's electronic communications network connected to any Dominant Provider SDH Tier 1 node.

Annex – Infrastructure tariff conversion charges
Infrastructure tariff conversion charges
Charges for BT Retail Private Circuits below 1 Mbit circuits which were installed up to and including 31 December 2001

Time between the date that the BT Retail Private Circuit was installed, and an Operator requested such circuit to be migrated to a Partial Private Circuit	Charge (£)
Up to 1 month	189
2 months or more	0

Charges for 1 Mbit BT Retail Private Circuits which were installed up to and including 31 December 2001

Time between the date that the BT Retail Private Circuit was installed, and an Operator requested such circuit to be migrated to a Partial Private Circuit	Charge (£)
Up to 1 month	2621
2 months	2369
3 months	2113
4 months	1855
5 months	1594
6 months	1330
7 months	1064
8 months	795
9 months	522
10 months	247
11 months or more	0

Charges for 2 Mbit/s for BT Retail Private Circuits which were installed up to and including 31 December 2001

Time between the date that the BT Retail Private Circuit was installed, and an Operator requested such circuit to be migrated to a Partial Private Circuit	Charge (£)
Up to 1 month, or more	0

Charges for BT Retail Private Circuits below 1 Mbit installed after 31 December 2001

Time between the date that the BT Retail Private Circuit was installed, and an Operator requested such circuit to be migrated to a Partial Private Circuit	Charge (£)
Up to 1 month	270
2 months	45
3 months or more	0

Charges for 1 Mbit for BT Retail Private Circuits installed after 31 December 2001

Time between the date that the BT Retail Private Circuit was installed, and an Operator requested such circuit to be migrated to a Partial Private Circuit	Charge (£)
Up to 1 month, or more	0

Charges for 2 Mbit/s for BT Retail Private Circuits installed after 31 December 2001

Time between the date that the BT Retail Private Circuit was installed, and an Operator requested such circuit to be migrated to a	Charge (£)
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Partial Private Circuit	
Up to 1 month, or more	0

Notification of proposals under Section 49 of the Communications Act 2003

Proposal for making a Direction under proposed Condition G7 imposed on British Telecommunications plc ('BT') as a result of the market power determinations proposed to be made by the Director General of Telecommunications that BT has significant market power in the market for the provision of traditional interface symmetric broadband origination with a bandwidth capacity up to and including eight megabits per second

1. The Director General of Telecommunications hereby makes, in accordance with section 49 of the Communications Act 2003 (the 'Act'), the following proposal for a Direction to be given under proposed Condition G7.
2. The draft Direction is set out in the Schedule to this notification.
3. The effect of the draft Direction, and the reasons for making the proposal, are set out in the accompanying explanatory statement hereto.
4. Representations may be made to the Director about the proposed draft Direction by 6 February 2004.
5. In accordance with section 50 of the Communications Act 2003, copies of this notification have been sent to the Secretary of State, the European Commission and to the regulatory authorities of every other member State.

**JIM NIBLETT
DIRECTOR, BROADBAND AND INTERNATIONAL AFFAIRS
A PERSON AUTHORISED UNDER PARAGRAPH 8 OF SCHEDULE 1 TO THE
TELECOMMUNICATIONS ACT 1984
18 December 2003**

Schedule

(A) the Director is able to exercise powers under the Act pursuant to section 408 of the Act and Article 3(1) of the Communications Act 2003 (Commencement No. 1) Order 2003, until Ofcom assumes those powers at a later date;

(B) the Director having considered every representation duly made, and thereafter pursuant to sections 48(1) and 79 of the Act by way of publication of a notification identified the relevant services markets, has designated British Telecommunications plc as having significant market power in the market for the provision of traditional interface symmetric broadband origination with a bandwidth capacity up to and including eight megabits per second within the United Kingdom but not including the Hull Area;

(C) this Direction concerns matters to which Condition G7 relates;

(D) for the reasons set out in the explanatory statement accompanying this Direction, the Director is satisfied that, in accordance with section 49(2) of the Act, this Direction is:

- (i) objectively justifiable in relation to the networks, services, facilities, apparatus or directories to which it relates;
- (ii) not such as to discriminate unduly against particular persons or against a particular description of persons;
- (iii) proportionate to what it is intended to achieve; and
- (iv) in relation to what it is intended to achieve, transparent;

(E) for the reasons set out in the explanatory statement accompanying this Direction, the Director is satisfied that he has acted in accordance with the relevant duties set out in section 4 of the Act;

(F) the Director has published a notification of the proposed Direction in accordance with section 49 of the Act;

(G) the Director has considered every representation about the proposed Direction duly made to him; and

NOW, therefore, pursuant to Condition G7 the Director makes the following Direction:

For the purpose of interpreting this Direction the definitions set out in the Direction made under Condition G1 and published on [] shall apply.

Except insofar as the context otherwise requires, words or expressions shall have the meaning assigned to them.

The Interpretation Act 1978 shall apply as if this Direction was an Act of Parliament

Headings and titles shall be disregarded.

1. The Dominant Provider shall, on a quarterly basis, publish the following information for each Third Party to whom it provides Partial Private Circuits on an individual and anonymous basis; and on an aggregated basis with respect to all such Third Parties on an anonymous basis:

- its performance with respect to Committed Delivery Dates, Requisite Periods, Reduced Requisite Periods, FOC Receipt Intervals, repair and availability of service;
 - a list of incidences of circumstances beyond the reasonable control of the Dominant Provider, split by reason;
 - the percentage of each Third Party's previous month's orders having Committed Delivery Dates quoted within 50% of the Requisite Periods set out in the table in paragraph 39 of the Direction made under Condition G1 and published on [];
 - the number and percentage of instances where each Third Party exceeds the applicable FOC Acceptance Interval, set out by bandwidth, for Partial Private Circuits;
 - the number and percentage of instances where each Third Party exceeds the applicable FOC Acceptance Interval for Network Infrastructure;
 - the average amount by which each Third Party exceeds the applicable FOC Acceptance Interval, set out by bandwidth, for Partial Private Circuits;
 - the average amount by which each Third Party exceeds the applicable FOC Acceptance Interval for Network Infrastructure;
 - the number and percentage of orders for Partial Private Circuits rejected by the Dominant Provider;
 - the number and percentage of orders for Network Infrastructure rejected by the Dominant Provider;
 - the mean response time to fault reports relating to Partial Private Circuits and Network Infrastructure sent to the Dominant Provider by Third Party;
 - new installation fault report rate relating to Partial Private Circuits;
 - list or reasons for rejections of orders;
-

- list of reasons for faults; and

- list of reasons for any Committed Delivery Dates beginning 10 working days later than the relevant Requisite Period.

The aggregated reports shall include the Dominant Provider's performance in respect of provision to its retail arm.

2. Nothing in this Direction shall require the Dominant Provider to publish confidential information relating to its business or that of a Third Party.

3. The information set out in paragraph 1 above shall be first published within three months of this Direction taking effect and every three months thereafter.

4. Publication referred to in paragraph 1 above shall be effected by:

- (a) placing a copy of the information on any relevant website operated or controlled by the Dominant Provider; and
- (b) sending a copy of the information to the Director.

5. This Direction shall take effect on the day it is published.

Notification of proposals under Section 49 of the Communications Act 2003

Proposal for making a Direction under proposed Condition GG1 imposed on British Telecommunications plc ('BT') as a result of the market power determinations proposed to be made by the Director General of Telecommunications that BT has significant market power in the market for the provision of traditional interface symmetric broadband origination with a bandwidth capacity above eight megabits per second and up to and including one hundred and fifty five megabits per second

1. The Director General of Telecommunications hereby makes, in accordance with section 49 of the Communications Act 2003 (the 'Act'), the following proposal for a Direction to be given under proposed Condition GG1.
2. The draft Direction is set out in the Schedule to this notification.
3. The effect of the draft Direction, and the reasons for making the proposal, are set out in the accompanying explanatory statement hereto.
4. Representations may be made to the Director about the proposed draft Direction by 6 February 2004.
5. In accordance with section 50 of the Communications Act 2003, copies of this notification have been sent to the Secretary of State, the European Commission and to the regulatory authorities of every other member State.

**JIM NIBLETT
DIRECTOR, BROADBAND AND INTERNATIONAL AFFAIRS
A PERSON AUTHORISED UNDER PARAGRAPH 8 OF SCHEDULE 1 TO THE
TELECOMMUNICATIONS ACT 1984
18 December 2003**

Schedule

Draft Direction under Condition GG1 imposed on British Telecommunications plc as a result of the analysis of the market for the provision of traditional interface symmetric broadband origination with a bandwidth capacity above eight megabits per second and up to and including one hundred and fifty five megabits per second in which British Telecommunications plc has been found to have significant market power

WHEREAS:

(A) the Director is able to exercise powers under the Act pursuant to section 408 of the Act and Article 3(1) of the Communications Act 2003 (Commencement No. 1) Order 2003, until Ofcom assumes those powers at a later date;

(B) the Director having considered every representation duly made, and thereafter pursuant to sections 48(1) and 79 of the Act by way of publication of a notification identified the relevant services markets, has designated British Telecommunications plc as having significant market power in the market for the provision of traditional interface symmetric broadband origination with a bandwidth capacity above eight megabits per second and up to and including one hundred and fifty five megabits per second within the United Kingdom but not including the Hull Area;

(C) this Direction concerns matters to which Condition GG1 relates;

(D) for the reasons set out in the explanatory statement accompanying this Direction, the Director is satisfied that, in accordance with section 49(2) of the Act, this Direction is:

- (i) objectively justifiable in relation to the networks, services, facilities, apparatus or directories to which it relates;
- (ii) not such as to discriminate unduly against particular persons or against a particular description of persons;
- (iii) proportionate to what it is intended to achieve; and
- (iv) in relation to what it is intended to achieve, transparent;

(E) for the reasons set out in the explanatory statement accompanying this Direction, the Director is satisfied that he has acted in accordance with the relevant duties set out in section 4 of the Act;

(F) the Director has published a notification of the proposed Direction in accordance with section 49 of the Act;

(G) the Director has considered every representation about the proposed

Direction duly made to him; and

NOW, therefore, pursuant to Condition GG1 the Director makes the following Direction:

For the purpose of interpreting this Direction the following definitions shall apply:

“Act” means the Communications Act 2003;

“The Directions” means the Directions made under Conditions GG1, GG3 and GG7 and published on [];

“Director” means the Director General of Telecommunications;

“Dominant Provider” means British Telecommunications plc, whose registered company number is 1800000 and any British Telecommunications plc subsidiary or holding company, or any subsidiary of that holding company, all as defined by Section 736 of the Companies Act 1985 as amended by the Companies Act 1989;

“Hull Area” means the area defined as the 'Licensed Area' in the licence granted on 30 November 1987 by the Secretary of State under section 7 of the Telecommunications Act 1984 to Kingston upon Hull City Council and Kingston Communications (Hull) plc;

“Point of Connection” means a point at which the Dominant Provider’s Electronic Communications Network and another person’s Electronic Communications Network are connected; and

“Third Party” means a person providing a public Electronic Communications Service or a person providing a public Electronic Communications Network.

For the purpose of this Direction the following terms shall have the meaning as set out in the Dominant Provider’s Standard PPC Handover Agreement, as at the date of publication of this Direction, but with the necessary changes in order to ensure compliance with the Directions.

Advance Capacity Order

Advance Order Commitment

BT Retail Private Circuit

BT Serving Node

Capacity Order

Capacity Profile

Customer Sited Handover (“CSH”)

Forecast Profile

In-Span Handover (“ISH”)

Re-Designation

Qualifying BT Retail Private Circuit

The following definitions shall also apply for the purpose of this Direction:

Term	Definition
Acceptance of Terms	Date on which a Third Party confirms acceptance of delivery conditions and is committed to the order.
Civil Works	Works that necessitate the digging up of a street for the installation of ducts.
Committed Delivery Date	The date confirmed by the Dominant Provider as the delivery date.
Firm Order Confirmation (“FOC”)	Confirmation by the Dominant Provider in writing (by fax or e-mail) to a Third Party of the delivery conditions including price and Committed Delivery Date, after acknowledging receipt of an order for a Partial Private Circuit or Network Infrastructure from a Third Party.
FOC Acceptance Interval	The number of working days from the FOC Date until the Acceptance of Terms.
FOC Date	The date on which the Dominant Provider makes a Firm Order Confirmation.
FOC Receipt Interval	The number of working days from the Order Request Date until the FOC Date.
Installation Date	Date of installation of a Partial Private Circuit or Network Infrastructure.

Network Infrastructure	The categories of products listed in the table contained in paragraph 49 of this Direction.
Order Request Date	Date on which a Third Party dispatches a valid Partial Private Circuit order, or Network Infrastructure order, to the Dominant Provider.
Partial Private Circuit ("PPC")	A circuit provided pursuant to the PPC Contract and in accordance with the Directions.
PPC Contract	The Dominant Provider's Standard PPC Handover Agreement as at the date of publication of this Direction.
Provisioning Interval	The number of working days from the Order Request Date until the Installation Date.
Requisite Period	The period commencing on the Order Request Date and ending on the applicable working day as set out in the tables in paragraphs 39 and 49 of this Direction.
Reduced Requisite Period	The period commencing on the Order Request Date and ending on the applicable working day as set out in the tables in paragraphs 42 and 52 of this Direction.

Except insofar as the context otherwise requires, words or expressions shall have the meaning assigned to them.

The Interpretation Act 1978 shall apply as if this Direction was an Act of Parliament.

Headings and titles shall be disregarded.

The Dominant Provider shall provide Partial Private Circuits and shall do so in accordance with this Direction.

Migration

-
1. The 12 month contractual minimum term placed upon a Third Party, for the provision of a Partial Private Circuit which has been migrated pursuant to the PPC Contract, shall be measured from the date that the original BT Retail Private Circuit was brought into service.
 2. The Dominant Provider shall not impose any deadline before which a Third Party must inform the Dominant Provider that it requires a BT Retail Private Circuit to be migrated to an equivalent Partial Private Circuit status under the PPC Contract.
 3. The Dominant Provider shall allow a BT Retail Private Circuit, which fell within paragraph 1.3 of the Phase 1 PPC Direction published on 14 June 2002, to be considered under the PPC Contract as a Qualifying BT Retail Private Circuit.
 4. A circuit deemed to be a Qualifying BT Retail Private Circuit under paragraphs 20 or 21 of the Phase 2 PPC Direction published on 23 December 2002 shall continue to be a Qualifying BT Retail Private Circuit.
 5. Where a Third Party was not previously eligible to migrate a BT Retail Private Circuit to a Qualifying BT Retail Private Circuit, but subsequently becomes eligible to do so, the Dominant Provider shall, for 60 working days following the date on which the Third Party's circuits become eligible for migration, allow migration without the Third Party incurring any penalty (including any default or early termination charge) under its agreement with the Dominant Provider for the provision of BT Retail Private Circuits.
 6. Where, at the date of publication of this Direction, the Dominant Provider offers a BT Retail Private Circuit product and does not offer an equivalent Partial Private Circuit product, but subsequently offers to provide an equivalent Partial Private Circuit product, it shall allow a Third Party to migrate to the equivalent Partial Private Circuit product without it incurring any penalty (including any default or early termination charge) under its agreement with the Dominant Provider for the provision of BT Retail Private Circuits, for a period of 60 working days following the date on which the equivalent Partial Private Circuit product is first offered by the Dominant Provider.
 7. Where the Dominant Provider has taken, or will take, longer than five working days from receiving a request from a Third Party to migrate a Qualifying BT Retail Private Circuit to a Partial Private Circuit, it shall give to the Third Party a refund as set out in paragraphs 8 and 9 of this Direction.
 8. Where paragraph 7 of this Direction applies, the Dominant Provider shall refund to the Third Party a sum of money equal to the difference between:
 - the charge levied by the Dominant Provider for the BT Retail Private Circuit to which the request for migration relates; and
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– the charge levied by the Dominant Provider for the Partial Private Circuit to which the request for migration relates.

9. The refund set out in paragraph 8 of this Direction shall cover the period from the date the Dominant Provider receives the request to migrate until the date the Dominant Provider completes the migration.

10. The Dominant Provider shall, upon a Third Party's written request, provide to the Third Party a map of its network within the United Kingdom which clearly illustrates and labels the geographic location of each Dominant Provider tier 1, tier 1.5, tier 2, and tier 3 node.

Forecasts

11. The Dominant Provider shall only require a Third Party to provide a profile of future Partial Private Circuit capacity ordering intentions over a 12 month period, on a national aggregate basis for the following groupings of bandwidths:

- above 8 Mbit/s through to 45 Mbit/s; and
- 155 Mbit/s.

12. The Dominant Provider shall allow a Third Party to set its Advance Capacity Order and Advance Order Commitment without any penalty by up to, 10% (by volume) below, or 20% (by volume) above, the amount stated in the Third Party's previous Capacity Profile or Forecast Profile for the period covered by the Advance Capacity Order or Advance Order Commitment.

13. The Dominant Provider shall allow a Third Party to revise periods covered by its previously stated Capacity Profile and Forecast Profile without any penalty by up to, 30% (by volume) below, or 30% (by volume) above, the amount stated in the Third Party's previous Capacity Profile or Forecast Profile, provided that paragraph 12 of this Direction does not apply.

14. In calculating any increase to an Advance Capacity Order, Advance Order Commitment, Capacity Profile or Forecast Profile pursuant to paragraphs 12 and 13 of this Direction, the outcome of the revision shall, if not an integer, be rounded up to the nearest integer.

15. In calculating any decrease to an Advance Capacity Order, Advance Order Commitment, Capacity Profile or Forecast Profile pursuant to paragraphs 12 and 13 of this Direction, the outcome of the revision shall, if not an integer, be rounded down to the nearest integer.

16. Where a Third Party places a Capacity Order at a Point of Connection for the period corresponding to that of the Advance Capacity Order, which total less than its Advance Capacity Order for the Point of Connection, the Dominant Provider may levy a charge no more than a sum equal to:

$[(80\% \text{ of } B) - C] \times \text{£}2,490$

Where B is the total capacity provision by number of VC4-equivalent units specified in the relevant Advance Capacity Order in respect of each Point of Connection; and

Where C is the number of VC4-equivalents ordered during the period to which the relevant Advance Capacity Order relates in respect of each Point of Connection, but does not include cancellations of Capacity Orders made during or after the relevant Advanced Capacity Order period, but does include any Capacity Order cancelled as a result of the inability of the Dominant Provider to secure consents for CSH links.

17. [paragraph not used].

18. Where a Third Party places orders for Partial Private Circuits from above 8 Mbit/s through to 45 Mbit/s for the period corresponding to that of the Advanced Order Commitment, which total less than its Advance Order Commitment for Partial Private Circuits from above 8 Mbit/s through to 45 Mbit/s, the Dominant Provider may levy a charge no more than a sum equal to:

$[(80\% \text{ of } B) - C] \times \text{£}143$

Where B is the total Advance Order Commitment for Private Partial Circuits from above 8 Mbit/s through to 45 Mbit/s; and

Where C is the number of Partial Private Circuits from above 8 Mbit/s through to 45 Mbit/s ordered during the period to which the Advance Order Commitment relates, but does not include cancellations of orders for Partial Private Circuits made during or after the relevant Advanced Order Commitment period, but does include any order for a Partial Private Circuit cancelled as a result of the inability of Dominant Provider to secure consents for Partial Private Circuits.

19. Where a Third Party places orders for Partial Private Circuits of 155 Mbit/s for the period corresponding to that of the Advanced Order Commitment, which total less than its Advance Order Commitment for Partial Private Circuits for 155 Mbit/s, the Dominant Provider may levy a charge no more than a sum equal to:

$[(80\% \text{ of } B) - C] \times \text{£}3,788$

Where B is the total Advance Order Commitment for Private Partial Circuits of 155 Mbit/s; and

Where C is the number of Partial Private Circuits of 155 Mbit/s ordered during the period to which the Advance Order Commitment relates, but does not include

cancellations of orders for Partial Private Circuits made during or after the relevant Advanced Order Commitment period, but does include any order for a Partial Private Circuit cancelled as a result of the inability of the Dominant Provider to secure consents for Partial Private Circuits.

20. In calculating (80% of B) in paragraphs 16 to 19 inclusive of this Direction the outcome shall, if not an integer, be rounded down to the nearest integer.

Service level agreements

General

21. The Dominant Provider shall set a Committed Delivery Date for each Partial Private Circuit or Network Infrastructure ordered from it by a Third Party.

22. For each Partial Private Circuit or Network Infrastructure ordered from the Dominant Provider by a Third Party, the Dominant Provider shall provide to a Third Party Firm Order Confirmation in the manner set out in the definition section of this Direction.

23. The time scales and levels of fixed individual compensation payments to be payable under the service level agreement shall be those set out in the Directions, unless otherwise agreed between the Dominant Provider and a Third Party, or except to the extent that the Director otherwise consents.

24. Unless otherwise agreed between the Dominant Provider and a Third Party, any fixed individual compensation payment, or reimbursement pursuant to paragraph 28 of this Direction, payable by the Dominant Provider to a Third Party pursuant to the Directions shall be offset by the Dominant Provider against the money owed to it by the Third Party, on a quarterly basis. The Dominant Provider shall keep complete and accurate records of the amounts it has offset in accordance with this paragraph. Such records shall be made available by the Dominant Provider following a request by a Third Party.

25. The Dominant Provider shall not be liable to pay fixed individual compensation payments pursuant to the Directions for periods of delay which arise due to circumstances beyond its reasonable control. The Dominant Provider shall notify a Third Party as soon as reasonably practicable when such circumstances arise. All contractors or sub-contractors of whatever level, and their respective employees, servants and agents, shall for the purpose of this paragraph be treated as employees of the Dominant Provider. Major construction works shall not be considered circumstances beyond the Dominant Provider's reasonable control.

26. The Dominant Provider shall ensure that any time limits set out in this Direction shall not apply to a Third Party to the extent that periods of delay arise due to circumstances beyond its reasonable control. The Third Party shall notify

the Dominant Provider as soon as reasonably practicable when such circumstances arise. All contractors or sub-contractors of whatever level, and their respective employees, servants and agents, shall for the purpose of this paragraph be treated as employees of the relevant Third Party.

27. The Dominant Provider shall, at the reasonable request of a Third Party, postpone the Committed Delivery Date of a Partial Private Circuit or Network Infrastructure if such postponement is technically and organisationally reasonable. In agreeing to such a postponement the Dominant Provider shall only charge for reasonable additional expenses it has directly incurred as a result of the postponement.

28. The Dominant Provider shall only postpone the Committed Delivery Date of a Partial Private Circuit or Network Infrastructure with the written agreement of the Third Party. The Dominant Provider shall inform the Third Party as soon as reasonably possible of any proposed postponement of the Committed Delivery Date. Where such a postponement takes place the Dominant Provider shall reimburse the Third Party for any reasonable additional cost incurred by the Third Party as a direct result of the postponement.

29. The FOC Receipt Interval shall be a maximum of eight working days for Partial Private Circuits of above 8 Mbit/s and up to and including 155 Mbit/s and Network Infrastructure, regardless of how many Partial Private Circuits are, or the amount of Network Infrastructure is, ordered at a particular site.

30. The Dominant Provider shall ensure that the FOC Acceptance Interval is a maximum of one two working days for Partial Private Circuits of above 8 Mbit/s and up to and including 155 Mbit/s and Network Infrastructure. Where a Third Party has not informed the Dominant Provider of its Acceptance of Terms or rejection of the order within five working days of the FOC Date, the Dominant Provider may cancel the Third Party's order.

31. The Dominant Provider shall keep complete and accurate records of the ordering, provision and repair of Partial Private Circuits and Network Infrastructure it provides to a Third Party.

32. Where any Partial Private Circuit or Network Infrastructure which is ordered by a Third Party is in excess of 110% (by volume), rounded up to the nearest integer where necessary, of its Advance Order Commitment or Advance Capacity Order, the applicable Requisite Period set out in the tables in paragraphs 39 and 49 of this Direction shall be extended by 50% and rounded up to the nearest working day, where necessary, for the purposes of calculating fixed individual compensation payments.

Unliquidated damages

33. Nothing in the PPC Contract, as amended by the Directions, shall prevent a Third Party from bringing a claim against the Dominant Provider for unliquidated damages over and above the fixed individual compensation payments set out in the Directions.

Partial Private Circuits

Quick quote and high bandwidth quote on line

34. The Dominant Provider shall provide to a Third Party, upon written request, the necessary wholesale network and pricing information to enable the Third Party to obtain the same information for Partial Private Circuits that is available to the Dominant Provider's retail arm, for its "Quick Quote" and "High Bandwidth Quote On Line" quote facilities.

Concurrency of Partial Private Circuit and ISH link and CSH link delivery times

35. Where a Third Party has ordered a Partial Private Circuit, and the operation of the circuit requires the provision of an ISH link or CSH link, the Dominant Provider shall ensure that the delivery dates of the Partial Private Circuit and the CSH link or ISH link are the same.

36. [Paragraph not used].

37. [Paragraph not used].

Time scales for fixed individual compensation

38. Where the Committed Delivery Date for Partial Private Circuits is set by the Dominant Provider later than the relevant Requisite Period (as set out in the table in paragraph 39 of this Direction) without the agreement of a Third Party, the Dominant Provider shall be liable to pay the Third Party a fixed individual compensation payment equal to 5% of the monthly rental for the Private Partial Circuit delayed, per working day or part of a working day in respect of the period commencing immediately on the expiry of the relevant Requisite Period and expiring on the Installation Date.

39. Where the Committed Delivery Date for Partial Private Circuits is set by the Dominant Provider either, later than the relevant Requisite Period (as set out in the table below) but with the agreement of a Third Party, or within the Requisite Period, the Dominant Provider shall be liable to pay the Third Party a fixed individual compensation payment equal to 5% of the monthly rental for the Private Partial Circuit delayed, per working day or part of a working day in respect of the period commencing immediately on the working day following the Committed Delivery Date and expiring on the Installation Date.

Bandwidth of Partial Private Circuit	Requisite Period
34 Mbit/s to 155 Mbit/s	57 working days

Third Party's ability to cancel order

40. Where the Provisioning Interval exceeds the relevant Requisite Period set out in the table in paragraph 39 of this Direction, a Third Party shall be allowed to cancel its order for a Partial Private Circuit after the Cancellation Threshold (as set out in the table below) has expired. The Cancellation Threshold shall commence upon the expiry of the relevant Requisite Period set out in the table in paragraph 39 of this Direction. The Requisite Periods in the table in paragraph 39 shall apply, for the purposes of this paragraph, regardless of whether there is a delay in delivery of a Partial Private Circuit which is due to circumstances beyond the Dominant Provider's reasonable control.

Requisite Period set out in the table in paragraph 39 of this Direction	Cancellation Threshold
57 working days	25 working days

41. Where a Third Party cancels a Partial Private Circuit pursuant to paragraph 40 of this Direction, the Dominant Provider shall not charge the Third Party for the circuit and shall not charge for cancelling the circuit. The Dominant Provider shall also be liable to pay the Third Party any fixed individual compensation payments accumulated pursuant to the PPC Contract as amended by the Directions.

Reduced Requisite Periods for Partial Private Circuits

42. The Dominant Provider shall ensure that for at least 70% (by volume) of Partial Private Circuits of a particular bandwidth delivered by the Dominant Party to a Third Party within a three month period (such period not to be calculated on a rolling basis) the Committed Delivery Date is set within the relevant Reduced Requisite Period (as set out in the table below).

Bandwidth of Partial Private Circuit	Reduced Requisite Period
34 Mbit/s to 155 Mbit/s	45 working days

43. In calculating the 70% (by volume) of Partial Private Circuits to which paragraph 42 of this Direction applies the following shall not be included:

- Partial Private Circuits which exceed 110% (by volume), rounded up to the nearest integer where necessary, of a Third Party's Advance Order Commitment.

44. The Reduced Requisite Periods set out in the table in paragraph 42 of this Direction apply only if, in the previous three month reporting period (such period not to be calculated on a rolling basis), a Third Party has ordered from the Dominant Provider at least ten Partial Private Circuits of the same bandwidth where such Partial Private Circuits are 2 Mbit/s or less.

For the purposes of this paragraph the first reporting period of three months shall be the first three month reporting period falling after 30 working days following the date of publication of this Direction.

45. For the purposes of this Direction, in determining whether 110% (by volume), rounded up to the nearest integer where necessary, of a Third Party's Advance Order Commitment has been exceeded, the calculation shall be at a national level for each individual Partial Private Circuit bandwidth category and applied in the order in which the Partial Private Circuits were ordered by the Third Party.

Multiple orders

46. Where the Dominant Provider receives an order for more than 10 Partial Private Circuits at one site from a Third Party, the relevant Requisite Period applicable to determine whether the Dominant Provider shall pay fixed individual compensation as set out in paragraphs 38 and 39 of this Direction, shall be the relevant Requisite Period set out in the table in paragraph 39 of this Direction increased by a maximum of 50%. The Dominant Provider shall inform the Third Party of the revised time scales as soon as reasonably practicable.

Availability of service

47. When total loss of service (i.e. total loss of service for one minute or longer) occurs three or more times, within a 12 month period, to a Partial Private Circuit, the Third Party shall not be liable to the Dominant Provider for the monthly rental in any subsequent month where total loss of failure occurs to the Partial Private Circuit, until such time as 12 months have passed and the Partial Private Circuit has not suffered total loss of service. Occurrences of total loss of service which result in the Dominant Provider being liable to pay fixed individual compensation pursuant to paragraphs 58, 59 and 61 of this Direction, shall not be considered as an occurrence of a total loss of service for the purposes of this paragraph.

Network Infrastructure

Time scales for fixed individual compensation

48. Where the Committed Delivery Date for Network Infrastructure is set by the Dominant Provider later than the relevant Requisite Period (as set out in the table in paragraph 49 of this Direction) without the agreement of a Third Party, the

Dominant Provider shall be liable to pay the Third Party a fixed individual compensation payment equal to 0.3% of the connection fee for the Network Infrastructure, per working day, or part of a working day, in respect of the period commencing immediately on the expiry of the relevant Requisite Period and expiring on the Installation Date,

49. Where the Committed Delivery Date for Network Infrastructure is set by the Dominant Provider either, later than the relevant Requisite Period (as set out in the table below) but with the agreement of a Third Party, or within the Requisite Period, the Dominant Provider shall be liable to pay the Third Party a fixed individual compensation payment equal to 0.3% of the connection fee for the Network Infrastructure, in respect of the period commencing immediately on the working day following the Committed Delivery Date and expiring on the Installation Date.

Network Infrastructure	Requisite Period (where the Dominant Provider needs to carry out Civil Works)	Requisite Period (where the Dominant Provider does not need to carry out Civil Works)
ISHlinks	110 working days	85 working days
CSH links	110 working days	85 working days
ISHlinks – provision of new multiplexor on an existing Point of Connection	Not applicable	60 working days
ISHlinks - provision of extra STM-1 interface on existing STM-1 ISH SMA4 multiplexor	Not applicable	60 working Days
CSH links - provision of new multiplexor on existing Point of Connection	Not applicable	60 working Days
CSH links requiring only provision of new tributary card on existing multiplexor	Not applicable	25 working Days

 Third Party's ability to cancel order

50. Where the Provisioning Interval exceeds the relevant Requisite Period set out in the table in paragraph 49 of this Direction, a Third Party shall be allowed to cancel its order for Network Infrastructure after the Cancellation Threshold (as set out in the table below) has expired. The Cancellation Threshold shall commence upon the expiry of the relevant Requisite Period set out in the table in paragraph 49 of this Direction. The Requisite periods in the table in paragraph 49 shall apply, for the purpose of this paragraph, regardless of whether there is a delay in delivery of Network Infrastructure which is due to circumstances beyond the Dominant Provider's reasonable control.

Requisite Period set out in the table in paragraph 49 of this Direction	Cancellation Threshold
21 to 40 working days	20 working days
41 to 60 working days	25 working days
61 to 90 working days	30 working days
Over 90 working days	40 working days

51. Where a Third Party cancels Network Infrastructure pursuant to paragraph 50 of this Direction, the Dominant Provider shall not charge the Third Party for the Network Infrastructure and shall not charge for cancelling the Network Infrastructure. The Dominant Provider shall also be liable to pay the Third Party any fixed compensation payments accumulated pursuant to the PPC Contract as amended by the Directions.

Reduced Requisite periods for Network Infrastructure

52. The Dominant Provider shall ensure that for at least 70% (by volume) of the total VC4-equivalents of Network Infrastructure delivered by it to a Third Party during a three month period (such period not to be calculated on a rolling basis) the Committed Delivery Date is set within the relevant Reduced Requisite Period (as set out in the table below).

Network Infrastructure	Reduced Requisite Period (where the Dominant Provider needs to carry out Civil Works)	Reduced Requisite Period where the Dominant Provider does not need to carry out Civil Works)
ISHInks	75 working days	60 working days
CSH links	75 working days	60 working days
ISHlinks - provision of new multiplexor on an		

existing Point of Connection	Not applicable	40 working days
ISH links - provision of extra STM-1 interface on existing STM-1 ISH SMA4 multiplexor	Not applicable	40 working days
CSH links - provision of new multiplexor on existing Point of Connection	Not applicable	40 working days
CSH links requiring only provision of new tributary card on existing multiplexor	Not applicable	20 working days

53. In calculating the 70% (by volume) of the total VC4-equivalents of Network Infrastructure to which paragraph 52 of this Direction applies the following shall not be included:

- Network Infrastructure which exceeds 110% (by volume), rounded up to the nearest integer where necessary, of a Third Party's Advance Capacity Order.

54. The Reduced Requisite Periods set out in the table in paragraph 52 of this Direction only apply if, in the previous three month reporting period (such period not to be calculated on a rolling basis) a Third Party has ordered from the Dominant Provider at least 2 VC4-equivalents of Network Infrastructure. For the purposes of this paragraph the first reporting period of three months shall be the first such reporting period falling after 30 working days following the date of publication of this Direction.

55. For the purposes of this Direction, in determining whether 110% (by volume), rounded up to the nearest integer where necessary, of a Third Party's Advance Capacity Order has been exceeded, the calculation shall be made using VC4-equivalents at each Point of Connection applied in the order in which the Network Infrastructure was ordered by the Third Party.

Repair of Partial Private Circuits and Network Infrastructure

56. Where the Dominant Provider offers to a Third Party Regular Care and Enhanced Care for Partial Private Circuits and Network Infrastructure it shall do so at a cost orientated price and as set out in the table below:

	Operational hours	Repair/response time	Extras
Regular Care	Normal working hours	Response within one working day of receipt of a fault report by a Third Party. Repair within two working days of receipt of a fault report by a Third Party.	If a fault is not remedied within two working days of receipt of a fault report by a Third Party, the Dominant Provider shall call the Third Party to report progress being made to remedy the fault.
Enhanced Care	24 hours per day, 7 days per week (including public and bank holidays).	Response within four hours of receipt of a fault report from a Third Party. Repair within five hours of receipt of a fault report by a Third Party.	If a fault is not remedied within five hours of receipt of a fault report by a Third Party, the Dominant Provider shall contact the Third Party to report progress being made to remedy the fault.

57. Receipt by the Dominant Provider from a Third Party of a report of a fault concerning a Partial Private Circuit or Network Infrastructure, shall be acknowledged by the Dominant Provider to the Third Party within one hour.

58. Where the Dominant Provider fails to repair a Partial Private Circuit within the time limits set out in the table in paragraph 56 of this Direction it shall pay to the Third Party a fixed individual compensation payment as set out in paragraphs 59 to 63 inclusive of this Direction in respect of the period commencing on the expiry of the applicable repair time set out in the table in paragraph 56 and expiring at the time the Partial Private Circuit or Network Infrastructure is repaired.

59. Where the Third Party has ordered the Dominant Provider's Regular Care for Partial Private Circuits, the Dominant Provider shall pay the Third Party an amount equal to 100% of the monthly rental payable for the type of Partial Private Circuit being repaired per working day, or part of a working day, of delay in repair.

60. Where the Third Party has ordered the Dominant Provider's Regular Care for Network Infrastructure, the Dominant Provider shall pay the Third Party an amount equal to 1% of the connection fee for the type of Network Infrastructure being repaired per working day, or part of a working day, of delay in repair.

61. Where the Third Party has ordered the Dominant Provider's Enhanced Care for Partial Private Circuits, the Dominant Provider shall pay the Third Party an amount equal to 15% of the monthly rental payable for the type of Partial Private Circuit being repaired per hour, or part of an hour, of delay in repair.

62. Where the Third Party has ordered the Dominant Provider's Enhanced Care for Network Infrastructure, the Dominant Provider shall pay the Third Party an amount equal to 0.15% of the connection fee for the type of Network Infrastructure being repaired per hour, or part of an hour, of delay in repair.

63. The Dominant Provider shall not be liable to pay fixed individual compensation pursuant to paragraphs 60 and 62 of this Direction where it is also liable for fixed individual compensation pursuant to paragraphs 59 and 61 of this Direction where the Partial Private Circuit is being provided using the Network Infrastructure which is being repaired.

64. The Dominant Provider shall attend, and invite Third Parties to regular meetings to review the level of service provided by it in relation to Partial Private Circuits and related Network Infrastructure.

Change of speed or interface

65. The Dominant Provider shall offer to provide within a reasonable period of a Third Party's written request, the ability to alter the speed or interface of a Partial Private Circuit.

66. The Dominant Provider shall ensure that it provides to a Third Party a Partial Private Circuit variant for the services to which paragraph 65 of this Direction applies, which are equivalent to the services it currently provides on a retail basis for retail leased lines.

STM-1, ISH and CSH handover

67. The Dominant Provider shall offer to provide within a reasonable period of a Third Party's written request for a Synchronous Transfer Mode-1 ("STM-1"), an interface using an ISH link or CSH link; and handover pursuant to paragraph 68 of this Direction. Such link or handover shall be provided by way of network connecting apparatus capable of providing no more than the STM-1 capacity ordered by the Third Party.

68. The Dominant Provider shall within a reasonable period of a Third Party's written request, handover in a footway jointing chamber for Partial Private Circuits at a reasonable point nominated by the Third Party. The footway jointing chamber shall be located in the same Dominant Provider local serving exchange area as the Dominant Provider Serving Node to which the Partial Private Circuits being handed over are connected.

Equipment re-use

69. Paragraph 70 of this Direction shall only apply to the re-use of Plesiochronous Digital Hierarchy ("PDH") and Synchronous Digital Hierarchy ("SDH") equipment situated at a third party site ("Equipment").

70. The Dominant Provider may reject a request by a Third Party for re-use of PDH Equipment if such re-use would be incompatible with its network. Any such rejection by the Dominant Provider shall be made within 10 working days of a request by the Third Party and fully justified in writing to the requesting Third Party at the same time as the request is rejected.

Other Partial Private Circuits

71. Unless the Director otherwise agrees, the Dominant Provider shall, offer to provide Partial Private Circuit with no single point of failure, within a reasonable period of a Third Party's request.

72. The Dominant Provider shall offer to provide, within a reasonable period of a Third Party's written request, a Partial Private Circuit which is dual pathed and diversely routed from a third party customer's premises to a Third Party's single Point of Connection.

LLU Backhaul

73. The Dominant Provider shall offer to enter into an agreement with any Third Party, within a reasonable period of the Third Party's written request, LLU Backhaul Services (as set out in the Annex to this Direction) on reasonable terms. Without prejudice to the generality of this requirement, terms will not be considered reasonable if they fail to include a Service Level Agreement ("SLA") such as could be expected to be negotiated in a competitive market.

74. The agreement for the supply of LLU Backhaul Services by the Dominant Provider shall include an SLA relating to the supply of such a product. This SLA shall include provision for the reasonable payment of fixed compensation by the Dominant Provider to a Third Party in cases where the Dominant Provider fails to fulfill its obligations under the SLA relating to the supply of LLU Backhaul.

75. The Dominant Provider shall implement this Direction within 10 working days of its publication.

76. This Direction shall take effect on the day it is published.

77. The Annex to this Direction shall form part of the Direction.

Annex

(A) The provision of transparent transmission capacity by the Dominant Provider, at all bandwidths above eight megabits per second and up to and including one hundred and fifty five megabits per second between a Local Loop Unbundling Third Party's (LLUTP's) equipment at an MDF site of the Dominant Provider's and a Point of Connection with a Third Party's electronic communications network connected to the nearest appropriate Dominant Provider Synchronous Digital Hierarchy ('SDH') node to the customer. Such node could be a Tier 3, Tier 2, Tier 1.5 or Tier 1 node.

(B) The provision of transparent transmission capacity by the Dominant Provider, at all bandwidths between bandwidths above eight megabits per second and up to and including one hundred and fifty five megabits per second between a LLUTP's equipment at an MDF site of the Dominant Provider and a Point of Connection with a Third Party's electronic communications network connected to the nearest appropriate Dominant Provider SDH node to the customer which is superior in the hierarchy to the node defined in (A) above, where such node exists. Such node could be a Tier 2, Tier 1.5 or Tier 1 node.

(C) The provision of transparent transmission capacity by the Dominant Provider, at all bandwidths above eight megabits per second and up to and including one hundred and fifty five megabits per second between a LLUTP's equipment at an MDF site of the Dominant Provider and a Point of Connection with a Third Party's electronic communications network connected to the nearest appropriate Dominant Provider SDH node to the customer which is superior in the hierarchy to the node defined in (B) above, where such node exists, and which could be a Tier 1.5 or Tier 1 node.

(D) The provision of transparent transmission capacity by the Dominant Provider, at all bandwidths above eight megabits per second and up to and including one hundred and fifty five megabits per second between a LLUTP's equipment at an MDF site of the Dominant Provider and a Point of Connection with a Third Party's electronic communications network connected to the nearest appropriate Dominant Provider SDH node to the customer which is superior in the hierarchy to the node defined in (C) above, where such node exists, and which is a Tier 1 node.

(E) The provision of transparent transmission capacity by the Dominant Provider, at all bandwidths between bandwidths above eight megabits per second and up to and including one hundred and fifty five megabits per second between a LLUTP's equipment at a MDF site of the Dominant Provider and a Point of Connection with a Third Party's electronic communications network connected to any Dominant Provider SDH Tier 1 node.

Notification of proposals under Section 49 of the Communications Act 2003

Proposal for making a Direction under proposed Condition GG3 imposed on British Telecommunications plc ('BT') as a result of the market power determinations proposed to be made by the Director General of Telecommunications that BT has significant market power in the market for the provision of traditional interface symmetric broadband origination with a bandwidth capacity above eight megabits per second and up to and including one hundred and fifty five megabits per second

1. The Director General of Telecommunications hereby makes, in accordance with section 49 of the Communications Act 2003 (the 'Act'), the following proposal for a Direction to be given under proposed Condition GG3.
2. The draft Direction is set out in the Schedule to this notification.
3. The effect of the draft Direction, and the reasons for making the proposal, are set out in the accompanying explanatory statement hereto.
4. Representations may be made to the Director about the proposed draft Direction by 6 February 2004.
5. In accordance with section 50 of the Communications Act 2003, copies of this notification have been sent to the Secretary of State, the European Commission and to the regulatory authorities of every other member State.

**JIM NIBLETT
DIRECTOR, BROADBAND AND INTERNATIONAL AFFAIRS
A PERSON AUTHORISED UNDER PARAGRAPH 8 OF SCHEDULE 1 TO THE
TELECOMMUNICATIONS ACT 1984
18 December 2003**

Draft Direction under Condition GG3 imposed on British Telecommunications plc as a result of the analysis of the market for the provision of traditional interface symmetric broadband origination with a bandwidth capacity above eight megabits per second and up to and including one hundred and fifty five megabits per second in which British Telecommunications plc has been found to have significant market power

WHEREAS :

(A) the Director is able to exercise powers under the Act pursuant to section 408 of the Act and Article 3(1) of the Communications Act 2003 (Commencement No. 1) Order 2003, until Ofcom assumes those powers at a later date;

(B) the Director having considered every representation duly made, and thereafter pursuant to sections 48(1) and 79 of the Act by way of publication of a notification identified the relevant services markets, has designated British Telecommunications plc as having significant market power in the market for the provision of traditional interface symmetric broadband origination with a bandwidth capacity above eight megabits per second and up to and including one hundred and fifty five megabits per second within the United Kingdom but not including the Hull Area;

(C) this Direction concerns matters to which Condition GG3 relates;

(D) for the reasons set out in the explanatory statement accompanying this Direction, the Director is satisfied that, in accordance with section 49(2) of the Act, this Direction is:

- (i) objectively justifiable in relation to the networks, services, facilities, apparatus or directories to which it relates;
- (ii) not such as to discriminate unduly against particular persons or against a particular description of persons;
- (iii) proportionate to what it is intended to achieve; and
- (iv) in relation to what it is intended to achieve, transparent;

(E) for the reasons set out in the explanatory statement accompanying this Direction, the Director is satisfied that he has acted in accordance with the relevant duties set out in section 4 of the Act;

(F) the Director has published a notification of the proposed Direction in accordance with section 49 of the Act;

(G) the Director has considered every representation about the proposed Direction duly made to him; and

NOW, therefore, pursuant to Condition GG3 the Director makes the following Direction:

For the purpose of interpreting this Direction the definitions set out in the Direction made under Condition GG1 and published on [] shall apply.

Except insofar as the context otherwise requires, words or expressions shall have the meaning assigned to them.

The Interpretation Act 1978 shall apply as if this Direction was an Act of Parliament.

Headings and titles shall be disregarded.

The Dominant Provider shall provide Partial Private Circuits in accordance with this Direction.

Charges for capacity on third party customer infrastructure

1. Where a Third Party already has a Partial Private Circuit connected to third party customer infrastructure which was in situ before 1 August 2001, and has a Subsequent Partial Private Circuit connected to the same third party customer infrastructure the Dominant Provider shall charge no more than the amount set out in the table below for such a connection.

Bandwidth	Charge (£)
34 Mbit/s and 45 Mbit/s	15,383
140 Mbit/s and 155 Mbit/s	33,954

Charge for change of speed or interface

2. *[Paragraph not used]*

Charges for reclassification of BT Retail Private Circuits

3. *Where a BT Retail Private Circuit is migrated to a Partial Private Circuit in accordance with the PPC Contract, as amended by the Directions, it shall charge the Third Party no more than £37 per migrated circuit as a reclassification charge.*

Charges for failed migration orders

4. *Where the Dominant Provider informs a Third Party that a request for migration of a BT Retail Private Circuit to a Partial Private Circuit is invalid in accordance with the PPC Contract, as amended by the Directions, it shall charge the Third Party no more than £36 per request rejected.*

Infrastructure tariff conversion charges

5. The Dominant Provider's infrastructure tariff conversion charges to a Third Party shall be no more than the amounts set out in the Annex of this Direction and calculated in accordance with the Annex of this Direction.

6. The Dominant Provider may also levy an infrastructure tariff conversion charge, in accordance with the Annex of this Direction, on a BT Retail Private Circuit which was in situ on the date that this Direction enters into force and being provided to a Third Party which at the time was a non-schedule 2 public operator which was running a telecommunications system under a telecommunication licence, but which is subsequently provided to a Third Party after the date of publication of this Direction. This paragraph shall apply whether or not the non-schedule 2 public operator which was running a telecommunication system under a telecommunications licence, and the Third Party, are the same person.

Equipment re-use

7. Paragraphs 8 to 12 inclusive of this Direction shall only apply to the re-use of Plesiochronous Digital Hierarchy ("PDH") and Synchronous Digital Hierarchy ("SDH") equipment situated at a third party site ("Equipment").

8. Where a Third Party requests the Dominant Provider to provide Equipment at a specific site, and the Third Party has already used the Equipment at the site, the Dominant Provider shall allow the Third Party to re-use the Equipment at that site, subject to paragraph 70 of the Direction made under Condition GG1 and published on [], without charge, subject to paragraph 11 of this Direction, or at any other third party site without charge, subject to paragraphs 10 and 11 of this Direction, for as long as the Equipment remains available for use.

9. Where a Third Party requests the Dominant Provider to provide Equipment at a specific site, and the Third Party has not used the Equipment at the site, the Dominant Provider shall allow the Third Party to re-use the Equipment at the site, subject to paragraph 70 of the Direction made under Condition GG1 and published on [], and shall charge the Third Party a discounted charge equivalent to its remaining value. Such discounted charge shall be cost orientated and shall be passed on to the Third Party which had previously used the Equipment at that site, less any reasonable costs incurred by the Dominant Provider in administering a system necessary to implement paragraphs 7 to 12 inclusive of this Direction and paragraph 70 of the Direction made under Condition GG1 and published on [].

10. The Dominant Provider shall only charge a Third Party for testing SDH Equipment before such equipment is re-used, where such infrastructure is to be

re-located. Such charge shall be cost orientated. In addition the Dominant Provider may levy a cost orientated charge for re-locating SDH Equipment.

11. The Dominant Provider may levy a cost orientated charge for testing PDH Partial Private Circuit Equipment before such infrastructure is re-used. In addition The Dominant Provider may levy a cost orientated charge for re-locating PDH Equipment.

12. The charge contained in paragraph 9 of this Direction shall:

- reflect all the incremental costs necessarily and efficiently incurred;
- reflect the value of the Equipment being re-used; and
- be non-discriminatory.

Cost orientation of LLU Backhaul prices

13. The Licensee shall ensure that its charges for LLU Backhaul Services (as set out in paragraph 17 of this Direction) are consistent with its charges for those elements which are common to LLU Backhaul and Partial Private circuits.

14. The Dominant Provider shall implement this Direction within 10 working days of its publication.

15. This Direction shall take effect on the day it is published.

16. The Annex to this Direction shall form part of the Direction.

17. LLU Backhaul services are:

(A) The provision of transparent transmission capacity by the Dominant Provider, at all bandwidths above eight megabits per second and up to and including one hundred and fifty five megabits per second between a Local Loop Unbundling Third Party's (LLUTP's) equipment at an MDF site of the Dominant Provider's and a Point of Connection with a Third Party's electronic communications network connected to the nearest appropriate Dominant Provider Synchronous Digital Hierarchy ('SDH') node to the customer. Such node could be a Tier 3, Tier 2, Tier 1.5 or Tier 1 node.

(B) The provision of transparent transmission capacity by the Dominant Provider, at all bandwidths between bandwidths above eight megabits per second and up to and including one hundred and fifty five megabits per second between a LLUTP's equipment at an MDF site of the Dominant Provider and a Point of Connection with a Third Party's electronic communications network connected to the nearest appropriate Dominant Provider SDH node to the customer which is superior in the hierarchy to the node defined in (A) above, where such node exists. Such node could be a Tier 2, Tier 1.5 or Tier 1 node.

(C) The provision of transparent transmission capacity by the Dominant Provider, at all bandwidths above eight megabits per second and up to and including one hundred and fifty five megabits per second between a LLUTP's equipment at an MDF site of the Dominant Provider and a Point of Connection with a Third Party's electronic communications network connected to the nearest appropriate Dominant Provider SDH node to the customer which is superior in the hierarchy to the node defined in (B) above, where such node exists, and which could be a Tier 1.5 or Tier 1 node.

(D) The provision of transparent transmission capacity by the Dominant Provider, at all bandwidths above eight megabits per second and up to and including one hundred and fifty five megabits per second between a LLUTP's equipment at an MDF site of the Dominant Provider and a Point of Connection with a Third Party's electronic communications network connected to the nearest appropriate Dominant Provider SDH node to the customer which is superior in the hierarchy to the node defined in (C) above, where such node exists, and which is a Tier 1 node.

(E) The provision of transparent transmission capacity by the Dominant Provider, at all bandwidths between bandwidths above eight megabits per second and up to and including one hundred and fifty five megabits per second between a LLUTP's equipment at a MDF site of the Dominant Provider and a Point of Connection with a Third Party's electronic communications network connected to any Dominant Provider SDH Tier 1 node.

Annex – Infrastructure tariff conversion charges**Infrastructure tariff conversion charges**

Charges for 34 Mbit/s and 45 Mbit/s BT Retail Private Circuits which were installed up to and including 31 December 2001

Time between the date that the BT Retail Private Circuit was installed, and an Operator requested such circuit to be migrated to a Partial Private Circuit	Charge (£)
Up to 1 month	21673
2 months	19067
3 months	16433
4 months	13772
5 months	11082
6 months	8364
7 months	5617
8 months	2841
9 months	35
10 months or more	0

Charges for 140 Mbit/s and 155 Mbit/s for BT Retail Private Circuits installed up to and including 31 December 2001

Time between the date that the BT Retail Private Circuit was installed, and an Operator requested such circuit to be migrated to a Partial Private Circuit	Charge (£)
Up to 1 month	49593
2 months	48618
3 months	47633
4 months	46637
5 months	45631
6 months	44614
7 months	43587
8 months	42549
9 months	41499
10 months	40439
11 months	39367

12 months	38284
13 months	37189
14 months	36083
15 months	34965
16 months	33835
17 months	32693
18 months	31539
19 months	30373
20 months	29194
21 months	28003
22 months	26799
23 months	25583
24 months	24353
25 months	23111
26 months	21855
27 months	20586
28 months	19304
29 months	18008
30 months	16698
31 months	15374
32 months	14036
33 months	12685
34 months	11318
35 months	9938
36 months	8542
37 months	7132
38 months	5707
39 months	4267
40 months	2811
41 months	1340
42 months or more	0

Charges for 34 Mbit/s and 45 Mbit/s for BT Retail Private Circuits installed after 31 December 2001

Time between the date that the BT Retail Private Circuit was installed, and an Operator requested such	Charge (£)

circuit to be migrated to a Partial Private Circuit	
Up to 1 month	20762
2 months	18147
3 months	15503
4 months	12832
5 months	10132
6 months	7404
7 months	4647
8 months	1860
9 months or more	0

Charges for 140 Mbit/s and 155 Mbit/s for BT Retail Private Circuits installed after 31 December 2001

Time between the date that the BT Retail Private Circuit was installed, and an Operator requested such circuit to be migrated to a Partial Private Circuit	Charge (£)
Up to 1 month	49593
2 months	48618
3 months	47633
4 months	46637
5 months	45631
6 months	44614
7 months	43587
8 months	42549
9 months	41499
10 months	40439
11 months	39367
12 months	38284
13 months	37189
14 months	36083
15 months	34965

16 months	33835
17 months	32693
18 months	31539
19 months	30373
20 months	29194
21 months	28003
22 months	26799
23 months	25583
24 months	24353
25 months	23111
26 months	21855
27 months	20586
28 months	19304
29 months	18008
30 months	16698
31 months	15374
32 months	14036
33 months	12685
34 months	11318
35 months	9938
36 months	8542
37 months	7132
38 months	5707
39 months	4267
40 months	2811
41 months	1340
42 months or more	0

Notification of proposals under Section 49 of the Communications Act 2003

Proposal for making a Direction under proposed Condition GG7 imposed on British Telecommunications plc ('BT') as a result of the market power determinations proposed to be made by the Director General of Telecommunications that BT has significant market power in the market for the provision of traditional interface symmetric broadband origination with a bandwidth capacity above eight megabits per second and up to and including one hundred and fifty five megabits per second

1. The Director General of Telecommunications hereby makes, in accordance with section 49 of the Communications Act 2003 (the 'Act'), the following proposal for a Direction to be given under proposed Condition GG7.
2. The draft Direction is set out in the Schedule to this notification.
3. The effect of the draft Direction, and the reasons for making the proposal, are set out in the accompanying explanatory statement hereto.
4. Representations may be made to the Director about the proposed draft Direction by 6 February 2004.
5. In accordance with section 50 of the Communications Act 2003, copies of this notification have been sent to the Secretary of State, the European Commission and to the regulatory authorities of every other member State.

**JIM NIBLETT
DIRECTOR, BROADBAND AND INTERNATIONAL AFFAIRS
A PERSON AUTHORISED UNDER PARAGRAPH 8 OF SCHEDULE 1 TO THE
TELECOMMUNICATIONS ACT 1984
18 December 2003**

Schedule

Draft Direction under Condition GG7 imposed on British Telecommunications plc as a result of the analysis of the market for the provision of traditional interface symmetric broadband origination with a bandwidth capacity above eight megabits per second and up to and including one hundred and fifty five megabits per second in which British Telecommunications plc has been found to have significant market power

WHEREAS:

(A) the Director is able to exercise powers under the Act pursuant to section 408 of the Act and Article 3(1) of the Communications Act 2003 (Commencement No. 1) Order 2003, until Ofcom assumes those powers at a later date;

(B) the Director having considered every representation duly made, and thereafter pursuant to sections 48(1) and 79 of the Act by way of publication of a notification identified the relevant services markets, has designated British Telecommunications plc as having significant market power in the market for the provision of traditional interface symmetric broadband origination with a bandwidth capacity above eight megabits per second and up to and including one hundred and fifty five megabits per second within the United Kingdom but not including the Hull Area;

(C) this Direction concerns matters to which Condition GG7 relates;

(D) for the reasons set out in the explanatory statement accompanying this Direction, the Director is satisfied that, in accordance with section 49(2) of the Act, this Direction is:

- (i) objectively justifiable in relation to the networks, services, facilities, apparatus or directories to which it relates;
- (ii) not such as to discriminate unduly against particular persons or against a particular description of persons;
- (iii) proportionate to what it is intended to achieve; and
- (iv) in relation to what it is intended to achieve, transparent;

(E) for the reasons set out in the explanatory statement accompanying this Direction, the Director is satisfied that he has acted in accordance with the relevant duties set out in section 4 of the Act;

(F) the Director has published a notification of the proposed Direction in accordance with section 49 of the Act;

(G) the Director has considered every representation about the proposed

Direction duly made to him; and

NOW, therefore, pursuant to Condition GG7 the Director makes the following Direction:

For the purpose of interpreting this Direction the definitions set out in the Direction made under Condition GG1 and published on [] shall apply.

Except insofar as the context otherwise requires, words or expressions shall have the meaning assigned to them.

The Interpretation Act 1978 shall apply as if this Direction was an Act of Parliament.

Headings and titles shall be disregarded.

1. The Dominant Provider shall, on a quarterly basis, publish the following information for each Third Party to whom it provides Partial Private Circuits on an individual and anonymous basis; and on an aggregated basis with respect to all such Third Parties on an anonymous basis:

- its performance with respect to Committed Delivery Dates, Requisite Periods, Reduced Requisite Periods, FOC Receipt Intervals, repair and availability of service;

- a list of incidences of circumstances beyond the reasonable control of the Dominant Provider, split by reason;

- the number and percentage of instances where each Third Party exceeds the applicable FOC Acceptance Interval, set out by bandwidth, for Partial Private Circuits;

- the number and percentage of instances where each Third Party exceeds the applicable FOC Acceptance Interval for Network Infrastructure;

- the average amount by which each Third Party exceeds the applicable FOC Acceptance Interval, set out by bandwidth, for Partial Private Circuits;

- the average amount by which each Third Party exceeds the applicable FOC Acceptance Interval for Network Infrastructure;

- the number and percentage of orders for Partial Private Circuits rejected by the Dominant Provider;

- the number and percentage of orders for Network Infrastructure rejected by the Dominant Provider;

- the mean response time to fault reports relating to Partial Private Circuits and Network Infrastructure sent to the Dominant Provider by Third Party;
- new installation fault report rate relating to Partial Private Circuits;
- list of reasons for rejections of orders;
- list of reasons for faults; and
- list of reasons for any Committed Delivery Dates beginning 10 working days later than the relevant Requisite Period.

The aggregated reports shall include the Dominant Provider's performance in respect of provision to its retail arm.

2. Nothing in this Direction shall require the Dominant Provider to publish confidential information relating to its business or that of a Third Party.

3. The information set out in paragraph 1 above shall be first published within three months of this Direction taking effect and every three months thereafter.

4. Publication referred to in paragraph 1 above shall be effected by:

- (a) placing a copy of the information on any relevant website operated or controlled by the Dominant Provider; and
- (b) sending a copy of the information to the Director.

5. This Direction shall take effect on the day it is published.

Notification of proposals under Section 49 of the Communications Act 2003

Proposal for making a Direction under proposed Condition H1 imposed on British Telecommunications plc ('BT') as a result of the market power determinations proposed to be made by the Director General of Telecommunications that BT has significant market power in the market for the provision of wholesale trunk segments at all bandwidths

1. The Director General of Telecommunications hereby makes, in accordance with section 49 of the Communications Act 2003 (the 'Act'), the following proposal for a Direction to be given under proposed Condition H1.
2. The draft Direction is set out in the Schedule to this notification.
3. The effect of the draft Direction, and the reasons for making the proposal, are set out in the accompanying explanatory statement hereto.
4. Representations may be made to the Director about the proposed draft Direction by 6 February 2004.
5. In accordance with section 50 of the Communications Act 2003, copies of this notification have been sent to the Secretary of State, the European Commission and to the regulatory authorities of every other member State.

**JIM NIBLETT
DIRECTOR, BROADBAND AND INTERNATIONAL AFFAIRS
A PERSON AUTHORISED UNDER PARAGRAPH 8 OF SCHEDULE 1 TO THE
TELECOMMUNICATIONS ACT 1984
18 December 2003**

Draft Direction under Condition H1 imposed on British Telecommunications plc as a result of the analysis of the market for the provision of wholesale trunk segments at all bandwidths in which British Telecommunications plc has been found to have significant market power

WHEREAS :

(A) the Director is able to exercise powers under the Act pursuant to section 408 of the Act and Article 3(1) of the Communications Act 2003 (Commencement No. 1) Order 2003, until Ofcom assumes those powers at a later date;

(B) the Director having considered every representation duly made, and thereafter pursuant to sections 48(1) and 79 of the Act by way of publication of a notification identified the relevant services markets, has designated British Telecommunications plc as having significant market power in the market for the provision of wholesale trunk segments at all bandwidths within the United Kingdom;

(C) this Direction concerns matters to which Condition H1 relates;

(D) for the reasons set out in the explanatory statement accompanying this Direction, the Director is satisfied that, in accordance with section 49(2) of the Act, this Direction is:

(i) objectively justifiable in relation to the networks, services, facilities, apparatus or directories to which it relates;

(ii) not such as to discriminate unduly against particular persons or against a particular description of persons;

(iii) proportionate to what it is intended to achieve; and

(iv) in relation to what it is intended to achieve, transparent;

(E) for the reasons set out in the explanatory statement accompanying this Direction, the Director is satisfied that he has acted in accordance with the relevant duties set out in section 4 of the Act;

(F) the Director has published a notification of the proposed Direction in accordance with section 49 of the Act;

(G) the Director has considered every representation about the proposed Direction duly made to him; and

NOW, therefore, pursuant to Condition H1 the Director makes the following Direction:

For the purpose of interpreting this Direction the following definitions shall apply:

“Act” means the Communications Act 2003;

“The Directions” means the Directions made under Conditions H1, H3 and H6 and published on [];

“Director” means the Director General of Telecommunications;

“Hull Area” means the area defined as the 'Licensed Area' in the licence granted on 30 November 1987 by the Secretary of State under section 7 of the Telecommunications Act 1984 to Kingston upon Hull City Council and Kingston Communications (Hull) plc;

“Dominant Provider” means British Telecommunications plc, whose registered company number is 1800000 and any British Telecommunications plc subsidiary or holding company, or any subsidiary of that holding company, all as defined by Section 736 of the Companies Act 1985 as amended by the Companies Act 1989;

“Point of Connection” means a point at which the Dominant Provider’s Electronic Communications Network and another person’s Electronic Communications Network are connected; and

“Third Party” means a person providing a public Electronic Communications Service or a person providing a public Electronic Communications Network.

For the purpose of this Direction the following terms shall have the meaning as set out in the Dominant Provider’s Standard PPC Handover Agreement, as at the date of publication of this Direction, but with the necessary changes in order to ensure compliance with the Directions.

Advance Capacity Order

Advance Order Commitment

BT Retail Private Circuit

BT Serving Node

Capacity Order

Capacity Profile

Customer Sited Handover (“CSH”)

Forecast Profile

In-Span Handover (“ISH”)

 Re-Designation

Qualifying BT Retail Private Circuit

The following definitions shall also apply for the purpose of this Direction:

Term	Definition
Acceptance of Terms	Date on which a Third Party confirms acceptance of delivery conditions and is committed to the order.
Civil Works	Works that necessitate the digging up of a street for the installation of ducts.
Committed Delivery Date	The date confirmed by the Dominant Provider as the delivery date.
Firm Order Confirmation ("FOC")	Confirmation by the Dominant Provider in writing (by fax or e-mail) to a Third Party of the delivery conditions including price and Committed Delivery Date, after acknowledging receipt of an order for a Partial Private Circuit or Network Infrastructure from a Third Party.
FOC Acceptance Interval	The number of working days from the FOC Date until the Acceptance of Terms.
FOC Date	The date on which the Dominant Provider makes a Firm Order Confirmation.
FOC Receipt Interval	The number of working days from the Order Request Date until the FOC Date.
Installation Date	Date of installation of a Partial Private Circuit or Network Infrastructure.
Network Infrastructure	The categories of products listed in the table contained in paragraph 49 of this Direction.
Order Request Date	Date on which a Third Party dispatches a valid Partial Private Circuit order, or Network Infrastructure order, to the

	Dominant Provider.
Partial Private Circuit ("PPC")	A circuit provided pursuant to the PPC Contract and in accordance with the Directions.
PPC Contract	The Dominant Provider's Standard PPC Handover Agreement as at the date of publication of this Direction.
Provisioning Interval	The number of working days from the Order Request Date until the Installation Date.
Requisite Period	The period commencing on the Order Request Date and ending on the applicable working day as set out in the tables in paragraphs 39 and 49 of this Direction.
Reduced Requisite Period	The period commencing on the Order Request Date and ending on the applicable working day as set out in the tables in paragraphs 42 and 52 of this Direction.
Subsequent Partial Private Circuit	A Partial Private Circuit which can be delivered on dedicated pre-provided Network Infrastructure where spare capacity exists.

Except insofar as the context otherwise requires, words or expressions shall have the meaning assigned to them.

The Interpretation Act 1978 shall apply as if this Direction was an Act of Parliament.

Headings and titles shall be disregarded.

The Dominant Provider shall provide Partial Private Circuits and shall do so in accordance with this Direction. This Direction shall only apply to the extent that the Dominant Provider provides a Partial Private Circuit which contains an element of a product or service which falls within the market for wholesale trunk segments.

Migration

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1. The 12 month contractual minimum term placed upon a Third Party, for the provision of a Partial Private Circuit which has been migrated pursuant to the PPC Contract, shall be measured from the date that the original BT Retail Private Circuit was brought into service.
 2. The Dominant Provider shall not impose any deadline before which a Third Party must inform the Dominant Provider that it requires a BT Retail Private Circuit to be migrated to an equivalent Partial Private Circuit status under the PPC Contract.
 3. The Dominant Provider shall allow a BT Retail Private Circuit, which fell within paragraph 1.3 of the Phase 1 PPC Direction published on 14 June 2002, to be considered under the PPC Contract as a Qualifying BT Retail Private Circuit.
 4. A circuit deemed to be a Qualifying BT Retail Private Circuit under paragraphs 20 or 21 of the Phase 2 PPC Direction published on 23 December 2002 shall continue to be a Qualifying BT Retail Private Circuit.
 5. Where a Third Party was not previously eligible to migrate a BT Retail Private Circuit to a Qualifying BT Retail Private Circuit, but subsequently becomes eligible to do so, the Dominant Provider shall, for 60 working days following the date on which the Third Party's circuits become eligible for migration, allow migration without the Third Party incurring any penalty (including any default or early termination charge) under its agreement with the Dominant Provider for the provision of BT Retail Private Circuits.
 6. Where, at the date of publication of this Direction, the Dominant Provider offers a BT Retail Private Circuit product and does not offer an equivalent Partial Private Circuit product, but subsequently offers to provide an equivalent Partial Private Circuit product, it shall allow a Third Party to migrate to the equivalent Partial Private Circuit product without it incurring any penalty (including any default or early termination charge) under its agreement with the Dominant Provider for the provision of BT Retail Private Circuits, for a period of 60 working days following the date on which the equivalent Partial Private Circuit product is first offered by the Dominant Provider.
 7. Where the Dominant Provider has taken, or will take, longer than five working days from receiving a request from a Third Party to migrate a Qualifying BT Retail Private Circuit to a Partial Private Circuit, it shall give to the Third Party a refund as set out in paragraphs 8 and 9 of this Direction.
 8. Where paragraph 7 of this Direction applies, the Dominant Provider shall refund to the Third Party a sum of money equal to the difference between:
 - the charge levied by the Dominant Provider for the BT Retail Private Circuit to which the request for migration relates; and
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- the charge levied by the Dominant Provider for the Partial Private Circuit to which the request for migration relates.

9. The refund set out in paragraph 8 of this Direction shall cover the period from the date the Dominant Provider receives the request to migrate until the date the Dominant Provider completes the migration.

10. The Dominant Provider shall, upon a Third Party's written request, provide to the Third Party a map of its network within the United Kingdom which clearly illustrates and labels the geographic location of each Dominant Provider tier 1, tier 1.5, tier 2, and tier 3 node.

Forecasts

11. The Dominant Provider shall only require a Third Party to provide a profile of future Partial Private Circuit capacity ordering intentions over a 12 month period, on a national aggregate basis for the following groupings of bandwidths:

- less than 1 Mbit/s;
- 1 Mbit/s through to 2 Mbit/s;
- above 8 Mbit/s through to 45 Mbit/s; and
- 155 Mbit/s.

12. The Dominant Provider shall allow a Third Party to set its Advance Capacity Order and Advance Order Commitment without any penalty by up to, 10% (by volume) below, or 20% (by volume) above, the amount stated in the Third Party's previous Capacity Profile or Forecast Profile for the period covered by the Advance Capacity Order or Advance Order Commitment.

13. The Dominant Provider shall allow a Third Party to revise periods covered by its previously stated Capacity Profile and Forecast Profile without any penalty by up to, 30% (by volume) below, or 30% (by volume) above, the amount stated in the Third Party's previous Capacity Profile or Forecast Profile, provided that paragraph 12 of this Direction does not apply.

14. In calculating any increase to an Advance Capacity Order, Advance Order Commitment, Capacity Profile or Forecast Profile pursuant to paragraphs 12 and 13 of this Direction, the outcome of the revision shall, if not an integer, be rounded up to the nearest integer.

15. In calculating any decrease to an Advance Capacity Order, Advance Order Commitment, Capacity Profile or Forecast Profile pursuant to paragraphs 12 and 13 of this Direction, the outcome of the revision shall, if not an integer, be rounded down to the nearest integer.

16. Where a Third Party places a Capacity Order at a Point of Connection for the period corresponding to that of the Advance Capacity Order, which total less than

its Advance Capacity Order for the Point of Connection, the Dominant Provider may levy a charge no more than a sum equal to:

$$[(80\% \text{ of } B) - C] \times \text{£}2,490$$

Where B is the total capacity provision by number of VC4-equivalent units specified in the relevant Advance Capacity Order in respect of each Point of Connection; and

Where C is the number of VC4-equivalents ordered during the period to which the relevant Advance Capacity Order relates in respect of each Point of Connection, but does not include cancellations of Capacity Orders made during or after the relevant Advance Capacity Order period, but does include any Capacity Order cancelled as a result of the inability of the Dominant Provider to secure consents for CSH links.

17. Where a Third Party places orders for Partial Private Circuits below 1 Mbit for the period corresponding to that of the Advanced Order Commitment, which total less than its Advance Order Commitment for the Partial Private Circuits below 1 Mbit, the Dominant Provider may levy a charge no more than a sum equal to:

$$[(80\% \text{ of } B) - C] \times \text{£}52$$

Where B is the total Advance Order Commitment for Private Partial Circuits below 1 Mbit; and

Where C is the number of Partial Private Circuits below 1 Mbit ordered during the period to which the Advance Order Commitment relates, but does not include cancellations of orders for Partial Private Circuits made during or after the relevant Advance Order Commitment period, but does include any order for a Partial Private Circuit cancelled as a result of the inability of the Dominant Provider to secure consents for Partial Private Circuits.

18. Where a Third Party places orders for Partial Private Circuits from 1 Mbit through to 2 Mbit/s for the period corresponding to that of the Advanced Order Commitment, which total less than its Advance Order Commitment for Partial Private Circuits from 1 Mbit through to 2 Mbit/s, the Dominant Provider may levy a charge no more than a sum equal to:

$$[(80\% \text{ of } B) - C] \times \text{£}143$$

Where B is the total Advance Order Commitment for Private Partial Circuits from 1 Mbit through to 2 Mbit/s; and

Where C is the number of Partial Private Circuits from 1 Mbit through to 2 Mbit/s ordered during the period to which the Advance Order Commitment relates, but

does not include cancellations of orders for Partial Private Circuits made during or after the relevant Advanced Order Commitment period, but does include any order for a Partial Private Circuit cancelled as a result of the inability of Dominant Provider to secure consents for Partial Private Circuits.

19. Where a Third Party places orders for Partial Private Circuits from above 8 Mbit/s through to 45 Mbit/s for the period corresponding to that of the Advanced Order Commitment, which total less than its Advance Order Commitment for Partial Private Circuits from above 8 Mbit/s through to 45 Mbit/s, the Dominant Provider may levy a charge no more than a sum equal to:

$$[(80\% \text{ of } B) - C] \times \text{£}143$$

Where B is the total Advance Order Commitment for Private Partial Circuits from above 8 Mbit/s through to 45 Mbit/s; and

Where C is the number of Partial Private Circuits from above 8 Mbit/s through to 45 Mbit/s ordered during the period to which the Advance Order Commitment relates, but does not include cancellations of orders for Partial Private Circuits made during or after the relevant Advanced Order Commitment period, but does include any order for a Partial Private Circuit cancelled as a result of the inability of Dominant Provider to secure consents for Partial Private Circuits.

19A. Where a Third Party places orders for Partial Private Circuits of 155 Mbit/s for the period corresponding to that of the Advanced Order Commitment, which total less than its Advance Order Commitment for Partial Private Circuits for 155 Mbit/s, the Dominant Provider may levy a charge no more than a sum equal to:

$$[(80\% \text{ of } B) - C] \times \text{£}3,788$$

Where B is the total Advance Order Commitment for Private Partial Circuits of 155 Mbit/s; and

Where C is the number of Partial Private Circuits of 155 Mbit/s ordered during the period to which the Advance Order Commitment relates, but does not include cancellations of orders for Partial Private Circuits made during or after the relevant Advanced Order Commitment period, but does include any order for a Partial Private Circuit cancelled as a result of the inability of the Dominant Provider to secure consents for Partial Private Circuits.

20. In calculating (80% of B) in paragraphs 16 to 19A inclusive of this Direction the outcome shall, if not an integer, be rounded down to the nearest integer.

Service level agreements

General

21. The Dominant Provider shall set a Committed Delivery Date for each Partial Private Circuit or Network Infrastructure ordered from it by a Third Party.

22. For each Partial Private Circuit or Network Infrastructure ordered from the Dominant Provider by a Third Party, the Dominant Provider shall provide to a Third Party Firm Order Confirmation in the manner set out in the definition section of this Direction.

23. The time scales and levels of fixed individual compensation payments to be payable under the service level agreement shall be those set out in the Directions, unless otherwise agreed between the Dominant Provider and a Third Party, or except to the extent that the Director otherwise consents.

24. Unless otherwise agreed between the Dominant Provider and a Third Party, any fixed individual compensation payment, or reimbursement pursuant to paragraph 28 of this Direction, payable by the Dominant Provider to a Third Party pursuant to the Directions shall be offset by the Dominant Provider against the money owed to it by the Third Party, on a quarterly basis. The Dominant Provider shall keep complete and accurate records of the amounts it has offset in accordance with this paragraph. Such records shall be made available by the Dominant Provider following a request by a Third Party.

25. The Dominant Provider shall not be liable to pay fixed individual compensation payments pursuant to the Directions for periods of delay which arise due to circumstances beyond its reasonable control. The Dominant Provider shall notify a Third Party as soon as reasonably practicable when such circumstances arise. All contractors or sub-contractors of whatever level, and their respective employees, servants and agents, shall for the purpose of this paragraph be treated as employees of the Dominant Provider. Major construction works shall not be considered circumstances beyond the Dominant Provider's reasonable control.

26. The Dominant Provider shall ensure that any time limits set out in this Direction shall not apply to a Third Party to the extent that periods of delay arise due to circumstances beyond its reasonable control. The Third Party shall notify the Dominant Provider as soon as reasonably practicable when such circumstances arise. All contractors or sub-contractors of whatever level, and their respective employees, servants and agents, shall for the purpose of this paragraph be treated as employees of the relevant Third Party.

27. The Dominant Provider shall, at the reasonable request of a Third Party, postpone the Committed Delivery Date of a Partial Private Circuit or Network Infrastructure if such postponement is technically and organisationally reasonable. In agreeing to such a postponement the Dominant Provider shall only charge for reasonable additional expenses it has directly incurred as a result of the postponement.

28. The Dominant Provider shall only postpone the Committed Delivery Date of a Partial Private Circuit or Network Infrastructure with the written agreement of the Third Party. The Dominant Provider shall inform the Third Party as soon as reasonably possible of any proposed postponement of the Committed Delivery Date. Where such a postponement takes place the Dominant Provider shall reimburse the Third Party for any reasonable additional cost incurred by the Third Party as a direct result of the postponement.

29. The FOC Receipt Interval shall be a maximum of:

- five working days for Partial Private Circuits of less than 2 Mbit/s; and
- eight working days for Partial Private Circuits of 2 Mbit/s and above and Network Infrastructure;

regardless of how many Partial Private Circuits are, or the amount of Network Infrastructure is, ordered at a particular site.

30. The Dominant Provider shall ensure that the FOC Acceptance Interval is a maximum of one working day for Partial Private Circuits of 2 Mbit/s or below and two working days for Partial Private Circuits above 2 Mbit/s and Network Infrastructure. Where a Third Party has not informed the Dominant Provider of its Acceptance of Terms or rejection of the order within five working days of the FOC Date, the Dominant Provider may cancel the Third Party's order.

31. The Dominant Provider shall keep complete and accurate records of the ordering, provision and repair of Partial Private Circuits and Network Infrastructure it provides to a Third Party.

32. Where any Partial Private Circuit or Network Infrastructure which is ordered by a Third Party is in excess of 110% (by volume), rounded up to the nearest integer where necessary, of its Advance Order Commitment or Advance Capacity Order, the applicable Requisite Period set out in the tables in paragraphs 39 and 49 of this Direction shall be extended by 50% and rounded up to the nearest working day, where necessary, for the purposes of calculating fixed individual compensation payments.

Unliquidated damages

33. Nothing in the PPC Contract, as amended by the Directions, shall prevent a Third Party from bringing a claim against the Dominant Provider for unliquidated damages over and above the fixed individual compensation payments set out in the Directions.

Partial Private Circuits

Quick quote and high bandwidth quote on line

34. The Dominant Provider shall provide to a Third Party, upon written request, the necessary wholesale network and pricing information to enable the Third Party to obtain the same information for Partial Private Circuits that is available to the Dominant Provider's retail arm, for its "Quick Quote" and "High Bandwidth Quote On Line" quote facilities.

Concurrency of Partial Private Circuit and ISH link and CSH link delivery times

35. Where a Third Party has ordered a Partial Private Circuit, and the operation of the circuit requires the provision of an ISH link or CSH link, the Dominant Provider shall ensure that the delivery dates of the Partial Private Circuit and the CSH link or ISH link are the same.

Expedited orders

36. Upon a Third Party's written request, the Dominant Provider shall make reasonable endeavours to set a Committed Delivery Date for Partial Private Circuits within 50% of the relevant Requisite Period set out in the table in paragraph 39 of this Direction, rounded up to the nearest working day where necessary, for at least 15% (by volume) of a Third Party's previous month's order. The Third Party shall inform the Dominant Provider which particular Partial Private Circuits it shall endeavour to be expedited pursuant to this paragraph. This paragraph shall only apply to the delivery of Partial Private Circuits of 2 Mbit/s or less. This paragraph shall not apply to Partial Private Circuits which exceed 110% (by volume), rounded up to the nearest integer where necessary, of a Third Party's Advance Order Commitment.

37. Paragraph 46 of this Direction does not apply to orders of Partial Private Circuits made pursuant to paragraph 36 of this Direction.

Time scales for fixed individual compensation

38. Where the Committed Delivery Date for Partial Private Circuits is set by the Dominant Provider later than the relevant Requisite Period (as set out in the table in paragraph 39 of this Direction) without the agreement of a Third Party, the Dominant Provider shall be liable to pay the Third Party a fixed individual compensation payment equal to 5% of the monthly rental for the Private Partial Circuit delayed, per working day or part of a working day in respect of the period commencing immediately on the expiry of the relevant Requisite Period and expiring on the Installation Date.

39. Where the Committed Delivery Date for Partial Private Circuits is set by the Dominant Provider either, later than the relevant Requisite Period (as set out in the table below) but with the agreement of a Third Party, or within the Requisite

Period, the Dominant Provider shall be liable to pay the Third Party a fixed individual compensation payment equal to 5% of the monthly rental for the Private Partial Circuit delayed, per working day or part of a working day in respect of the period commencing immediately on the working day following the Committed Delivery Date and expiring on the Installation Date.

Bandwidth of Partial Private Circuit	Requisite Period
64 kbit/s	10 working days
128 kbit/s to 256 kbit/s delivered over copper	10 working days
128 kbit/s to 256 kbit/s delivered over fibre	30 working days
320 kbit/s to 960 kbit/s	30 working days
1 Mbit	30 working days
2 Mbit/s	30 working days
Subsequent Partial Private Circuit of 2 Mbit/s	10 working days
34 Mbit/s to 155 Mbit/s	57 working days
Above 155 Mbit/s	72 working days

Third Party's ability to cancel order

40. Where the Provisioning Interval exceeds the relevant Requisite Period set out in the table in paragraph 39 of this Direction, a Third Party shall be allowed to cancel its order for a Partial Private Circuit after the Cancellation Threshold (as set out in the table below) has expired. The Cancellation Threshold shall commence upon the expiry of the relevant Requisite Period set out in the table in paragraph 39 of this Direction. The Requisite Periods in the table in paragraph

39 shall apply, for the purposes of this paragraph, regardless of whether there is a delay in delivery of a Partial Private Circuit which is due to circumstances beyond the Dominant Provider's reasonable control.

Requisite Period set out in the table in paragraph 39 of this Direction	Cancellation Threshold
10 working days or less	10 working days
11 to 20 working days	15 working days
21 to 40 working days	20 working days
41 to 60 working days	25 working days
Over 60 working days	30 working days

41. Where a Third Party cancels a Partial Private Circuit pursuant to paragraph 40 of this Direction, the Dominant Provider shall not charge the Third Party for the circuit and shall not charge for cancelling the circuit. The Dominant Provider shall also be liable to pay the Third Party any fixed individual compensation payments accumulated pursuant to the PPC Contract as amended by the Directions.

Reduced Requisite Periods for Partial Private Circuits

42. The Dominant Provider shall ensure that for at least 70% (by volume) of Partial Private Circuits of a particular bandwidth delivered by the Dominant Party to a Third Party within a three month period (such period not to be calculated on a rolling basis) the Committed Delivery Date is set within the relevant Reduced Requisite Period (as set out in the table below).

Bandwidth of Partial Private Circuit	Reduced Requisite Period
128 kbit/s to 256 kbit/s delivered over fibre	20 working days
320 kbit/s to 960 kbit/s	20 working days
1 Mbit	20 working days
2 Mbit/s	20 working days
34 Mbit/s to 155 Mbit/s	45 working days
<i>Above 155 Mbit/s</i>	<i>50 working days</i>

43. In calculating the 70% (by volume) of Partial Private Circuits to which paragraph 42 of this Direction applies the following shall not be included:

- Partial Private Circuits of 64 kbit/s;
- Partial Private Circuits of 128 kbit/s to 256 kbit/s delivered over copper;
- Subsequent Private Partial Circuits of 2Mbit/s;
- Partial Private Circuit orders to which paragraph 36 of this Direction applies; and
- Partial Private Circuits which exceed 110% (by volume), rounded up to the nearest integer where necessary, of a Third Party's Advance Order Commitment

44. The Reduced Requisite Periods set out in the table in paragraph 42 of this Direction apply only if, in the previous three month reporting period (such period not to be calculated on a rolling basis), a Third Party has ordered from the Dominant Provider:

- at least ten Partial Private Circuits of the same bandwidth where such Partial Private Circuits are 2 Mbit/s or less; or*
- at least two Partial Private Circuits of the same bandwidth where such Partial Private Circuits are more than 2 Mbit/s.*

For the purposes of this paragraph the first reporting period of three months shall be the first three month reporting period falling after 30 working days following the date of publication of this Direction.

45. For the purposes of this Direction, in determining whether 110% (by volume), rounded up to the nearest integer where necessary, of a Third Party's Advance Order Commitment has been exceeded, the calculation shall be at a national level for each individual Partial Private Circuit bandwidth category and applied in the order in which the Partial Private Circuits were ordered by the Third Party.

Multiple orders

46. Where the Dominant Provider receives an order for more than 10 Partial Private Circuits at one site from a Third Party, the relevant Requisite Period applicable to determine whether the Dominant Provider shall pay fixed individual compensation as set out in paragraphs 38 and 39 of this Direction, shall be the relevant Requisite Period set out in the table in paragraph 39 of this Direction increased by a maximum of 50%. The Dominant Provider shall inform the Third Party of the revised time scales as soon as reasonably practicable.

Availability of service

47. When total loss of service (i.e. total loss of service for one minute or longer) occurs three or more times, within a 12 month period, to a Partial Private Circuit, the Third Party shall not be liable to the Dominant Provider for the monthly rental in any subsequent month where total loss of failure occurs to the Partial Private Circuit, until such time as 12 months have passed and the Partial Private Circuit has not suffered total loss of service. Occurrences of total loss of service which result in the Dominant Provider being liable to pay fixed individual compensation pursuant to paragraphs 58, 59 and 61 of this Direction, shall not be considered as an occurrence of a total loss of service for the purposes of this paragraph.

Network Infrastructure

Time scales for fixed individual compensation

48. Where the Committed Delivery Date for Network Infrastructure is set by the Dominant Provider later than the relevant Requisite Period (as set out in the table in paragraph 49 of this Direction) without the agreement of a Third Party, the Dominant Provider shall be liable to pay the Third Party a fixed individual compensation payment equal to 0.3% of the connection fee for the Network Infrastructure, per working day, or part of a working day, in respect of the period commencing immediately on the expiry of the relevant Requisite Period and expiring on the Installation Date,

49. Where the Committed Delivery Date for Network Infrastructure is set by the Dominant Provider either, later than the relevant Requisite Period (as set out in the table below) but with the agreement of a Third Party, or within the Requisite Period, the Dominant Provider shall be liable to pay the Third Party a fixed individual compensation payment equal to 0.3% of the connection fee for the Network Infrastructure, in respect of the period commencing immediately on the working day following the Committed Delivery Date and expiring on the Installation Date.

Network Infrastructure	Requisite Period (where the Dominant Provider needs to carry out Civil Works)	Requisite Period (where the Dominant Provider does not need to carry out Civil Works)
ISH links	110 working days	85 working days
CSH links	110 working days	85 working days
ISH links – provision of		

new multiplexor on an existing Point of Connection	Not applicable	60 working days
ISH links - provision of extra STM-1 interface on existing STM-1 ISH SMA4 multiplexor	Not applicable	60 working Days
CSH links - provision of new multiplexor on existing Point of Connection	Not applicable	60 working Days
CSH links requiring only provision of new tributary card on existing multiplexor	Not applicable	25 working Days

Third Party's ability to cancel order

50. Where the Provisioning Interval exceeds the relevant Requisite Period set out in the table in paragraph 49 of this Direction, a Third Party shall be allowed to cancel its order for Network Infrastructure after the Cancellation Threshold (as set out in the table below) has expired. The Cancellation Threshold shall commence upon the expiry of the relevant Requisite Period set out in the table in paragraph 49 of this Direction. The Requisite periods in the table in paragraph 49 shall apply, for the purposes of this paragraph, regardless of whether there is a delay in delivery of Network Infrastructure

which is due to circumstances beyond the Dominant Provider's reasonable control.

Requisite Period set out in the table in paragraph 49 of this Direction	Cancellation Threshold
21 to 40 working days	20 working days
41 to 60 working days	25 working days
61 to 90 working days	30 working days
Over 90 working days	40 working days

51. Where a Third Party cancels Network Infrastructure pursuant to paragraph 50 of this Direction, the Dominant Provider shall not charge the Third Party for the Network Infrastructure and shall not charge for cancelling the Network Infrastructure. The Dominant Provider shall also be liable to pay the Third Party any fixed compensation payments accumulated pursuant to the PPC Contract as amended by the Directions.

Reduced Requisite periods for Network Infrastructure

52. The Dominant Provider shall ensure that for at least 70% (by volume) of the total VC4-equivalents of Network Infrastructure delivered by it to a Third Party during a three month period (such period not to be calculated on a rolling basis) the Committed Delivery Date is set within the relevant Reduced Requisite Period (as set out in the table below).

Network Infrastructure	Reduced Requisite Period (where the Dominant Provider needs to carry out Civil Works)	Reduced Requisite Period where the Dominant Provider does not need to carry out Civil Works)
ISHInks	75 working days	60 working days
CSH links	75 working days	60 working days
ISHlinks - provision of new multiplexor on an existing Point of Connection	Not applicable	40 working days
ISHlinks - provision of extra STM-1 interface on existing STM-1 ISH SMA4 multiplexor	Not applicable	40 working days

CSH links - provision of new multiplexor on existing Point of Connection	Not applicable	40 working days
CSH links requiring only provision of new tributary card on existing multiplexor	Not applicable	20 working days

53. In calculating the 70% (by volume) of the total VC4-equivalents of Network Infrastructure to which paragraph 52 of this Direction applies the following shall not be included:

- Network Infrastructure which exceeds 110% (by volume), rounded up to the nearest integer where necessary, of a Third Party's Advance Capacity Order.

54. The Reduced Requisite Periods set out in the table in paragraph 52 of this Direction only apply if, in the previous three month reporting period (such period not to be calculated on a rolling basis) a Third Party has ordered from the Dominant Provider at least 2 VC4-equivalents of Network Infrastructure. For the purposes of this paragraph the first reporting period of three months shall be the first such reporting period falling after 30 working days following the date of publication of this Direction.

55. For the purposes of this Direction, in determining whether 110% (by volume), rounded up to the nearest integer where necessary, of a Third Party's Advance Capacity Order has been exceeded, the calculation shall be made using VC4-equivalents at each Point of Connection applied in the order in which the Network Infrastructure was ordered by the Third Party.

Repair of Partial Private Circuits and Network Infrastructure

56. Where the Dominant Provider offers to a Third Party Regular Care and Enhanced Care for Partial Private Circuits and Network Infrastructure it shall do so at a cost orientated price and as set out in the table below:

	Operational hours	Repair/response time	Extras
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Regular Care	Normal working hours	Response within one working day of receipt of a fault report by a Third Party. Repair within two working days of receipt of a fault report by a Third Party.	If a fault is not remedied within two working days of receipt of a fault report by a Third Party, the Dominant Provider shall call the Third Party to report progress being made to remedy the fault.
Enhanced Care	24 hours per day, 7 days per week (including public and bank holidays).	Response within four hours of receipt of a fault report from a Third Party. Repair within five hours of receipt of a fault report by a Third Party.	If a fault is not remedied within five hours of receipt of a fault report by a Third Party, the Dominant Provider shall contact the Third Party to report progress being made to remedy the fault.

57. Receipt by the Dominant Provider from a Third Party of a report of a fault concerning a Partial Private Circuit or Network Infrastructure, shall be acknowledged by the Dominant Provider to the Third Party within one hour.

58. Where the Dominant Provider fails to repair a Partial Private Circuit within the time limits set out in the table in paragraph 56 of this Direction it shall pay to the Third Party a fixed individual compensation payment as set out in paragraphs 59 to 63 inclusive of this Direction in respect of the period commencing on the expiry of the applicable repair time set out in the table in paragraph 56 and expiring at the time the Partial Private Circuit or Network Infrastructure is repaired.

59. Where the Third Party has ordered the Dominant Provider's Regular Care for Partial Private Circuits, the Dominant Provider shall pay the Third Party an amount equal to 100% of the monthly rental payable for the type of Partial Private Circuit being repaired per working day, or part of a working day, of delay in repair.

60. Where the Third Party has ordered the Dominant Provider's Regular Care for Network Infrastructure, the Dominant Provider shall pay the Third Party an amount equal to 1% of the connection fee for the type of Network Infrastructure being repaired per working day, or part of a working day, of delay in repair.

61. Where the Third Party has ordered the Dominant Provider's Enhanced Care for Partial Private Circuits, the Dominant Provider shall pay the Third Party an

amount equal to 15% of the monthly rental payable for the type of Partial Private Circuit being repaired per hour, or part of an hour, of delay in repair.

62. Where the Third Party has ordered the Dominant Provider's Enhanced Care for Network Infrastructure, the Dominant Provider shall pay the Third Party an amount equal to 0.15% of the connection fee for the type of Network Infrastructure being repaired per hour, or part of an hour, of delay in repair.

63. The Dominant Provider shall not be liable to pay fixed individual compensation pursuant to paragraphs 60 and 62 of this Direction where it is also liable for fixed individual compensation pursuant to paragraphs 59 and 61 of this Direction where the Partial Private Circuit is being provided using the Network Infrastructure which is being repaired.

64. The Dominant Provider shall attend, and invite Third Parties to regular meetings to review the level of service provided by it in relation to Partial Private Circuits and related Network Infrastructure.

Change of speed or interface

65. The Dominant Provider shall offer to provide within a reasonable period of a Third Party's written request, the ability to alter the speed or interface of a Partial Private Circuit.

66. The Dominant Provider shall ensure that it provides to a Third Party a Partial Private Circuit variant for the services to which paragraph 65 of this Direction applies, which are equivalent to the services it currently provides on a retail basis for retail leased lines.

STM-1, ISH and CSH handover

67. The Dominant Provider shall offer to provide within a reasonable period of a Third Party's written request for a Synchronous Transfer Mode-1 ("STM-1"), an interface using an ISH link or CSH link; and handover pursuant to paragraph 68 of this Direction. Such link or handover shall be provided by way of network connecting apparatus capable of providing no more than the STM-1 capacity ordered by the Third Party.

68. The Dominant Provider shall within a reasonable period of a Third Party's written request, handover in a footway jointing chamber for Partial Private Circuits at a reasonable point nominated by the Third Party. The footway jointing chamber shall be located in the same Dominant Provider local serving exchange area as the Dominant Provider Serving Node to which the Partial Private Circuits being handed over are connected.

Equipment re-use

69. Paragraph 70 of this Direction shall only apply to the re-use of Plesiochronous Digital Hierarchy ("PDH") and Synchronous Digital Hierarchy ("SDH") equipment situated at a third party site ("Equipment").

70. The Dominant Provider may reject a request by a Third Party for re-use of PDH Equipment if such re-use would be incompatible with its network. Any such rejection by the Dominant Provider shall be made within 10 working days of a request by the Third Party and fully justified in writing to the requesting Third Party at the same time as the request is rejected.

Other Partial Private Circuits

71. Unless the Director otherwise agrees, the Dominant Provider shall, offer to provide Partial Private Circuit with no single point of failure, within a reasonable period of a Third Party's request.

72. The Dominant Provider shall offer to provide, within a reasonable period of a Third Party's written request, a Partial Private Circuit which is dual pathed and diversely routed from a third party customer's premises to a Third Party's single Point of Connection.

73. The Dominant Provider shall offer to provide to a Third Party, within a reasonable period of the Third Party's written request, transparent transmission capacity at all bandwidths up to and including a bandwidth capacity of two megabits per second between a radio base station and a Point of Connection with a Third Party's electronic communications network connected to the nearest appropriate digital cross connection node.

74. The Dominant Provider shall provide to the Third Party the product set out in paragraph 73 of this Direction on terms and conditions which, where appropriate, are comparable to the provisions relating to service level agreements, forecasting penalties and migration set out in paragraphs 1 to 64 of this Direction and the Direction made under Condition H3 and published on [].

LLU Backhaul

75. The Dominant Provider shall offer to enter into an agreement with any Third Party, within a reasonable period of the Third Party's written request, LLU Backhaul Services (as defined in the Dominant Provider's Standard LLU Backhaul Agreement as at the date of publication of this Direction, but with the necessary changes in order to ensure compliance with the Directions) on reasonable terms. Without prejudice to the generality of this requirement, terms will not be considered reasonable if they fail to include a Service Level

Agreement (“SLA”) such as could be expected to be negotiated in a competitive market.

76. The agreement for the supply of LLU Backhaul Services by the Dominant Provider shall include an SLA relating to the supply of such a product. This SLA shall include provision for the reasonable payment of fixed compensation by the Dominant Provider to a Third Party in cases where the Dominant Provider fails to fulfill its obligations under the SLA relating to the supply of LLU Backhaul.

77. The Dominant Provider shall implement this Direction within 10 working days of its publication.

78. This Direction shall take effect on the day it is published.

Notification of proposals under Section 49 of the Communications Act 2003

Proposal for making a Direction under proposed Condition H3 imposed on British Telecommunications plc ('BT') as a result of the market power determinations proposed to be made by the Director General of Telecommunications that BT has significant market power in the market for the provision of wholesale trunk segments at all bandwidths

1. The Director General of Telecommunications hereby makes, in accordance with section 49 of the Communications Act 2003 (the 'Act'), the following proposal for a Direction to be given under proposed Condition H3.
2. The draft Direction is set out in the Schedule to this notification.
3. The effect of the draft Direction, and the reasons for making the proposal, are set out in the accompanying explanatory statement hereto.
4. Representations may be made to the Director about the proposed draft Direction by 6 February 2004.
5. In accordance with section 50 of the Communications Act 2003, copies of this notification have been sent to the Secretary of State, the European Commission and to the regulatory authorities of every other member State.

**JIM NIBLETT
DIRECTOR, BROADBAND AND INTERNATIONAL AFFAIRS
A PERSON AUTHORISED UNDER PARAGRAPH 8 OF SCHEDULE 1 TO THE
TELECOMMUNICATIONS ACT 1984
18 December 2003**

Schedule**Draft Direction under Condition H3 imposed on British Telecommunications plc as a result of the analysis of the market for the provision of wholesale trunk segments at all bandwidths in which British Telecommunications plc has been found to have significant market power****WHEREAS:**

(A) the Director is able to exercise powers under the Act pursuant to section 408 of the Act and Article 3(1) of the Communications Act 2003 (Commencement No. 1) Order 2003, until Ofcom assumes those powers at a later date;

(B) the Director having considered every representation duly made, and thereafter pursuant to sections 48(1) and 79 of the Act by way of publication of a notification identified the relevant services markets, has designated British Telecommunications plc as having significant market power in the market for the provision of wholesale trunk segments at all bandwidths within the United Kingdom;

(C) this Direction concerns matters to which Condition H3 relates;

(D) for the reasons set out in the explanatory statement accompanying this Direction, the Director is satisfied that, in accordance with section 49(2) of the Act, this Direction is:

- (i) objectively justifiable in relation to the networks, services, facilities, apparatus or directories to which it relates;
- (ii) not such as to discriminate unduly against particular persons or against a particular description of persons;
- (iii) proportionate to what it is intended to achieve; and
- (iv) in relation to what it is intended to achieve, transparent;

(E) for the reasons set out in the explanatory statement accompanying this Direction, the Director is satisfied that he has acted in accordance with the relevant duties set out in section 4 of the Act;

(F) the Director has published a notification of the proposed Direction in accordance with section 49 of the Act;

(G) the Director has considered every representation about the proposed Direction duly made to him; and

NOW, therefore, pursuant to Condition H3 the Director makes the following Direction:

For the purpose of interpreting this Direction the definitions set out in the Direction made under Condition H1 and published on [] shall apply.

Except insofar as the context otherwise requires, words or expressions shall have the meaning assigned to them.

The Interpretation Act 1978 shall apply as if this Direction was an Act of Parliament.

Headings and titles shall be disregarded.

The Dominant Provider shall provide Partial Private Circuits in accordance with this Direction. This Direction shall only apply to the extent that the Dominant Provider provides a Partial Private Circuit which contains an element of a product or service which falls within the market for wholesale trunk segments.

Charges for capacity on third party customer infrastructure

1. Where a Third Party already has a Partial Private Circuit connected to third party customer infrastructure which was in situ before 1 August 2001, and has a Subsequent Partial Private Circuit connected to the same third party customer infrastructure the Dominant Provider shall charge no more than the amount set out in the table below for such a connection.

Bandwidth	Charge (£)
2 Mbit/s	2,275
34 Mbit/s and 45 Mbit/s	15,383
140 Mbit/s and 155 Mbit/s	33,954

Charge for change of speed or interface

2. *The Dominant Provider shall charge no more than £94 for changing the speed or interface of a 1 Mbit Partial Private Circuit.*

Charges for reclassification of BT Retail Private Circuits

3. *Where a BT Retail Private Circuit is migrated to a Partial Private Circuit in accordance with the PPC Contract, as amended by the Directions, it shall charge the Third Party no more than £37 per migrated circuit as a reclassification charge.*

Charges for failed migration orders

4. *Where the Dominant Provider informs a Third Party that a request for migration of a BT Retail Private Circuit to a Partial Private Circuit is invalid in*

accordance with the PPC Contract, as amended by the Directions, it shall charge the Third Party no more than £36 per request rejected.

Infrastructure tariff conversion charges

5. The Dominant Provider's infrastructure tariff conversion charges to a Third Party shall be no more than the amounts set out in the Annex of this Direction and calculated in accordance with the Annex of this Direction.

6. The Dominant Provider may also levy an infrastructure tariff conversion charge, in accordance with the Annex of this Direction, on a BT Retail Private Circuit which was in situ on the date that this Direction enters into force and being provided to a Third Party which at the time was a non-schedule 2 public operator which was running a telecommunications system under a telecommunication licence, but which is subsequently provided to a Third Party after the date of publication of this Direction. This paragraph shall apply whether or not the non-schedule 2 public operator which was running a telecommunication system under a telecommunications licence, and the Third Party, are the same person.

Equipment re-use

7. Paragraphs 8 to 12 inclusive of this Direction shall only apply to the re-use of Plesiochronous Digital Hierarchy ("PDH") and Synchronous Digital Hierarchy ("SDH") equipment situated at a third party site ("Equipment").

8. Where a Third Party requests the Dominant Provider to provide Equipment at a specific site, and the Third Party has already used the Equipment at the site, the Dominant Provider shall allow the Third Party to re-use the Equipment at that site, subject to paragraph 70 of the Direction made under Condition H1 and published on [], without charge, subject to paragraph 11 of this Direction, or at any other third party site without charge, subject to paragraphs 10 and 11 of this Direction, for as long as the Equipment remains available for use.

9. Where a Third Party requests the Dominant Provider to provide Equipment at a specific site, and the Third Party has not used the Equipment at the site, the Dominant Provider shall allow the Third Party to re-use the Equipment at the site, subject to paragraph 70 of the Direction made under Condition H1 and published on [], and shall charge the Third Party a discounted charge equivalent to its remaining value. Such discounted charge shall be cost orientated and shall be passed on to the Third Party which had previously used the Equipment at that site, less any reasonable costs incurred by the Dominant Provider in administering a system necessary to implement paragraphs 7 to 12 inclusive of this Direction and paragraph 70 of the Direction made under Condition H1 and published on [].

10. The Dominant Provider shall only charge a Third Party for testing SDH Equipment before such equipment is re-used, where such infrastructure is to be re-located. Such charge shall be cost orientated. In addition the Dominant Provider may levy a cost orientated charge for re-locating SDH Equipment.

11. The Dominant Provider may levy a cost orientated charge for testing PDH Partial Private Circuit Equipment before such infrastructure is re-used. In addition The Dominant Provider may levy a cost orientated charge for re-locating PDH Equipment.

12. The charge contained in paragraph 9 of this Direction shall:

- reflect all the incremental costs necessarily and efficiently incurred;
- reflect the value of the Equipment being re-used; and
- be non-discriminatory.

Cost orientation of LLU Backhaul prices

13. The Licensee shall ensure that its charges for LLU Backhaul Services (as defined in the Dominant Provider's Standard LLU Backhaul Agreement as at the date of publication of this Direction, but with the necessary changes in order to ensure compliance with the Directions) are consistent with its charges for those elements which are common to LLU Backhaul and Partial Private circuits.

14. The Annex to this Direction shall form part of the Direction.

15. The Dominant Provider shall implement this Direction within 10 working days of its publication.

16. This Direction shall take effect on the day it is published.

Annex – Infrastructure tariff conversion charges
Infrastructure tariff conversion charges
Charges for BT Retail Private Circuits below 1 Mbit circuits which were installed up to and including 31 December 2001

Time between the date that the BT Retail Private Circuit was installed, and an Operator requested such circuit to be migrated to a Partial Private Circuit	Charge (£)
Up to 1 month	189
2 months or more	0

Charges for 1 Mbit BT Retail Private Circuits which were installed up to and including 31 December 2001

Time between the date that the BT Retail Private Circuit was installed, and an Operator requested such circuit to be migrated to a Partial Private Circuit	Charge (£)
Up to 1 month	2621
2 months	2369
3 months	2113
4 months	1855
5 months	1594
6 months	1330
7 months	1064
8 months	795
9 months	522
10 months	247
11 months or more	0

Charges for 2 Mbit/s for BT Retail Private Circuits which were installed up to and including 31 December 2001

Time between the date that the BT Retail Private Circuit was installed, and an Operator requested such circuit to be migrated to a Partial Private Circuit	Charge (£)
Up to 1 month, or more	0

Charges for 34 Mbit/s and 45 Mbit/s BT Retail Private Circuits which were installed up to and including 31 December 2001

Time between the date that the BT Retail Private Circuit was installed, and an Operator requested such circuit to be migrated to a Partial Private Circuit	Charge (£)
Up to 1 month	21673
2 months	19067
3 months	16433
4 months	13772
5 months	11082
6 months	8364
7 months	5617
8 months	2841
9 months	35
10 months or more	0

Charges for 140 Mbit/s and 155 Mbit/s for BT Retail Private Circuits installed up to and including 31 December 2001

Time between the date that the BT Retail Private Circuit was installed, and an Operator requested such circuit to be migrated to a Partial Private Circuit	Charge (£)
Up to 1 month	49593
2 months	48618
3 months	47633
4 months	46637
5 months	45631
6 months	44614
7 months	43587
8 months	42549
9 months	41499
10 months	40439
11 months	39367
12 months	38284
13 months	37189
14 months	36083

15 months	34965
16 months	33835
17 months	32693
18 months	31539
19 months	30373
20 months	29194
21 months	28003
22 months	26799
23 months	25583
24 months	24353
25 months	23111
26 months	21855
27 months	20586
28 months	19304
29 months	18008
30 months	16698
31 months	15374
32 months	14036
33 months	12685
34 months	11318
35 months	9938
36 months	8542
37 months	7132
38 months	5707
39 months	4267
40 months	2811
41 months	1340
42 months or more	0

Charges for BT Retail Private Circuits below 1 Mbit installed after 31 December 2001

Time between the date that the BT Retail Private Circuit was installed, and an Operator requested such circuit to be migrated to a Partial Private	Charge (£)

Circuit	
Up to 1 month	270
2 months	45
3 months or more	0

Charges for 1 Mbit for BT Retail Private Circuits installed after 31 December 2001

Time between the date that the BT Retail Private Circuit was installed, and an Operator requested such circuit to be migrated to a Partial Private Circuit	Charge (£)
Up to 1 month, or more	0

Charges for 2 Mbit/s for BT Retail Private Circuits installed after 31 December 2001

Time between the date that the BT Retail Private Circuit was installed, and an Operator requested such circuit to be migrated to a Partial Private Circuit	Charge (£)
Up to 1 month, or more	0

Charges for 34 Mbit/s and 45 Mbit/s for BT Retail Private Circuits installed after 31 December 2001

Time between the date that the BT Retail Private Circuit was installed, and an	Charge (£)

Operator requested such circuit to be migrated to a Partial Private Circuit	
Up to 1 month	20762
2 months	18147
3 months	15503
4 months	12832
5 months	10132
6 months	7404
7 months	4647
8 months	1860
9 months or more	0

Charges for 140 Mbit/s and 155 Mbit/s for BT Retail Private Circuits installed after 31 December 2001

Time between the date that the BT Retail Private Circuit was installed, and an Operator requested such circuit to be migrated to a Partial Private Circuit	Charge (£)
Up to 1 month	49593
2 months	48618
3 months	47633
4 months	46637
5 months	45631
6 months	44614
7 months	43587
8 months	42549
9 months	41499
10 months	40439
11 months	39367
12 months	38284
13 months	37189

14 months	36083
15 months	34965
16 months	33835
17 months	32693
18 months	31539
19 months	30373
20 months	29194
21 months	28003
22 months	26799
23 months	25583
24 months	24353
25 months	23111
26 months	21855
27 months	20586
28 months	19304
29 months	18008
30 months	16698
31 months	15374
32 months	14036
33 months	12685
34 months	11318
35 months	9938
36 months	8542
37 months	7132
38 months	5707
39 months	4267
40 months	2811
41 months	1340
42 months or more	0

Notification of proposals under Section 49 of the Communications Act 2003

Proposal for making a Direction under proposed Condition H6 imposed on British Telecommunications plc ('BT') as a result of the market power determinations proposed to be made by the Director General of Telecommunications that BT has significant market power in the market for the provision of wholesale trunk segments at all bandwidths

1. The Director General of Telecommunications hereby makes, in accordance with section 49 of the Communications Act 2003 (the 'Act'), the following proposal for a Direction to be given under proposed Condition H6.
2. The draft Direction is set out in the Schedule to this notification.
3. The effect of the draft Direction, and the reasons for making the proposal, are set out in the accompanying explanatory statement hereto.
4. Representations may be made to the Director about the proposed draft Direction by 6 February 2004.
5. In accordance with section 50 of the Communications Act 2003, copies of this notification have been sent to the Secretary of State, the European Commission and to the regulatory authorities of every other member State.

**JIM NIBLETT
DIRECTOR, BROADBAND AND INTERNATIONAL AFFAIRS
A PERSON AUTHORISED UNDER PARAGRAPH 8 OF SCHEDULE 1 TO THE
TELECOMMUNICATIONS ACT 1984
18 December 2003**

Schedule

Draft Direction under Condition H6 imposed on British Telecommunications plc as a result of the analysis of the market for the provision of wholesale trunks segments at all bandwidths in which British Telecommunications plc has been found to have significant market power

WHEREAS :

(A) the Director is able to exercise powers under the Act pursuant to section 408 of the Act and Article 3(1) of the Communications Act 2003 (Commencement No. 1) Order 2003, until Ofcom assumes those powers at a later date;

(B) the Director having considered every representation duly made, and thereafter pursuant to sections 48(1) and 79 of the Act by way of publication of a notification identified the relevant services markets, has designated British Telecommunications plc as having significant market power in the market for the provision of wholesale trunk segments at all bandwidths within the United Kingdom;

(C) this Direction concerns matters to which Condition H6 relates;

(D) for the reasons set out in the explanatory statement accompanying this Direction, the Director is satisfied that, in accordance with section 49(2) of the Act, this Direction is:

- (i) objectively justifiable in relation to the networks, services, facilities, apparatus or directories to which it relates;
- (ii) not such as to discriminate unduly against particular persons or against a particular description of persons;
- (iii) proportionate to what it is intended to achieve; and
- (iv) in relation to what it is intended to achieve, transparent;

(E) for the reasons set out in the explanatory statement accompanying this Direction, the Director is satisfied that he has acted in accordance with the relevant duties set out in section 4 of the Act;

(F) the Director has published a notification of the proposed Direction in accordance with section 49 of the Act;

(G) the Director has considered every representation about the proposed Direction duly made to him; and

NOW, therefore, pursuant to Condition H6 the Director makes the following Direction:

For the purpose of interpreting this Direction the definitions set out in the Direction made under Condition H1 and published on [] shall apply.

Except insofar as the context otherwise requires, words or expressions shall have the meaning assigned to them.

The Interpretation Act 1978 shall apply as if this Direction was an Act of Parliament.

Headings and titles shall be disregarded.

This Direction shall only apply to the extent that the Dominant Provider provides a Partial Private Circuit which contains an element of a product or service which falls within the market for wholesale trunk segments.

1. The Dominant Provider shall, on a quarterly basis, publish the following information for each Third Party to whom it provides Partial Private Circuits on an individual and anonymous basis; and on an aggregated basis with respect to all such Third Parties on an anonymous basis:

- its performance with respect to Committed Delivery Dates, Requisite Periods, Reduced Requisite Periods, FOC Receipt Intervals, repair and availability of service;
 - a list of incidences of circumstances beyond the reasonable control of the Dominant Provider, split by reason;
 - the percentage of each Third Party's previous month's orders having Committed Delivery Dates quoted within 50% of the Requisite Periods set out in the table in paragraph 39 of the Direction made under Condition H1 and published on [];
 - the number and percentage of instances where each Third Party exceeds the applicable FOC Acceptance Interval, set out by bandwidth, for Partial Private Circuits;
 - the number and percentage of instances where each Third Party exceeds the applicable FOC Acceptance Interval for Network Infrastructure;
 - the average amount by which each Third Party exceeds the applicable FOC Acceptance Interval, set out by bandwidth, for Partial Private Circuits;
 - the average amount by which each Third Party exceeds the applicable FOC Acceptance Interval for Network Infrastructure;
 - the number and percentage of orders for Partial Private Circuits rejected by the Dominant Provider;
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- the number and percentage of orders for Network Infrastructure rejected by the Dominant Provider;
 - the mean response time to fault reports relating to Partial Private Circuits and Network Infrastructure sent to the Dominant Provider by Third Party;
 - new installation fault report rate relating to Partial Private Circuits;
 - list of reasons for rejections of orders;
 - list of reasons for faults; and
 - list of reasons for any Committed Delivery Dates beginning 10 working days later than the relevant Requisite Period.

The aggregated reports shall include the Dominant Provider's performance in respect of provision to its retail arm.

2. Nothing in this Direction shall require the Dominant Provider to publish confidential information relating to its business or that of a Third Party.

3. The information set out in paragraph 1 above shall be first published within three months of this Direction taking effect and every three months thereafter.

4. Publication referred to in paragraph 1 above shall be effected by:

- (a) placing a copy of the information on any relevant website operated or controlled by the Dominant Provider; and
- (b) sending a copy of the information to the Director.

5. This Direction shall take effect on the day it is published.

Notification of proposals under Section 49 of the Communications Act 2003

Proposal for making a Direction under proposed Condition HH1 imposed on British Telecommunications plc ('BT') as a result of the market power determinations proposed to be made by the Director General of Telecommunications that BT has significant market power in the market for the provision of alternative interface symmetric broadband origination at all bandwidths

1. The Director General of Telecommunications hereby makes, in accordance with section 49 of the Communications Act 2003 (the 'Act'), the following proposal for a Direction to be given under proposed Condition HH1.
2. The draft Direction is set out in the Schedule to this notification.
3. The effect of the draft Direction, and the reasons for making the proposal, are set out in the accompanying explanatory statement hereto.
4. Representations may be made to the Director about the proposed draft Direction by 6 February 2004.
5. In accordance with section 50 of the Communications Act 2003, copies of this notification have been sent to the Secretary of State, the European Commission and to the regulatory authorities of every other member State.

**JIM NIBLETT
DIRECTOR, BROADBAND AND INTERNATIONAL AFFAIRS
A PERSON AUTHORISED UNDER PARAGRAPH 8 OF SCHEDULE 1 TO THE
TELECOMMUNICATIONS ACT 1984
18 December 2003**

Schedule

Draft Direction under Condition HH1 imposed on British Telecommunications plc as a result of the analysis of the market for the provision of alternative interface symmetric broadband origination at all bandwidths in which British Telecommunications plc has been found to have significant market power

WHEREAS:

(A) the Director is able to exercise powers under the Act pursuant to section 408 of the Act and Article 3(1) of the Communications Act 2003 (Commencement No. 1) Order 2003, until Ofcom assumes those powers at a later date;

(B) the Director having considered every representation duly made, and thereafter pursuant to sections 48(1) and 79 of the Act by way of publication of a notification identified the relevant services markets, has designated British Telecommunications plc as having significant market power in the market for the provision of alternative interface symmetric broadband origination at all bandwidths within the United Kingdom but not including the Hull Area;

(C) this Direction concerns matters to which Condition HH1 relates;

(D) for the reasons set out in the explanatory statement accompanying this Direction, the Director is satisfied that, in accordance with section 49(2) of the Act, this Direction is:

- (i) objectively justifiable in relation to the networks, services, facilities, apparatus or directories to which it relates;
- (ii) not such as to discriminate unduly against particular persons or against a particular description of persons;
- (iii) proportionate to what it is intended to achieve; and
- (iv) in relation to what it is intended to achieve, transparent;

(E) for the reasons set out in the explanatory statement accompanying this Direction, the Director is satisfied that he has acted in accordance with the relevant duties set out in section 4 of the Act;

(F) the Director has published a notification of the proposed Direction in accordance with section 49 of the Act;

(G) the Director has considered every representation about the proposed Direction duly made to him; and

NOW, therefore, pursuant to Condition HH1 the Director makes the following Direction:

1. For the purpose of interpreting this Direction the following definitions shall apply:

“Act” means the Communications Act 2003;

“Director” means the Director General of Telecommunications;

“Dominant Provider” means British Telecommunications plc, whose registered company number is 1800000 and any British Telecommunications plc subsidiary or holding company, or any subsidiary of that holding company, all as defined by Section 736 of the Companies Act 1985 as amended by the Companies Act 1989;

“Hull Area” means the area defined as the 'Licensed Area' in the licence granted on 30 November 1987 by the Secretary of State under section 7 of the Telecommunications Act 1984 to Kingston upon Hull City Council and Kingston Communications (Hull) plc; and

“Third Party” means a person providing a public Electronic Communications Service or a person providing a public Electronic Communications Network.

2. Except insofar as the context otherwise requires, words or expressions shall have the meaning assigned to them.

3. The Interpretation Act 1978 shall apply as if this Direction was an Act of Parliament.

4. The Dominant Provider shall offer to enter into an agreement with any Third Party, within a reasonable period of the Third Party's written request, LLU Backhaul Services (as set out in the Annex to this Direction) on reasonable terms. Without prejudice to the generality of this requirement, terms will not be considered reasonable if they fail to include a Service Level Agreement (“SLA”) such as could be expected to be negotiated in a competitive market.

5. The agreement for the supply of LLU Backhaul Services by the Dominant Provider shall include an SLA relating to the supply of such a product. This SLA shall include provision for the reasonable payment of fixed compensation by the Dominant Provider to a Third Party in cases where the Dominant Provider fails to fulfill its obligations under the SLA relating to the supply of LLU Backhaul.

6. The Dominant Provider shall implement this Direction within 10 working days of its publication.

7. This Direction shall take effect on the day it is published.

8. The Annex to this Direction shall form part of the Direction.

Annex

The provision of dedicated transmission capacity by the Dominant Provider, at all bandwidths from ten to one thousand megabits per second (inclusive) between a local loop unbundling Third Party's equipment at a MDF site of the Dominant Provider and a site within a Third Party's electronic communications network connected to an appropriate Dominant Provider node within a distance of 25 radial km.

Notification of proposals under Section 49 of the Communications Act 2003

Proposal for making a Direction under proposed Condition HH3 imposed on British Telecommunications plc ('BT') as a result of the market power determinations proposed to be made by the Director General of Telecommunications that BT has significant market power in the market for the provision of alternative interface symmetric broadband origination at all bandwidths

1. The Director General of Telecommunications hereby makes, in accordance with section 49 of the Communications Act 2003 (the 'Act'), the following proposal for a Direction to be given under proposed Condition HH3.
2. The draft Direction is set out in the Schedule to this notification.
3. The effect of the draft Direction, and the reasons for making the proposal, are set out in the accompanying explanatory statement hereto.
4. Representations may be made to the Director about the proposed draft Direction by 6 February 2004.
5. In accordance with section 50 of the Communications Act 2003, copies of this notification have been sent to the Secretary of State, the European Commission and to the regulatory authorities of every other member State.

**JIM NIBLETT
DIRECTOR, BROADBAND AND INTERNATIONAL AFFAIRS
A PERSON AUTHORISED UNDER PARAGRAPH 8 OF SCHEDULE 1 TO THE
TELECOMMUNICATIONS ACT 1984
18 December 2003**

Schedule

Draft Direction under Condition HH3 imposed on British Telecommunications plc as a result of the analysis of the market for the provision of alternative interface symmetric broadband origination at all bandwidths in which British Telecommunications plc has been found to have significant market power

WHEREAS:

(A) the Director is able to exercise powers under the Act pursuant to section 408 of the Act and Article 3(1) of the Communications Act 2003 (Commencement No. 1) Order 2003, until Ofcom assumes those powers at a later date;

(B) the Director having considered every representation duly made, and thereafter pursuant to sections 48(1) and 79 of the Act by way of publication of a notification identified the relevant services markets, has designated British Telecommunications plc as having significant market power in the market for the provision of alternative interface symmetric broadband origination at all bandwidths within the United Kingdom but not including the Hull Area;

(C) this Direction concerns matters to which Condition HH3 relates;

(D) for the reasons set out in the explanatory statement accompanying this Direction, the Director is satisfied that, in accordance with section 49(2) of the Act, this Direction is:

- (i) objectively justifiable in relation to the networks, services, facilities, apparatus or directories to which it relates;
- (ii) not such as to discriminate unduly against particular persons or against a particular description of persons;
- (iii) proportionate to what it is intended to achieve; and
- (iv) in relation to what it is intended to achieve, transparent;

(E) for the reasons set out in the explanatory statement accompanying this Direction, the Director is satisfied that he has acted in accordance with the relevant duties set out in section 4 of the Act;

(F) the Director has published a notification of the proposed Direction in accordance with section 49 of the Act;

(G) the Director has considered every representation about the proposed Direction duly made to him; and

NOW, therefore, pursuant to Condition HH3 the Director makes the following Direction:

1. For the purpose of interpreting this Direction the following definitions shall apply:

“Act” means the Communications Act 2003;

“Director” means the Director General of Telecommunications;

“Dominant Provider” means British Telecommunications plc, whose registered company number is 1800000 and any British Telecommunications plc subsidiary or holding company, or any subsidiary of that holding company, all as defined by Section 736 of the Companies Act 1985 as amended by the Companies Act 1989;

“Hull Area” means the area defined as the 'Licensed Area' in the licence granted on 30 November 1987 by the Secretary of State under section 7 of the Telecommunications Act 1984 to Kingston upon Hull City Council and Kingston Communications (Hull) plc;

“Point of Connection” means a point at which the Dominant Provider's Electronic Communications Network and another person's Electronic Communications Network are connected; and

“Third Party” means a person providing a public Electronic Communications Service or a person providing a public Electronic Communications Network.

2. Except insofar as the context otherwise requires, words or expressions shall have the meaning assigned to them.

3. The Interpretation Act 1978 shall apply as if this Direction was an Act of Parliament.

4. The Licensee shall ensure that its charges for LLU Backhaul Services (as set out in the Annex to this Direction) are consistent with its charges for those elements which are common to LLU Backhaul and Partial Private Circuits (i.e. a circuit provided pursuant to the Dominant Provider's Standard PPC Handover Agreement as at the date of publication of this Direction and in accordance with any directions made by the Director).

5. The Annex to this Direction shall form part of the Direction.

6. The Dominant Provider shall implement this Direction within 10 working days of its publication.

7. This Direction shall take effect on the day it is published.

Annex

The provision of dedicated transmission capacity by the Dominant Provider, at all bandwidths from ten to one thousand megabits per second (inclusive) between a local loop unbundling Third Party's equipment at a MDF site of the Dominant Provider and a site within a Third Party's electronic communications network connected to an appropriate Dominant Provider node within a distance of 25 radial km.

Annex F

List of representations received in response to previous consultation dated 11 April 2003

BT

Cable & Wireless

OCE/CfB

Easynet

Energis

Joint Response from Communications providers

Kingston

Niact

Video Networks Ltd

Vodafone

WACT

Annex G

Reference list for leased lines

Source: Commission Decision 2003/548/EC of 24 July 2003 on the minimum set of leased lines with harmonised characteristics and associated standards referred to in Article 18 of the Universal Service Directive

In accordance with Article 7 of Directive 92/44/EC, certain organisations are obliged to provide a minimum set of leased lines conforming to the technical specifications given in this list. Following repeal of this Directive on 24 July 2003, these obligations are carried forward in accordance with Article 16(1) of the Universal Service Directive. Obligations regarding the provision of the minimum set of leased lines shall be reviewed in accordance with Article 16(3) and Article 18(1) of that Directive. In accordance with Article 18(2) of the Universal Service Directive, Member States shall withdraw the obligations concerning the provision of leased lines when the relevant market is effectively competitive.

Analogue leased lines

Leased line type	Reference	Notes
Ordinary quality voice bandwidth (a)	— 2 wire: ETSI EN 300 44 8 or — 4 wire: ETSI EN 300 45 1	Connection characteristics and network interface presentation
Special quality voice bandwidth (b)	— 2 wire: ETSI EN 300 44 9 or — 4 wire: ETSI EN 300 45 2	Connection characteristics and network interface presentation
<p><i>Comments:</i></p> <p>(a) Leased lines meeting the requirements of ETS 300 448 (2 wire) or ETS 300 451 (4 wire) are deemed to comply with the requirements for this type of leased line.</p> <p>(b) Leased lines meeting the requirements of ETS 300 449 (2 wire) or ETS 300 452 (4 wire) are deemed to comply with the requirements for this type of leased line.</p>		

Digital leased lines

Leased line type	Reference	Notes
64 kbit/s (c)	— ETSI EN 300 288 — ETSI EN 300 289	Network interface presentation Connection characteristics
2 048 kbit/s — E1 (unstructured) (d)	— ETSI EN 300 418 — ETSI EN 300 247	Network interface presentation Connection characteristics
2 048 kbit/s — E1 (structured) (e)	— ETSI EN 300 418 — ETSI EN 300 419	Network interface presentation Connection characteristics
<p><i>Comments:</i></p> <p>(c) Leased lines meeting the requirements of ETS 300 288, ETS 300 288/A1 and ETS 300 289 are deemed to comply with the requirements for this type of leased line.</p> <p>(d) Leased lines meeting the requirements of ETS 300 418, ETS 300 247 and ETS 300 247/A1 are deemed to comply with the requirements for this type of leased line.</p> <p>(e) Leased lines meeting the requirements of ETS 300 418 and ETS 300 419 are deemed to comply with the requirements for this type of leased line.</p>		

Annex H

Glossary

Alternative interface symmetric broadband origination (AISBO) – a form of symmetric broadband origination service providing symmetric capacity between two sites using an Ethernet IEEE 802.3 interface.

Asymmetric Digital Subscriber Line (ADSL) – a technology that allows the use of a copper line to send a high data rate in one direction and a lower data rate in the other.

Asynchronous Transfer Mode (ATM) – a technology that enables data transfer asynchronously relative to its input into the communications system. The data is put into cells and transmitted through the network to be re-constructed at the output.

Bandwidth – the physical characteristic of a telecommunications system that indicates the speed at which information can be transferred. In analogue systems, it is measured in cycles per second (Hertz) and in digital systems in bits per second. (Bit/s).

Current Cost Accounting (CCA) – an accounting convention, where assets are valued and depreciated according to their current replacement cost whilst maintaining the operating or financial capital of the business entity.

Customer Sited Handover (CSH) – interconnection occurs at a communications provider's premises.

Customer Premises Equipment (CPE) – sometimes referred to as customer apparatus or consumer equipment, being equipment on consumers' premises which is not part of the public telecommunications network and which is directly or indirectly attached to it.

DLE (Digital Local Exchange) – the telephone exchange to which customers are connected, usually via a concentrator.

DMSU (Digital Main Switching Unit) – the main type of tandem switch, primarily used for conveying long distance calls. DMSUs form the backbone of the trunk network.

Frame Relay service – a packet switched data service providing for the interconnection of Local Area Networks and access to host computers at up to 2 Mbit/s.

Fully allocated cost (FAC) – an accounting approach under which all the costs of the company are distributed between its various products and services. The fully allocated cost of a product or service may therefore include some common costs that are not directly attributable to the service.

In Span Handover (ISH) – interconnection occurring at a point between BT's premises and a communications provider's premises

kbit/s – kilobits per second. A measure of speed of transfer of digital information.

Leased line – a permanently connected communications link between two premises dedicated to the customers' exclusive use.

Local Loop Unbundling (LLU) backhaul circuit – a circuit provided by BT that enables the connection of a communications provider's DSLAM to a communications provider's point of connection with BT's SDH network

Long Run Incremental Cost (LRIC) – the cost caused by the provision of a defined increment of output given that costs can, if necessary, be varied and that some level of output is already produced.

Mbit/s – megabits per second. A measure of speed of transfer of digital information.

Partial Private Circuit (PPC) – a generic term used to describe a category of private circuits that terminate at a point of connection between two communications providers' networks. It is therefore the provision of transparent transmission capacity between a customer's premises and a point of connection between the two communications providers' networks. It may also be termed a part leased line.

Plesiochronous Digital Hierarchy (PDH) – an older method of digital transmission used before SDH which requires each stream to be multiplexed or demultiplexed at each network layer and does not allow for the addition or removal of individual streams from larger assemblies.

Points of Connection (POC) – a point where one communications provider interconnects with another communications provider for the purposes of connecting their networks to 3rd party customers in order to provide services to those end customers.

Public Switched Telephone Network (PSTN) – a telecommunications network providing voice telephony for the general public.

Radio Base Station (RBS) backhaul circuit – a circuit provided by BT that connects a mobile communications provider's base-station to the mobile communications provider's point of connection with BT's SDH network.

SSNIP – Small but Significant Non-transitory Increase in Price, usually considered to be 5 to 10 percent, which is part of the hypothetical monopolist test used in market definition analysis.

Stand Alone Cost – an accounting approach under which the total cost incurred in providing a product is allocated to that product.

Synchronous Digital Hierarchy (SDH) – a method of digital transmission where transmission streams are packed in such a way to allow simple multiplexing and demultiplexing and the addition or removal of individual streams from larger assemblies.

Symmetric broadband origination (SBO) – a symmetric broadband origination service provides symmetric capacity from a customer's premises to an appropriate point of aggregation, generally referred to as a node, in the network hierarchy. In this context, a "customer" refers to any public electronic communications network provider or end user.

Symmetric Digital Subscriber Line (SDSL) – a technology that allows the use of a copper line to send an equal quantity of data (eg a television picture) in both directions.

Tier 1 – a tier in BT's SDH network that denotes a network of nodes covering areas of high population. These nodes are connected by very high capacity line systems and denote the BT trunk network.

Traditional interface symmetric broadband origination (TISBO) – a form of symmetric broadband origination service providing symmetric capacity from a customer's premises to an appropriate point of aggregation in the network hierarchy, using a CCITT G703 interface.
