

## **Annex C**

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

#### **Proposals for the identification of markets, the making of market power determinations and the setting of SMP services conditions in relation to 3, Inquam, O2, Orange, T-Mobile and Vodafone**

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 services 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) wholesale voice call termination provided by 3 (such termination being provided via 3’s mobile network);

(b) wholesale voice call termination provided by Inquam (such termination being provided via Inquam’s mobile network);

(c) wholesale voice call termination provided by O2 (such termination being provided via O2’s 2G and 3G mobile network);

(d) wholesale voice call termination provided by Orange (such termination being provided via Orange’s 2G and 3G mobile network);

(e) wholesale voice call termination provided by T Mobile (such termination being provided via T Mobile’s 2G and 3G mobile network); and

---

(f) wholesale voice call termination provided by Vodafone (such termination being provided via Vodafone's 2G and 3G mobile network).

3. The Director is proposing to make market power determinations that the following persons have significant market power in relation to the markets referred to in paragraph 2 above:

- (a) in relation to the market in sub-paragraph (a), 3;
- (b) in relation to the market in sub-paragraph (b), Inquam;
- (c) in relation to the market in sub-paragraph (c), O2;
- (d) in relation to the market in sub-paragraph (d), Orange;
- (e) in relation to the market in sub-paragraph (e), T Mobile; and
- (f) in relation to the market in sub-paragraph (f), Vodafone.

4. The Director is proposing to set SMP conditions on the persons referred to in paragraph 3 above as set out in Schedules 1, 2, 3 and 4 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 are contained in Chapter 2 of the explanatory statement published with this Notification.

6. The effect of, and the Director's reasons for making, the proposals to make the market power determinations set out in paragraph 3 above are contained in Chapter 3 of the explanatory statement published with this Notification.

7. The effect of, and the Director's reasons for making, the proposals to set the SMP conditions set out in Schedules 1, 2, 3 and 4 to this Notification are contained in Chapter 5 of the explanatory statement published with this Notification.

8. 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 or analysis, as required by section 79 of the Act.

8. The Director considers that the proposed SMP services conditions referred to in paragraph 4 above comply with the requirements of sections 45 to 50 and sections 78 to 92 of the Act, as appropriate and relevant to each such SMP services condition.

9. 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 as well as performed his general duties under section 3 of the Act (in the anticipation of that section coming into effect on 29 December 2003);

10. Representations may be made to the Director about the proposals set out in this Notification and the accompanying explanatory statement by 6<sup>th</sup> February 2004. Respondents are asked to provide representations in the manner set out in Chapter 7 of the explanatory statement accompanying this Notification.

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

12. 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.

13. In this Notification:

"3" means Hutchison 3G (UK) Limited (registered company number 3885486) including 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;

“Inquam” means Inquam Telecom (Holdings) Limited (registered company number 4244115) including 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;

“O2” means O2 Limited (registered company number 2604354) including 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;

“Orange” means Orange plc (registered company number 3110666) including 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;

“T-Mobile” means T Mobile Limited (registered company number 4347402) including 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;

“Vodafone” means Vodafone Limited (registered company number 1471587) including 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;

**David Albert Edmonds**

**Director General of Telecommunications**

**19<sup>th</sup> December 2003**

---

## **SCHEDULE 1**

**The SMP services condition proposed to be imposed on 3 under sections 45 and 87 of the Communications Act 2003 as a result of the analysis of the market set out in paragraph 2(a) of this Notification in which 3 has been found to have significant market power (“SMP condition”)**

### **Part 1: Application, definitions and interpretation relating to the SMP condition in Part 2**

1. The SMP condition in Part 2 of this Schedule 1 shall, except insofar as it is otherwise stated therein, apply to the market set out in paragraph 2(a) of this Notification.

2. In this Schedule 1:

**“2G Public Electronic Communications Network”** means a mobile Public Electronic Communications Network which operates using spectrum within the bands 880 to 915 MHz, 925 to 960 MHz, 1710 to 1785 MHz, or 1805 to 1880 MHz;

**“2G Call”** means a circuit switched conveyance of a speech teleservice only (as defined in the relevant standards of the European Telecommunications Standards Institute) which:

- (i) originates in a Public Electronic Communications Network (whether fixed or mobile);
  - (ii) is conveyed via the gateway mobile service switching centre of the Dominant Provider and the 2G Public Electronic Communications Network of another Communications Provider (the “2G Provider”);
  - (iii) is terminated using the GSM air interface of the 2G Provider, or by agreement, of another Communications Provider; and
  - (iv) terminates on a GSM mobile handset of a Customer of the Dominant Provider.
-

---

For the purposes of this definition:

(a) “the relevant standards of the European Telecommunications Standards Institute” means the European Telecommunications Standard (ETS) of ETS 300 905 (GSM 02.03 version 5.3.2), Third Edition, January 1998, which has been produced by the Special Mobile Group of the European Telecommunications Standards Institute; and

(b) “GSM” means the Global System for Mobile communications, as defined in the relevant standards of the European Telecommunications Standards Institute;

**“3G Public Electronic Communications Network”** means a mobile Public Electronic Communications Network which operates using spectrum within the bands [to be confirmed with ‘3’]

**“3G Call”** means a circuit switched conveyance of a speech teleservice only (as defined in the relevant standards of the European Telecommunications Standards Institute) originating in a Public Electronic Communications Network (whether fixed or mobile) and which terminates on a mobile handset which is connected to the 3G Public Electronic Communications Network of the Dominant Provider.

For the purposes of this definition:

(a) “the relevant standards of the European Telecommunications Standards Institute” means the European Telecommunications Standard (ETS) of [to be confirmed with ‘3’].

**“Access Charge Change Notice”** has the meaning given to it in Condition MA1.2;

**“Access Contract”** means a contract for the provision of Network Access;

---

**"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 Hutchison 3G (UK) Limited whose registered company number is 3885486 and any Hutchison 3G (UK) Limited 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;

**"Network Access"** means those services, facilities or arrangements which are necessary to terminate a 2G Call; and

**"Quarterly Period"** means a consecutive three month period, the first of which begins on [insert date of first day of the first complete calendar month after the Condition comes into force]

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 SMP condition****Condition MA1 – Requirement to notify charges and call volumes**

MA1.1 Except in so far as the Director may otherwise consent in writing, the Dominant Provider shall publish charges and act in the manner set out below.

MA 1.2 The Dominant Provider shall send to the Director and to every person with which it has entered into an Access Contract a written notice of any amendment to the charges on which it provides Network Access or in relation to any charges for new Network Access (an "Access Charge Change Notice") not less than 28 days before any such amendment comes into effect.

MA1.3 The Dominant Provider shall ensure that an Access Charge Change Notice includes:

- a. a description of, and the proposed new charge for the Network Access in question;
- b. where applicable, the current charge for the Network Access in question; and
- c. the date on which or the period for which any amendments to charges will take effect (the "effective date").

MA1.4 The Dominant Provider shall not apply any new charge identified in an Access Charge Change Notice before the effective date.

MA1.5 Except in so far as the Director may otherwise consent in writing, for each Quarterly Period, the Dominant Provider shall send to the Director, no later than three months after the end of the Quarterly Period in question, a written notice of the volumes of 2G Calls and the volumes of 3G Calls terminated during that Period.

---



**SCHEDULE 2**

The condition proposed to be imposed on Inquam under sections 45 and 87 of the Act as a result of the analysis of the market set out in paragraph 2(b) of this Notification in which Inquam has been found to have significant market power (“SMP condition”)

**Part 1: Application, definitions and Interpretation of these conditions**

1. The SMP condition in Part 2 of this Schedule shall, except insofar as it is otherwise stated therein, apply to the market set out in paragraph 2(b) of the Notification.

2. In this Schedule 2-

**"Access Charge Change Notice"** has the meaning given to it in Condition MB1.2;

**"Access Contract"** means a contract for the provision of Network Access;

**"Act"** means the Communications Act 2003;

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

**"Dominant Provider"** means Inquam Telecom (Holdings) Limited, whose registered company number is 4244115 and any Inquam Telecom (Holdings) Limited 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.

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 condition****Condition MB1 – Requirement to notify charges**

MB1.1 Except in so far as the Director may otherwise consent in writing, the Dominant Provider shall publish charges and act in the manner set out below.

MB1.2 The Dominant Provider shall send to the Director and to every person with which it has entered into an Access Contract a written notice of any amendment to the charges on which it provides Network Access or in relation to any charges for new Network Access (an "Access Charge Change Notice") not less than 28 days before any such amendment comes into effect.

MB1.3 The Dominant Provider shall ensure that an Access Charge Change Notice includes:

- a. a description of, and the proposed new charge for the Network Access in question;
- b. where applicable, the current charge for the Network Access in question; and
- c. the date on which or the period for which any amendments to charges will take effect (the "effective date").

MB1.4 The Dominant Provider shall not apply any new charge identified in an Access Charge Change Notice before the effective date.

---

---

## SCHEDULE 3

The conditions proposed to be imposed on O2 and Vodafone under sections 45, 87 and 88 of the Act as a result of the analysis of the market set out in paragraph 2(c) of this Notification, in which O2 has been found to have significant market power, and the market set out in paragraph 2(f) of this Notification, which Vodafone has been found to have significant market power (“SMP conditions”)

### Part 1: Application, definitions and Interpretation of these conditions

1. The SMP conditions in Part 2 of this Schedule shall, except insofar as it is otherwise stated therein, apply to the markets set out in paragraphs 2(c) and 2(f) of the Notification.

2. In this Schedule 3-

“**2G Public Electronic Communications Network**” means a mobile Public Electronic Communications Network which operates using spectrum within the bands 880 to 915 MHz, 925 to 960 MHz, 1710 to 1785 MHz, or 1805 to 1880 MHz;

“**Access Charge Change Notice**” has the meaning given to it in Condition MC6.2;

“**Access Contract**” means a contract for the provision of Network Access;

“**Act**” means the Communications Act 2003;

“**Base Year**” means, in relation to both Relevant Years, the period of 12 months ending on 31 March immediately preceding the Relevant Year in question;

“**Call**” means a circuit switched conveyance of a speech teleservice only (as defined in the relevant standards of the European Telecommunications Standards Institute) originating in a Public Electronic Communications Network (whether fixed or mobile) and which terminates on a GSM mobile handset using the GSM air

---

interface for the conveyance of that speech call, which is connected to the 2G Public Electronic Communications Network of the Dominant Provider.

For the purposes of this definition-

(a) “the relevant standards of the European Telecommunications Standards Institute” means the European Telecommunications Standard (ETS) of ETS 300 905 (GSM 02.03 version 5.3.2), Third Edition, January 1998, which has been produced by the Special Mobile Group of the European Telecommunications Standards Institute; and

(b) “GSM” means the Global System for Mobile communications, as defined in the relevant standards of the European Telecommunications Standards Institute;

**“Charging Period”** means any of the current charging periods published by the Dominant Provider;

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

**“Dominant Provider”** means:

(a) O2 Limited, whose registered company number is 2604354;

(b) Vodafone Limited, whose registered company number is 1471587;

and any subsidiary or holding company of the companies listed in (a) to (b) above, 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;

**“Donor Provider”** means a Communications Provider whose Subscriber Number has been passed to, or ported to the Dominant Provider;

---

---

**“Fixed-to-Mobile Call”** means a Call originating in a fixed Public Electronic Communications Network only excluding any Calls to Ported-In Numbers;

**“Fixed-to-Mobile Interconnection Charge”** means the published charge made by the Dominant Provider for the Interconnection of a Fixed-to-Mobile Call, excluding any discounts offered by the Dominant Provider, whether in respect of any particular Customer or any category of Customers or any category of Calls;

**“Functional Specification”** shall have the same meaning as in Condition 18 of the General Conditions of Entitlement;

**“General Conditions of Entitlement”** means those general conditions set by the Director by way of publication of a Notification under section 48(1) of the Act on 22 July 2003;

**“Mobile-to-Mobile Call”** means a Call originating in a mobile Public Electronic Communications Network of another Communications Provider excluding any Calls to Ported-In Numbers;

**“Mobile-to-Mobile Interconnection Charge”** means the published charge made by the Dominant Provider for the Interconnection of a Mobile-to-Mobile Call, excluding any discounts offered by the Dominant Provider, whether in respect of any particular Customer or any category of Customers or any category of Calls;

**“Network Access”** means the provision of Interconnection to the 2G Public Electronic Communications Network provided by the Dominant Provider, together with any services, facilities or arrangements which are necessary for the provision of Electronic Communications Services over that Interconnection;

**“Ported-In Number”** means a Subscriber Number which has been passed to or ported to the Dominant Provider;

**“Relevant Year”** means either of the following-

---

(i) the period of 12 months beginning on 1 April 2004 and ending on 31 March 2005 (the “First Relevant Year”); or

(ii) the period of 12 months beginning on 1 April 2005 and ending on 31 March 2006 (the “Second Relevant Year”);

“**Retail Prices Index**” means the index of retail prices compiled by an agency or a public body on behalf of Her Majesty’s Government or a governmental department from time to time in respect of all items (which is the Office for National Statistics at the time of publication of this Notification);

“**Subscriber Number**” shall have the same meaning as in the Functional Specification; and

“**Third Party**” means a person providing a Public Electronic Communications Network.

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 MC1 – Requirement to provide network access on reasonable request**

MC1.1 The Dominant Provider shall provide Network Access to every Third Party who reasonably requests in writing such Network Access and such Network Access as the Director may direct from time to time.

MC1.2 The provision of Network Access in accordance with paragraph MC1.1 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.

MC1.3 The Dominant Provider shall comply with any direction the Director may make from time to time under this Condition.

---



---

**Condition MC2 – Requirement not to unduly discriminate**

MC2.1 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.

MC 2.2 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 MC3 – Control of Fixed-to-Mobile Interconnection Charges**

MC3.1 Except in so far as the Director otherwise consents under paragraph MC3.9 below, the Dominant Provider shall take all reasonable steps to secure that, during any Relevant Year, the Average Interconnection Charge does not exceed the Target Average Charge for any such Year.

MC3.2 In this Condition, the Average Interconnection Charge means the average of the Fixed-to-Mobile Interconnection Charges during the Relevant Year in question, which shall be weighted according to:

- (a) the profile by Charging Period of the Dominant Provider's minutes of Fixed-to-Mobile Calls; and
- (b) the volumes by month or part-month of the Dominant Provider's minutes of Fixed-to-Mobile Calls (except in so far as the Director otherwise consents in writing that the weighting shall be derived from the sum of minutes of Fixed-to-Mobile Calls and Mobile-to-Mobile Calls),

in the Base Year.

MC3.3 For the purposes of calculating the Average Interconnection Charge where any Fixed-to-Mobile Interconnection Charges are in force during a part only of the Relevant Year (commencing or ending at a date in the course of the Relevant Year), the weighting shall be derived from:

- (a) the profile by Charging Period of the Dominant Provider's minutes of Fixed-to-Mobile Calls; and
  - (b) the volumes by month or part-month of the Dominant Provider's minutes of Fixed-to-Mobile Calls (except in so far as the Director otherwise consents in writing that the weighting shall be derived from the sum of minutes of Fixed-to-Mobile Calls and Mobile-to-Mobile Calls),
-

in the corresponding part of the Base Year.

MC3.4 For the purposes of this Condition, the Target Average Charge means:

- (a) for the purpose of the First Relevant Year, 5.65 pence per minute; and
- (b) for the purpose of the Second Relevant Year, the Adjusted Base Target Charge multiplied by the sum of 100% and the Controlling Percentage.

MC3.5 In paragraph MC3.4:

- (a) the Adjusted Base Target Charge means the Base Target Charge divided by the sum of 100% and the Adjustment Percentage; and
- (b) the Base Target Charge means the average of the Fixed-to-Mobile Interconnection Charges during the Base Year, weighted according to:
  - (i) the profile by Charging Period of the Dominant Provider's minutes of Fixed-to-Mobile Calls; and
  - (ii) the volumes by month or part-month of the Dominant Provider's minutes of Fixed-to-Mobile Calls (except in so far as the Director otherwise consents in writing that the weighting shall be derived from the sum of minutes of Fixed-to-Mobile Calls and Mobile-to-Mobile Calls),

in the Base Year.

MC3.6 For the purposes of calculating the Base Target Charge where any Fixed-to-Mobile Interconnection Charges are in force during a part only of the Base Year (commencing or ending at a date in the course of the Base Year), the weighting shall be derived from:

---

---

(a) the profile by Charging Period of the Dominant Provider's minutes of Fixed-to-Mobile Calls; and

(b) the volumes by month or part-month of the Dominant Provider's minutes of Fixed-to-Mobile Calls (except in so far as the Director otherwise consents in writing that the weighting shall be derived from the sum of minutes of Fixed-to-Mobile Calls and Mobile-to-Mobile Calls),

in that part of the Base Year.

MC3.7 The Dominant Provider shall not make any Fixed-to-Mobile Interconnection Charge for:

(a) a Fixed-to-Mobile Call which terminates on a recorded announcement provided by the Dominant Provider informing the caller of an inability to complete that call so as to establish a two-way path where the mobile handset used by the called party is switched off, or rings and remains unanswered, or where coverage is not available from the Dominant Provider's 2G Public Electronic Communications Network; and

(b) an unanswered Fixed-to-Mobile Call which is diverted in respect of the period before that call is answered.

MC3.8 Notwithstanding (and without prejudice to the generality of) the obligation imposed on the Dominant Provider by paragraph MC3.1 above:

(a) if the Dominant Provider has failed to secure that the Average Interconnection Charge has not exceeded the Target Average Charge for any Relevant Year, the Dominant Provider shall make such adjustments to its Fixed-to-Mobile Interconnection Charges and by such day in the following Relevant Year as the Director may direct for the purpose of remedying that failure. Such adjustments in the following Relevant Year shall not be relevant for the purpose of establishing compliance with paragraph MC3.1 above in that Relevant Year;

---

and

(b) if it appears to the Director that the Dominant Provider is likely to fail to secure that the Average Interconnection Charge for the last Relevant Year does not exceed the Target Average Charge for that Year, the Dominant Provider shall make such adjustments to its Fixed-to-Mobile Interconnection Charges and by such day in that Year as the Director may direct for the purpose of avoiding that failure.

MC3.9 Where the Average Interconnection Charge is less than the Target Average Charge for any Relevant Year, the Dominant Provider shall not make such adjustments to its Fixed-to-Mobile Interconnection Charges in the following Relevant Year to recover the difference between the Average Interconnection Charge and the Target Average Charge for the Relevant Year in question, unless the Director has given his prior written consent to such adjustments. Such adjustments in the following Relevant Year shall not be relevant for the purpose of establishing compliance with paragraph MC3.1 in that Relevant Year.

MC3.10 In this Condition:

**‘Adjusted Base Target Charge’** has the meaning given to it in paragraph MC3.5;

**‘Adjustment Percentage’** means, in relation to any Relevant Year, the percentage by which the Average Interconnection Charge in the Base Year was equal to, above or below (as the case may be) the Target Average Charge in the Base Year. For the avoidance of doubt, the Adjustment Percentage shall be:

- (a) negative, if the Average Interconnection Charge in the Base Year was below the Target Average Charge in the Base Year;
  - (b) zero, if the Average Interconnection Charge in the Base Year was equal to the Target Average Charge in the Base Year; or
-

---

(c) positive, if the Average Interconnection Charge in the Base Year was above the Target Average Charge in the Base Year;

**‘Average Interconnection Charge’** has the meaning given to it in paragraph MC3.2;

**‘Base Target Charge’** has the meaning given to it in paragraph MC3.5;

**‘Controlling Percentage’** means, in relation to any Relevant Year, the amount of change in the Retail Prices Index in the period of 12 months ending on 31 December immediately before the beginning of that Year, expressed as a percentage (rounded to two decimal places) of that Index as at the beginning of that period, reduced by 10.5%; and

**‘Target Average Charge’** shall have the meaning given to it in paragraph MC3.4.

---

**Condition MC4 - Control of Mobile to Mobile Interconnection Charges**

MC4.1 Except in so far as the Director otherwise consents under paragraph MC4.9 below, the Dominant Provider shall take all reasonable steps to secure that, during any Relevant Year, the Average Interconnection Charge does not exceed the Target Average Charge for any such Year.

MC4.2 In this Condition, the Average Interconnection Charge means the average of the Mobile-to-Mobile Interconnection Charges during the Relevant Year in question, which shall be weighted according to:

- (a) the profile by Charging Period of the Dominant Provider's minutes of Mobile-to-Mobile Calls; and
- (b) the volumes by month or part-month of the Dominant Provider's minutes of Mobile-to-Mobile Calls (except in so far as the Director otherwise consents in writing that the weighting shall be derived from the sum of minutes of Fixed-to-Mobile Calls and Mobile-to-Mobile Calls),

in the Base Year.

MC4.3 For the purposes of calculating the Average Interconnection Charge where any Mobile-to-Mobile Interconnection Charges are in force during a part only of the Relevant Year (commencing or ending at a date in the course of the Relevant Year), the weighting shall be derived from:

- (a) the profile by Charging Period of the Dominant Provider's minutes of Mobile-to-Mobile Calls; and
  - (b) the volumes by month or part-month of the Dominant Provider's minutes of Mobile-to-Mobile Calls (except in so far as the Director otherwise consents in writing that the weighting shall be derived from the sum of minutes of Fixed-to-Mobile Calls and Mobile-to-Mobile Calls),
-

---

in the corresponding part of the Base Year.

MC4.4 For the purposes of this Condition, the Target Average Charge means:

- (a) for the purpose of the First Relevant Year, 5.65 pence per minute; and
- (b) for the purpose of the Second Relevant Year, the Adjusted Base Target Charge multiplied by the sum of 100% and the Controlling Percentage.

MC4.5 In paragraph MC4.4:

- (a) the Adjusted Base Target Charge means the Base Target Charge divided by the sum of 100% and the Adjustment Percentage; and
- (b) the Base Target Charge means the average of the Mobile-to-Mobile Interconnection Charges during the Base Year, weighted according to:
  - (i) the profile by Charging Period of the Dominant Provider's minutes of Mobile-to-Mobile Calls; and
  - (ii) the volumes by month or part-month of the Dominant Provider's minutes of Mobile-to-Mobile Calls (except in so far as the Director otherwise consents in writing that the weighting shall be derived from the sum of minutes of Fixed-to-Mobile Calls and Mobile-to-Mobile Calls),

in the Base Year.

MC 4.6 For the purposes of calculating the Base Target Charge where any Mobile-to-Mobile Interconnection Charges are in force during a part only of the Base Year (commencing or ending at a date in the course of the Base Year), the weighting shall be derived from:

- (a) the profile by Charging Period of the Dominant Provider's minutes of
-



Mobile-to-Mobile Calls; and

(b) the volumes by month or part-month of the Dominant Provider's minutes of Mobile-to-Mobile Calls (except in so far as the Director otherwise consents in writing that the weighting shall be derived from the sum of minutes of Fixed-to-Mobile Calls and Mobile-to-Mobile Calls),

in that part of the Base Year.

MC4.7 The Dominant Provider shall not make any Mobile-to-Mobile Interconnection Charge for:

(a) a Mobile-to-Mobile Call which terminates on a recorded announcement provided by the Dominant Provider informing the caller of an inability to complete that call so as to establish a two-way path where the mobile handset used by the called party is switched off, or rings and remains unanswered, or where coverage is not available from the Dominant Provider's 2G Public Electronic Communications Network; and

(b) an unanswered Mobile-to-Mobile Call which is diverted in respect of the period before that call is answered.

MC4.8 Notwithstanding (and without prejudice to the generality of) the obligation imposed on the Dominant Provider by paragraph MC4.1 above:

(a) if the Dominant Provider has failed to secure that the Average Interconnection Charge has not exceeded the Target Average Charge for any Relevant Year, the Dominant Provider shall make such adjustments to its Mobile-to-Mobile Interconnection Charges and by such day in the following Relevant Year as the Director may direct for the purpose of remedying that failure. Such adjustments in the following Relevant Year shall not be relevant for the purpose of establishing compliance with paragraph MC4.1 above in that Relevant Year; and

---

---

(b) if it appears to the Director that the Dominant Provider is likely to fail to secure that the Average Interconnection Charge for the last Relevant Year does not exceed the Target Average Charge for that Year, the Dominant Provider shall make such adjustments to its Mobile-to-Mobile Interconnection Charges and by such day in that Year as the Director may direct for the purpose of avoiding that failure.

MC4.9 Where the Average Interconnection Charge is less than the Target Average Charge for any Relevant Year, the Dominant Provider shall not make such adjustments to its Mobile-to-Mobile Interconnection Charges in the following Relevant Year to recover the difference between the Average Interconnection Charge and the Target Average Charge for the Relevant Year in question, unless the Director has given his prior written consent to such adjustments. Such adjustments in the following Relevant Year shall not be relevant for the purpose of establishing compliance with paragraph MC4.1 in that Relevant Year.

MC4.10 In this Condition:

**‘Adjusted Base Target Charge’** has the meaning given to it in paragraph MC4.5;

**‘Adjustment Percentage’** means, in relation to any Relevant Year, the percentage by which the Average Interconnection Charge in the Base Year was equal to, above or below (as the case may be) the Target Average Charge in the Base Year. For the avoidance of doubt, the Adjustment Percentage shall be:

(a) negative, if the Average Interconnection Charge in the Base Year was below the Target Average Charge in the Base Year;

(b) zero, if the Average Interconnection Charge in the Base Year was equal to the Target Average Charge in the Base Year; or

(c) positive, if the Average Interconnection Charge in the Base Year was above the Target Average Charge in the Base Year;

---

---

**‘Average Interconnection Charge’** has the meaning given to it in paragraph MC4.2;

**‘Base Target Charge’** has the meaning given to it in paragraph MC4.5;

**‘Controlling Percentage’** means, in relation to any Relevant Year, the amount of change in the Retail Prices Index in the period of 12 months ending on 31 December immediately before the beginning of that Year, expressed as a percentage (rounded to two decimal places) of that Index as at the beginning of that period, reduced by 10.5%; and

**‘Target Average Charge’** shall have the meaning given to it in paragraph MC4.4.

---

---

**Condition MC5 – Requirement to publish Access Contracts**

MC5.1 Except in so far as the Director may otherwise consent in writing, the Dominant Provider shall publish its Access Contracts and act in the manner set out below.

MC5.2 The Dominant Provider shall, within one month of the date that this Condition comes into force, send to the Director its existing Access Contracts.

MC5.5 Without prejudice to Condition MC6, the Dominant Provider shall send to the Director any amendments to its existing Access Contracts and any new Access Contracts within one month of the date on which those amendments, or new Access Contracts, come into force.

---

**Condition MC6 – Requirement to notify charges**

MC6.1 Except in so far as the Director may otherwise consent in writing, the Dominant Provider shall publish charges and act in the manner set out below.

MC6.2 The Dominant Provider shall send to the Director and to every person with which it has entered into an Access Contract a written notice of any amendment to the charges on which it provides Network Access or in relation to any charges for new Network Access (an "Access Charge Change Notice") not less than 28 days before any such amendment comes into effect.

MC6.3 The Dominant Provider shall ensure that an Access Charge Change Notice includes:

- a. a description of, and the proposed new charge for the Network Access in question;
- b. where applicable, the current charge for the Network Access in question; and
- c. the date on which or the period for which any amendments to charges will take effect (the "effective date").

MC6.4 The Dominant Provider shall not apply any new charge identified in an Access Charge Change Notice before the effective date.

---

## SCHEDULE 4

The conditions proposed to be imposed on Orange and T-Mobile under sections 45, 87 and 88 of the Act as a result of the analysis of the market set out in paragraph 2(d) of this Notification, in which Orange has been found to have significant market power, and the market set out in paragraph 2(e) of this Notification, which T-Mobile has been found to have significant market power (“SMP conditions”)

### Part 1: Application, definitions and Interpretation of these conditions

1. The SMP conditions in Part 2 of this Schedule shall, except insofar as it is otherwise stated therein, apply to the markets set out in paragraphs 2(d) and 2(e) of the Notification.

2. In this Schedule 4:

**“2G Public Electronic Communications Network”** means a mobile Public Electronic Communications Network which operates using spectrum within the bands 880 to 915 MHz, 925 to 960 MHz, 1710 to 1785 MHz, or 1805 to 1880 MHz;

**"Access Charge Change Notice"** has the meaning given to it in Condition MD6.2;

**“Access Contract”** means a contract for the provision of Network Access;

**"Act"** means the Communications Act 2003;

**“Base Year”** means, in relation to both Relevant Years, the period of 12 months ending on 31 March immediately preceding the Relevant Year in question;

**“Call”** means a circuit switched conveyance of a speech teleservice only (as

---

defined in the relevant standards of the European Telecommunications Standards Institute) originating in a Public Electronic Communications Network (whether fixed or mobile) and which terminates on a GSM mobile handset using the GSM air interface for the conveyance of that speech call, which is connected to the 2G Public Electronic Communications Network of the Dominant Provider.

For the purposes of this definition:

(a) "the relevant standards of the European Telecommunications Standards Institute" means the European Telecommunications Standard (ETS) of ETS 300 905 (GSM 02.03 version 5.3.2), Third Edition, January 1998, which has been produced by the Special Mobile Group of the European Telecommunications Standards Institute.

(b) "GSM" means the Global System for Mobile communications, as defined in the relevant standards of the European Telecommunications Standards Institute.

**"Charging Period"** means any of the current charging periods published by the Dominant Provider;

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

**"Dominant Provider"** means:

(a) Orange plc, whose registered company number is 3110666;

(b) T-Mobile Limited, whose registered company number is 4347402;

and any subsidiary or holding company of the companies listed in (a) to (b) above, 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;

---

---

**“Donor Provider”** means a Communications Provider whose Subscriber Number has been passed to, or ported to the Dominant Provider;

**“Fixed-to-Mobile Call”** means a Call originating in a fixed Public Electronic Communications Network only excluding any Calls to Ported-In Numbers;

**“Fixed-to-Mobile Interconnection Charge”** means the published charge made by the Dominant Provider for the Interconnection of a Fixed-to-Mobile Call, excluding any discounts offered by the Dominant Provider, whether in respect of any particular Customer or any category of Customers or any category of Calls;

**“Functional Specification”** shall have the same meaning as Condition 18 of the General Conditions of Entitlement;

**“General Conditions of Entitlement”** means those general conditions set by the Director by way of publication of a Notification under section 48(1) of the Act on 22 July 2003;

**“Mobile-to-Mobile Call”** means a Call originating in a mobile Public Electronic Communications Network of another Communications Provider excluding any Calls to Ported-In Numbers;

**“Mobile-to-Mobile Interconnection Charge”** means the published charge made by the Dominant Provider for the Interconnection of a Mobile-to-Mobile Call, excluding any discounts offered by the Dominant Provider, whether in respect of any particular Customer or any category of Customers or any category of Calls;

**“Network Access”** means the provision of Interconnection to the 2G Public Electronic Communications Network provided by the Dominant Provider, together with any services, facilities or arrangements which are necessary for the provision of Electronic Communications Services over that Interconnection;

**“Ported-In Number”** means a Subscriber Number which has been passed to or ported to the Dominant Provider;

---



**“Relevant Year”** means either of the following:

- (i) the period of 12 months beginning on 1 April 2004 and ending on 31 March 2005 (the “First Relevant Year”); or
- (ii) the period of 12 months beginning on 1 April 2005 and ending on 31 March 2006 (the “Second Relevant Year”);

**“Retail Prices Index”** means the index of retail prices compiled by an agency or a public body on behalf of Her Majesty’s Government or a governmental department from time to time in respect of all items (which is the Office for National Statistics at the time of publication of this Notification);

**“Subscriber Number”** shall have the same meaning as in the Functional Specification; and

**“Third Party”** means a person providing a Public Electronic Communications Network.

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 MD1 – Requirement to provide network access on reasonable request**

MD1.1 The Dominant Provider shall provide Network Access to every Third Party who reasonably requests in writing such Network Access and such Network Access as the Director may direct from time to time.

MD1.2 The provision of Network Access in accordance with paragraph MD1.1 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.

MD1.3 The Dominant Provider shall comply with any direction the Director may make from time to time under this Condition.

---

---

**Condition MD2 – Requirement not to unduly discriminate**

MD2.1 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.

MD 2.2 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 MD3 – Control of Fixed-to-Mobile Interconnection Charges**

MD3.1 Except in so far as the Director otherwise consents under paragraph MD3.9 below, the Dominant Provider shall take all reasonable steps to secure that, during any Relevant Year, the Average Interconnection Charge does not exceed the Target Average Charge for any such Year.

MD3.2 In this Condition, the Average Interconnection Charge means the average of the Fixed-to-Mobile Interconnection Charges during the Relevant Year in question, which shall be weighted according to:

- (a) the profile by Charging Period of the Dominant Provider's minutes of Fixed-to-Mobile Calls; and
- (b) the volumes by month or part-month of the Dominant Provider's minutes of Fixed-to-Mobile Calls (except in so far as the Director otherwise consents in writing that the weighting shall be derived from the sum of minutes of Fixed-to-Mobile Calls and Mobile-to-Mobile Calls),

in the Base Year.

MD3.3 For the purposes of calculating the Average Interconnection Charge where any Fixed-to-Mobile Interconnection Charges are in force during a part only of the Relevant Year (commencing or ending at a date in the course of the Relevant Year), the weighting shall be derived from:

- (a) the profile by Charging Period of the Dominant Provider's minutes of Fixed-to-Mobile Calls; and
  - (b) the volumes by month or part-month of the Dominant Provider's minutes of Fixed-to-Mobile Calls (except in so far as the Director otherwise consents in writing that the weighting shall be derived from the sum of minutes of Fixed-to-Mobile Calls and Mobile-to-Mobile Calls),
-

in the corresponding part of the Base Year.

MD3.4 For the purposes of this Condition, the Target Average Charge means:

- (a) for the purpose of the First Relevant Year, 6.38 pence per minute; and
- (b) for the purpose of the Second Relevant Year, the Adjusted Base Target Charge multiplied by the sum of 100% and the Controlling Percentage.

MD3.5 In paragraph MD3.4:

- (a) the Adjusted Base Target Charge means the Base Target Charge divided by the sum of 100% and the Adjustment Percentage; and
- (b) the Base Target Charge means the average of the Fixed-to-Mobile Interconnection Charges during the Base Year, weighted according to:
  - (i) the profile by Charging Period of the Dominant Provider's minutes of Fixed-to-Mobile Calls; and
  - (ii) the volumes by month or part-month of the Dominant Provider's minutes of Fixed-to-Mobile Calls (except in so far as the Director otherwise consents in writing that the weighting shall be derived from the sum of minutes of Fixed-to-Mobile Calls and Mobile-to-Mobile Calls),

in the Base Year.

MD3.6 For the purposes of calculating the Base Target Charge where any Fixed-to-Mobile Interconnection Charges are in force during a part only of the Base Year (commencing or ending at a date in the course of the Base Year), the weighting shall be derived from:

---

---

(a) the profile by Charging Period of the Dominant Provider's minutes of Fixed-to-Mobile Calls; and

(b) the volumes by month or part-month of the Dominant Provider's minutes of Fixed-to-Mobile Calls (except in so far as the Director otherwise consents in writing that the weighting shall be derived from the sum of minutes of Fixed-to-Mobile Calls and Mobile-to-Mobile Calls),

in that part of the Base Year.

MD3.7 The Dominant Provider shall not make any Fixed-to-Mobile Interconnection Charge for:

(a) a Fixed-to-Mobile Call which terminates on a recorded announcement provided by the Dominant Provider informing the caller of an inability to complete that call so as to establish a two-way path where the mobile handset used by the called party is switched off, or rings and remains unanswered, or where coverage is not available from the Dominant Provider's 2G Public Electronic Communications Network; and

(b) an unanswered Fixed-to-Mobile Call which is diverted in respect of the period before that call is answered.

MD3.8 Notwithstanding (and without prejudice to the generality of) the obligation imposed on the Dominant Provider by paragraph MD3.1 above:

(a) if the Dominant Provider has failed to secure that the Average Interconnection Charge has not exceeded the Target Average Charge for any Relevant Year, the Dominant Provider shall make such adjustments to its Fixed-to-Mobile Interconnection Charges and by such day in the following Relevant Year as the Director may direct for the purpose of remedying that failure. Such adjustments in the following Relevant Year shall not be relevant for the purpose of establishing compliance with paragraph MD3.1 above in that Relevant Year; and

---

(b) if it appears to the Director that the Dominant Provider is likely to fail to secure that the Average Interconnection Charge for the last Relevant Year does not exceed the Target Average Charge for that Year, the Dominant Provider shall make such adjustments to its Fixed-to-Mobile Interconnection Charges and by such day in that Year as the Director may direct for the purpose of avoiding that failure.

MD3.9 Where the Average Interconnection Charge is less than the Target Average Charge for any Relevant Year, the Dominant Provider shall not make such adjustments to its Fixed-to-Mobile Interconnection Charges in the following Relevant Year to recover the difference between the Average Interconnection Charge and the Target Average Charge for the Relevant Year in question, unless the Director has given his prior written consent to such adjustments. Such adjustments in the following Relevant Year shall not be relevant for the purpose of establishing compliance with paragraph MD3.1 in that Relevant Year.

MD3.10 In this Condition:

**‘Adjusted Base Target Charge’** has the meaning given to it in paragraph MD3.5;

**‘Adjustment Percentage’** means, in relation to any Relevant Year, the percentage by which the Average Interconnection Charge in the Base Year was equal to, above or below (as the case may be) the Target Average Charge in the Base Year. For the avoidance of doubt, the Adjustment Percentage shall be:

(a) negative, if the Average Interconnection Charge in the Base Year was below the Target Average Charge in the Base Year;

(b) zero, if the Average Interconnection Charge in the Base Year was equal to the Target Average Charge in the Base Year; or

(c) positive, if the Average Interconnection Charge in the Base Year was above the Target Average Charge in the Base Year;

---

**‘Average Interconnection Charge’** has the meaning given to it in paragraph MD3.2;

**‘Base Target Charge’** has the meaning given to it in paragraph MD3.5;

**‘Controlling Percentage’** means, in relation to any Relevant Year, the amount of change in the Retail Prices Index in the period of 12 months ending on 31 December immediately before the beginning of that Year, expressed as a percentage (rounded to two decimal places) of that Index as at the beginning of that period, reduced by 11%; and

**‘Target Average Charge’** shall have the meaning given to it in paragraph MD3.4.

---



**Condition MD4 - Control of Mobile to Mobile Interconnection Charges**

MD4.1 Except in so far as the Director otherwise consents under paragraph MD4.8 below, the Dominant Provider shall take all reasonable steps to secure that, during any Relevant Year, the Average Interconnection Charge does not exceed the Target Average Charge for any such Year.

MD4.2 In this Condition, the Average Interconnection Charge means the average of the Mobile-to-Mobile Interconnection Charges during the Relevant Year in question, which shall be weighted according to:

- (a) the profile by Charging Period of the Dominant Provider's minutes of Mobile-to-Mobile Calls; and
- (b) the volumes by month or part-month of the Dominant Provider's minutes of Mobile-to-Mobile Calls (except in so far as the Director otherwise consents in writing that the weighting shall be derived from the sum of minutes of Fixed-to-Mobile Calls and Mobile-to-Mobile Calls),

in the Base Year.

MD4.3 For the purposes of calculating the Average Interconnection Charge where any Mobile-to-Mobile Interconnection Charges are in force during a part only of the Relevant Year (commencing or ending at a date in the course of the Relevant Year), the weighting shall be derived from:

- (a) the profile by Charging Period of the Dominant Provider's minutes of Mobile-to-Mobile Calls; and
  - (b) the volumes by month or part-month of the Dominant Provider's minutes of Mobile-to-Mobile Calls (except in so far as the Director otherwise consents in writing that the weighting shall be derived from the sum of minutes of Fixed-to-Mobile Calls and Mobile-to-Mobile Calls),
-

---

in the corresponding part of the Base Year.

MD4.4 For the purposes of this Condition, the Target Average Charge means:

- (a) for the purpose of the First Relevant Year, 6.38 pence per minute; and
- (b) for the purpose of the Second Relevant Year, the Adjusted Base Target Charge multiplied by the sum of 100% and the Controlling Percentage.

MD4.5 In paragraph MD4.4:

- (a) the Adjusted Base Target Charge means the Base Target Charge divided by the sum of 100% and the Adjustment Percentage; and
- (b) the Base Target Charge means the average of the Mobile-to-Mobile Interconnection Charges during the Base Year, weighted according to:
  - (i) the profile by Charging Period of the Dominant Provider's minutes of Mobile-to-Mobile Calls; and
  - (ii) the volumes by month or part-month of the Dominant Provider's minutes of Mobile-to-Mobile Calls (except in so far as the Director otherwise consents in writing that the weighting shall be derived from the sum of minutes of Fixed-to-Mobile Calls and Mobile-to-Mobile Calls),

in the Base Year.

MD 4.6 For the purposes of calculating the Base Target Charge where any Mobile-to-Mobile Interconnection Charges are in force during a part only of the Base Year (commencing or ending at a date in the course of the Base Year), the weighting shall be derived from:

- (a) the profile by Charging Period of the Dominant Provider's minutes of
-

Mobile-to-Mobile Calls; and

(b) the volumes by month or part-month of the Dominant Provider's minutes of Mobile-to-Mobile Calls (except in so far as the Director otherwise consents in writing that the weighting shall be derived from the sum of minutes of Fixed-to-Mobile Calls and Mobile-to-Mobile Calls),

in that part of the Base Year.

MD4.7 The Dominant Provider shall not make any Mobile-to-Mobile Interconnection Charge for:

(a) a Mobile-to-Mobile Call which terminates on a recorded announcement provided by the Dominant Provider informing the caller of an inability to complete that call so as to establish a two-way path where the mobile handset used by the called party is switched off, or rings and remains unanswered, or where coverage is not available from the Dominant Provider's 2G Public Electronic Communications Network; and

(b) an unanswered Mobile-to-Mobile Call which is diverted in respect of the period before that call is answered.

MD4.8 Notwithstanding (and without prejudice to the generality of) the obligation imposed on the Dominant Provider by paragraph MD4.1 above:

(a) if the Dominant Provider has failed to secure that the Average Interconnection Charge has not exceeded the Target Average Charge for any Relevant Year, the Dominant Provider shall make such adjustments to its Mobile-to-Mobile Interconnection Charges and by such day in the following Relevant Year as the Director may direct for the purpose of remedying that failure. Such adjustments in the following Relevant Year shall not be relevant for the purpose of establishing compliance with paragraph MD4.1 above in that Relevant Year; and

---

---

(b) if it appears to the Director that the Dominant Provider is likely to fail to secure that the Average Interconnection Charge for the last Relevant Year does not exceed the Target Average Charge for that Year, the Dominant Provider shall make such adjustments to its Mobile-to-Mobile Interconnection Charges and by such day in that Year as the Director may direct for the purpose of avoiding that failure.

MD4.9 Where the Average Interconnection Charge is less than the Target Average Charge for any Relevant Year, the Dominant Provider shall not make such adjustments to its Mobile-to-Mobile Interconnection Charges in the following Relevant Year to recover the difference between the Average Interconnection Charge and the Target Average Charge for the Relevant Year in question, unless the Director has given his prior written consent to such adjustments. Such adjustments in the following Relevant Year shall not be relevant for the purpose of establishing compliance with paragraph MD4.1 in that Relevant Year.

MD4.10 In this Condition:

**‘Adjusted Base Target Charge’** has the meaning given to it in paragraph MD4.5;

**‘Adjustment Percentage’** means, in relation to any Relevant Year, the percentage by which the Average Interconnection Charge in the Base Year was equal to, above or below (as the case may be) the Target Average Charge in the Base Year. For the avoidance of doubt, the Adjustment Percentage shall be:

(a) negative, if the Average Interconnection Charge in the Base Year was below the Target Average Charge in the Base Year;

(b) zero, if the Average Interconnection Charge in the Base Year was equal to the Target Average Charge in the Base Year; or

(c) positive, if the Average Interconnection Charge in the Base Year was above the Target Average Charge in the Base Year;

---

---

**‘Average Interconnection Charge’** has the meaning given to it in paragraph MD4.2;

**‘Base Target Charge’** has the meaning given to it in paragraph MD4.5;

**‘Controlling Percentage’** means, in relation to any Relevant Year, the amount of change in the Retail Prices Index in the period of 12 months ending on 31 December immediately before the beginning of that Year, expressed as a percentage (rounded to two decimal places) of that Index as at the beginning of that period, reduced by 11%; and

**‘Target Average Charge’** shall have the meaning given to it in paragraph MD4.4.

---

---

**Condition MD5 – Requirement to publish Access Contracts**

MD5.1 Except in so far as the Director may otherwise consent in writing, the Dominant Provider shall publish its Access Contracts and act in the manner set out below.

MD5.2 The Dominant Provider shall, within one month of the date that this Condition comes into force, send to the Director its existing Access Contracts.

MD5.3 Without prejudice to Condition MD6, the Dominant Provider shall send to the Director any amendments to its existing Access Contracts and any new Access Contracts within one month of the date on which those amendments, or new Access Contracts, come into force.

---

**Condition MD6 – Requirement to notify charges**

MD6.1 Except in so far as the Director may otherwise consent in writing, the Dominant Provider shall publish charges and act in the manner set out below.

MD6.2 The Dominant Provider shall send to the Director and to every person with which it has entered into an Access Contract a written notice of any amendment to the charges on which it provides Network Access or in relation to any charges for new Network Access (an "Access Charge Change Notice") not less than 28 days before any such amendment comes into effect.

MD6.3 The Dominant Provider shall ensure that an Access Charge Change Notice includes:

- a. a description of, and the proposed new charge for the Network Access in question;
- b. where applicable, the current charge for the Network Access in question; and
- c. the date on which or the period for which any amendments to charges will take effect (the "effective date").

MD6.4 The Dominant Provider shall not apply any new charge identified in an Access Charge Change Notice before the effective date.

---