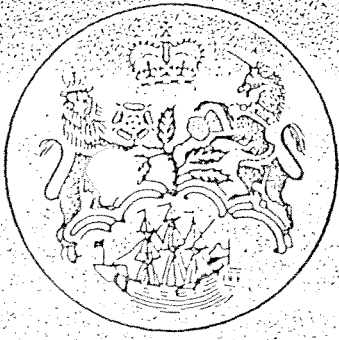




Department of Trade and Industry

Licence granted by
The Secretary of State for Trade and Industry
to Racal - Vodafone Limited
under Section 7 of the Telecommunications Act 1984

Received from DTI
5 July 1985

Ernie Midgale
5/7/85

London: 1985

Price £8.00

3/68/1/90

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Office of Telecommunications
Atlantic House
Holborn Viaduct
London EC1N 2HQ

All orders must be accompanied by payment.
Cheques should be made payable to the
Office of Telecommunications.

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LICENCE GRANTED UNDER SECTION 7 OF THE
TELECOMMUNICATIONS ACT 1984

LICENCE GRANTED TO RACAL VODAFONE LIMITED
TO RUN CELLULAR TELECOMMUNICATION SYSTEMS FOR THE PROVISION
OF MOBILE RADIO TELECOMMUNICATION SERVICES

THE LICENCE

1 The Secretary of State, in exercise of the powers conferred on him by section 7 of the Telecommunications Act 1984 (hereinafter referred to as "the Act") and after consulting the Director hereby grants to Racal Vodafone Limited (hereinafter referred to as "the Licensee") a licence, for the period specified in paragraph 3, subject to the Conditions set out in Schedule 1 and to revocation as provided for in paragraph 3 and in Schedule 2, to run the telecommunication systems specified in Annex A (each of which is hereinafter referred to as "the Applicable System") and authorises the Licensee to do all or any of the acts specified in Schedule 3.

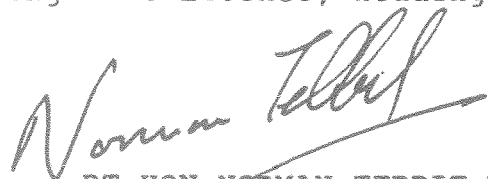
2 The Telecommunications Code, except paragraphs 9, 10 and 12, contained in Schedule 2 to the Act shall apply to the Licensee for all purposes except those not relating to the Applicable Systems and subject to the other exceptions and conditions set out in Schedule 4 for so long as this Licence is one to which section 8 of the Act applies.

3 This Licence shall enter into force on 28 June 1985 and shall be of 25 years' duration in the first instance but, without prejudice to Schedule 2 to this Licence, shall be subject to revocation thereafter on ten years' notice in writing of such revocation and such notice shall accordingly not be given before the end of the fifteenth year after the granting of this Licence.

4 The Interpretation Act 1978 shall apply for the purpose of interpreting this Licence as if it were an Act of Parliament.

5 Any word or expression used in this Licence shall except as hereinafter provided or unless the context otherwise requires have the same meaning as it has in the Act.

6 For the purposes of interpreting this Licence, headings and titles shall be disregarded.



RT HON NORMAN TEBBIT MP
SECRETARY OF STATE FOR TRADE AND INDUSTRY

28 June 1985

SCHEDULE 1: CONDITIONS INCLUDED UNDER SECTION 7 OF THE ACT

PART 1: DEFINITIONS, INTERPRETATIONS AND TRANSITIONAL
PROVISIONS RELATING TO THE CONDITIONS IN SCHEDULE 1

1 In these Conditions unless the context otherwise requires:

- (a) "Cellular Telecommunication System" means a telecommunication system in which:
 - (i) the area in which services are provided is divided into a number of Cells;
 - (ii) Stations for Wireless Telegraphy comprised in the system are automatically controlled by a central processor;
 - (iii) the radio frequencies used to connect the Stations for Wireless Telegraphy comprised in the system to telecommunication systems which are designed or adapted to be capable of being used while in motion are assigned automatically;
 - (iv) conveyance which is in progress as the telecommunication system designed or adapted to be capable of being used while in motion transmitting or receiving the Messages which are being conveyed moves from Cell to Cell is Handed-Off automatically; and
 - (v) the strength of the emissions of the Stations for Wireless Telegraphy is automatically controlled so as to secure as far as is technically possible that each Station for Wireless Telegraphy can effectively provide services only in the Cell in which it is located;
- (b) "Cell" means a geographical area served by a Station for Wireless Telegraphy which is dedicated to transmitting or receiving Messages which have been or are to be conveyed by telecommunication systems designed or adapted to be capable of being used while in motion situated for the time being in that area;

- (c) "Connectable System" means a telecommunication system which is authorised to be run under a Licence which authorises connection of that system to the Applicable Systems;
- (d) "Connection Service" means a telecommunication service consisting in the conveyance of any Message which has been, or is to be, conveyed by means of the Applicable Systems;
- (e) "cost" includes a reasonable profit;
- (f) "Emergency" means an emergency of any kind, including any circumstance whatever resulting from major accidents, natural disasters and incidents involving toxic or radio-active materials;
- (g) "Emergency Organisation" means in respect of any locality the relevant public, police, fire, ambulance and coastguard services for that locality;
- (h) "Fixed Wireless Telegraphy Station" means any Station for Wireless Telegraphy or Wireless Telegraphy Apparatus which is not used while in motion and which is not used to provide Mobile Radio Telecommunication Services;
- (i) "Hand-Off" means the control procedure which allows particular Messages to continue whilst the telecommunication system designed or adapted to be capable of being used while in motion which is also conveying those Messages moves from Cell to Cell;
- (j) "Industrial or Intellectual Property" includes, without prejudice to its generality, patents, designs, know how and copyright;
- (k) "Licence" means a licence granted or having effect as if granted under section 7 of the Act;
- (l) "Licensee's Group" means the company which holds (including, if applicable, through a nominee) more than half in nominal value of the equity share capital in the Licensee, and the Subsidiaries of that company, provided that if no company so holds more than half, it means the Licensee and its Subsidiaries; and for the purposes of this definition, "equity share capital" and "Subsidiary" shall be construed in accordance with section 154 of the Companies Act 1948;
- (m) "Long Line Public Telecommunications Operator" means a public telecommunications operator who is authorised by a Licence to provide telecommunication services consisting in the conveyance of Messages by

fixed links run by him over distances greater than 50 linear kilometres;

- (n) "Message" means anything falling within paragraphs (a) to (d) of section 4(1) of the Act;
- (o) "Mobile Radio Telecommunication Service" means any telecommunication service provided by means of a telecommunication system for the conveyance of Messages through the agency of wireless telegraphy where every Message that is conveyed thereby has been, or is to be, conveyed by means of a telecommunication system which is designed or adapted to be capable of being used while in motion;
- (p) "Operator" means any person who is authorised by a Licence to run a Relevant Connectable System;
- (q) "Public Switched Network" means a Switched Fixed Specified Public Telecommunication System providing a two-way switched telecommunication service;
- (r) "Relevant Connectable System" means a Connectable System which is authorised to be run under a Licence which authorises the provision by means of that System of Connection Services for reward to the public, or any class of the public, not being a system:
 - (i) authorised to be run under a Licence granted to all persons or persons of any class; and
 - (ii) for the connection of which, and for the provision of matters necessary for such connection, the Licensee offers standard terms and conditions which satisfy the requirements of Condition 9;
- (s) "Service Provider" means any person who is in the business of providing Mobile Radio Telecommunication Services to another by means of a telecommunication system lawfully connected to any of the Applicable Systems or who is in the business of securing the provision of such services by such means;
- (t) "Specified Public Telecommunication System" means the public telecommunication systems run by British Telecommunications plc or Mercury communications Limited or any other public telecommunication system which is specified by the

Secretary of State for the purpose of this Licence and described in a list kept for that purpose by the Director and made available by him for inspection by the general public.

- (u) "Station for Wireless Telegraphy" and "Wireless Telegraphy Apparatus" have the same meaning as in the Wireless Telegraphy Act 1949 to 1967;
- (v) "Switched Fixed Telecommunication System" is a telecommunication system by means of which Messages are switched incidentally to their conveyance by means of that system and where, if any such conveyance is by means of wireless telegraphy, such conveyance is by means of Fixed Wireless Telegraphy Stations;
- (w) "Telephone" means an item of telecommunication apparatus capable when connected to the Applicable System, of transmitting and receiving uninterrupted simultaneous two way speech conveyed, or as the case may be to be conveyed, by means of that System;
- (x) "United Kingdom" includes any area to which the provisions of the Act apply by virtue of section 107; and
- (y) "Value Added Service" means any service the provision of which necessarily involves both the running of a telecommunication system and the provision by means of that system of a service (other than a directory information service), which is additional to the conveyance (not including switching) of Messages by means of that system and switching incidental to such conveyance.

2 For the avoidance of doubt it is hereby declared that for the purposes of these Conditions references to the supply of telecommunication apparatus do not include the making available of apparatus comprised or to be comprised in any of the Applicable Systems.

3 Nothing which the Licensee may do, or omit to do, after the date on which any provision of these Conditions enters into force shall be held to constitute a failure to comply with an obligation imposed on the Licensee by or under these Conditions to the extent that the Licensee is obliged to do or to omit to do (as the case may be) that thing by the terms of any contract subsisting immediately before that date.

PART 2: SPECIAL CONDITIONS REFERRED TO IN SECTION 8
OF THE ACT

Condition 1

REQUIREMENT TO PROVIDE NATIONAL SERVICE

1.1 The Licensee shall install and run Applicable Systems in such a way as:

- (a) to provide or offer to provide on and following the date this Licence comes into force such telecommunication services as are authorised to be provided by Schedule 3 that consist in the conveyance of Messages by means of the Applicable Systems; and
- (b) on and following 31 December 1989:
 - (i) to provide or offer to provide to Service Providers or the persons mentioned in Condition 12.3 such telecommunication services by means of the Applicable Systems in an area where 90% of the United Kingdom population live; and
 - (ii) to ensure that the reasonable demands for the provision of such telecommunication services by means of the Applicable Systems in that area are capable of being satisfied.

DIRECTORY INFORMATION

2.1 The Licensee shall:

- (a) on request by any person in the United Kingdom (other than a public telecommunications operator) to whom there are provided voice telephony services by means of any of the Applicable Systems, provide to that person a directory information service relating to the voice telephony services provided to any other person by means of either the same Applicable System or any other Applicable System to which it is connected;
- (b) on the written request of any person in the United Kingdom supply to that person such directories as the Licensee, for the purpose of facilitating the use by others of the telecommunication services it provides by means of any of the Applicable Systems, publishes and makes available generally to persons to whom there are provided those services.

2.2 Where the Licensee provides voice telephony services by means of any of the Applicable Systems which is connected to another public telecommunication system in the United Kingdom (the "Other System") by means of which switched voice telephony services are provided it shall:

- (a) to the extent that the operator of the Other System makes available directory information to the Licensee and to those to whom that other operator provides voice telephony services, ensure that those to whom voice telephony services are provided by means of the Applicable System can obtain by using the Applicable System by means of which those services are provided (whether together with some other system or not) such directory information as is so available about persons to whom such services are provided by means of that Other System; and
- (b) provide, whether by means of the Applicable System or otherwise, the operator of that Other System with directory information about persons to whom there are provided by means of the Applicable Systems voice telephony services in a form which is sufficient to meet any reasonable request of that operator (having regard in particular to what it is reasonably convenient for the Licensee to provide and to what is not to the commercial disadvantage of the Licensee)

for the purpose of enabling that operator to provide directory information about such services provided by means of the Applicable System and that Other System when connected together; but the Licensee shall not be obliged to comply with a request made by an operator under this sub-paragraph unless the operator undertakes to use the directory information only for the purpose of providing directory information services to persons to whom he provides switched voice telephony services.

2.3 Where the Licensee provides voice telephony services by means of any of the Applicable Systems which is connected to another public telecommunication system which is connected to a telecommunication system outside the United Kingdom by means of which such services are provided, then, if a directory information service is provided by means of that telecommunication system outside the United Kingdom in respect of that system, the Licensee shall provide to any person to whom there are provided voice telephony services by means of that Applicable System information as to how that person may avail himself by means of that Applicable System, that public telecommunication system and that telecommunication system outside the United Kingdom when connected together of the directory information service provided in respect of that telecommunication system outside the United Kingdom and shall take all reasonable steps to secure that that can be done.

2.4 The directory information service provided by the Licensee under Condition 2.1(a) and 2.3 and the information made available under Condition 2.2(a) shall include a service or information as the case may be satisfactory to the Director whereby directory information is made available in a form which is appropriate to meet the needs of persons in the United Kingdom who are so blind or otherwise disabled as to be unable to use a telephone directory in a form in which it is generally available to persons to whom the Licensee provides services; and the service so provided to such blind or otherwise disabled persons shall from the date on which this Licence enters into force be provided free of charge or, if the Director is satisfied that that is not practicable, the Licensee shall provide, in accordance with arrangements agreed with the Director, appropriate reasonable compensation in respect of charges that are paid.

2.5 The obligations in Conditions 2.1, 2.2 and 2.3 shall not apply when the directory information requested relates to a customer of a person described in Condition 12.1 who has requested that person or the operator of the connected telecommunication system not to provide such information in relation to him.

2.6 This Condition operates without prejudice to Condition 6.

INTERNATIONAL SERVICES

3.1 The Licensee shall take all reasonable steps to provide by means of any of the Applicable Systems to any person to whom it provides telecommunication services by means of those Systems and who so requests a service consisting in the conveyance of Messages which are to be or have been conveyed by means of any public telecommunication system to which the System is connected and any system outside the United Kingdom to which that public telecommunication system is connected to the extent necessary to satisfy all reasonable demands for such a service.

PUBLIC EMERGENCY CALL SERVICES

4.1 The Licensee shall ensure, except to the extent that the Director determines is not reasonably practicable, that any member of the public using telecommunication apparatus which is lawfully connected to any of the Applicable Systems at any place in the United Kingdom and which is capable of transmitting and receiving unrestricted two way voice telephony services is provided with a Public Emergency Call Service, that is to say a telecommunication service by means of which any such member of the public may at any time and without incurring any charge, communicate by means of any such apparatus, as swiftly as practicable with an appropriate Emergency Organisation control centre for the purpose of notifying them of the nature and location of an emergency.

4.2 Where the Director has made a determination in accordance with paragraph 4.1 above the Licensee shall take all reasonable steps to ensure that persons to whom are provided by means of the Applicable Systems services which do not include a Public Emergency Call Service are notified in writing that the services provided by the Licensee will not include a Public Emergency Call Service.

4.3 For the purposes of this Condition telecommunication apparatus shall only be regarded as capable of transmitting and receiving unrestricted two way voice telephony services if it is capable of both:

- (i) transmitting for conveyance by means of an Applicable System specific signals designated by the Licensee for the purpose of establishing communication with voice telephony apparatus controlled by the Emergency Organisations; and
- (ii) transmitting and receiving uninterrupted simultaneous two way speech conveyed, or as the case may be to be conveyed, by means of that Applicable System.

4.4 In this Condition, the United Kingdom does not include any area to which the Act is extended under section 107.

PLANNING AND IMPLEMENTATION OF SPECIAL ARRANGEMENTS FOR
EMERGENCIES

5.1 The Licensee shall, after consultation with the authorities responsible for Emergency Organisations and such departments of central and local government as the Director may from time to time determine, make plans or other arrangements for the provision or, as the case may be, the rapid restoration of such telecommunication services as are practicable and may reasonably be required in Emergencies.

5.2 The Licensee shall, on request by any such person as is designated for the purpose in the relevant plans or arrangements, implement those plans or arrangements insofar as it is reasonable and practicable to do so.

5.3 Nothing in this Condition precludes the Licensee from:

- (a) recovering the costs which it incurs in making or implementing any such plans or arrangements from those on behalf of or in consultation with whom the plans or arrangements are made; or
- (b) making implementation of any plan or arrangement conditional upon the person or persons for whom or on whose behalf that plan or arrangement is to be implemented indemnifying the Licensee for all costs incurred as a consequence of the implementation.

REQUIREMENT TO PROVIDE CONNECTION SERVICES

6.1 Subject to Condition 6.2 below the Licensee shall at all times after the date this licence comes into force secure that each of the Applicable Systems that has been installed is kept installed and run so that Messages conveyed by means of that System may also be conveyed by means of one or more of the Public Switched Networks and that Messages conveyed by means of such Networks may be conveyed by means of the Applicable Systems.

6.2 Without prejudice to Condition 2 and subject to the provisions of this Condition the Licensee shall, unless it is impracticable to do so, enter into an agreement with the Operator, if the Operator requires it to do so:

- (a) to connect, and keep connected, to the Applicable Systems, or to permit to be so connected and kept connected, that Relevant Connectable System and accordingly to establish and maintain such one or more points of connection as are reasonably required and are of sufficient capacity and in sufficient number to enable Messages conveyed or to be conveyed by means of the Operator's system to be conveyed by means of the Applicable Systems in such a way as conveniently to meet all reasonable demands for the conveyance of Messages between the Relevant Connectable System and the Applicable Systems;
- (b) without prejudice to paragraph 6.2(a), where the Operator is a Long Line Public Telecommunications Operator to establish and maintain such Points of Connection as will enable persons running telecommunications systems connected to any of the Applicable Systems to exercise freedom of choice as to the extent to which Messages are conveyed by means of the Applicable Systems and in routing Messages so conveyed; and
- (c) to provide such other telecommunication services (including the conveyance of Messages which have been, or are to be, transmitted or received at such points of connection), information and other services as the Director determines are reasonably required (but no more than reasonably required) to secure that points of connection are established and maintained and to enable the Operator effectively to provide the Connection Services which he provides or proposes to provide.

6.3 The Licensee shall not be obliged under paragraph 6.2 to enter into an agreement to do anything if:

- (a) in the opinion of the Licensee it would be liable to cause the death of or personal injury to, or damage to the property of, the Licensee or any person engaged in the Licensee's business, or materially to impair the quality of any telecommunication service provided by means of the Applicable Systems or any telecommunication system (other than the Operator's system) connected thereto and the Director has not expressed a contrary opinion; or
- (b) in the opinion of the Licensee:
 - (i) it would require an adjustment to, or modification of, the Applicable Systems whether by incorporation of apparatus or otherwise or the provision by the Licensee of services or information which in any particular case would not be reasonably required; or
 - (ii) it would not be reasonably practicable to require the Licensee to do that thing, or permit it to be done, at the time or in the manner required by the Operator, having regard to the state of technical development of the Applicable Systems or any other matter which appears to the Director to be relevant

and the Director has not expressed a contrary opinion.

6.4 The Licensee may require that an agreement to be entered into under paragraph 6.2 should be subject to terms and conditions, but only such terms and conditions as are permitted in relation to that agreement in accordance with paragraphs 6.5 and 6.6.

6.5 Subject to paragraph 6.6, terms and conditions are permitted if they are agreed between the Operator and the Licensee and relate to all or any of the following matters:

- (a) the charges to be paid by the Operator for anything done under an agreement of the kind described in paragraph 6.2 or as a result of such agreement;
- (b) the method adopted or to be adopted to make or maintain the connection;

- (c) the points of connection in the Applicable Systems at which the connection is or is to be made (including arrangements for determining the point at which Messages will be transferred from one system to another and arrangements for conveying and rerouting Messages in cases of Emergency or difficulty);
- (d) any restrictions on the telecommunication services to be provided by the Licensee or the Operator being restrictions needed to satisfy international obligations or recommendations applying to and accepted by Her Majesty's Government or to which the Director consents from time to time;
- (e) the time when and period for which the Licensee or the Operator is to be obliged to do anything or to permit anything to be done and any arrangements for reviewing the terms and conditions of the agreement;
- (f) the form and manner in which Messages are to be transmitted or received at the points of connection including arrangements for numbering and the use of appropriate call progress tones and announcements;
- (g) the means of securing that any Message will be received by means of the connection with a signal quality which is in accordance with any obligations and recommendations of the International Telecommunication Union which apply to Her Majesty's Government and are accepted by them or with any other standard to which the Director consents for the purpose from time to time;
- (h) arrangements for charging customers and others in respect of Messages conveyed by virtue of the agreement;
- (i) arrangements for Messages conveyed or to be conveyed outside the United Kingdom;
- (j) provision by the Operator of a reasonable indemnity against any loss or damage sustained by the Licensee in consequence of the agreement in circumstances where the Licensee provides to the Operator an equivalent indemnity; and
- (k) any other matter of which the Director is satisfied that account should be taken in the special circumstances of any particular case or which is agreed between the Licensee and the Operator.

6.6 If after a period which appears to the Director to be reasonable for the purpose the Licensee has failed to enter into an agreement as required by the Operator under paragraph 6.2 then the Director shall, on the application of the Operator or the Licensee, determine the permitted terms and conditions for the purpose of that agreement which have not been agreed between the Licensee and the Operator being terms and conditions relating to the matters mentioned in paragraph 6.5 which appear to the Director reasonably necessary (but no more than reasonably necessary) to secure:

- (a) that the Operator pays to the Licensee the cost of anything done pursuant to or in connection with the agreement including fully allocated costs attributable to the services to be provided and taking into account relevant overheads and a reasonable rate of return on attributable assets;
- (b) that the Licensee is properly indemnified against any liabilities to third parties or damage to the Applicable Systems or loss arising from such damage which may result from the performance of the agreement;
- (c) that the Licensee is reasonably able in all the circumstances (including its obligations and reasonably foreseeable obligations to permit other Operators to provide services by means of points of connection under this Condition) to finance the other services which it is required by this Licence to provide and to recover costs which are incurred for the provision of those other services or are necessarily incidental thereto;
- (d) that the quality of any telecommunication services provided by means of the Applicable Systems and any systems (other than the Operator's system) connected thereto is maintained;
- (e) that the requirements of fair competition are satisfied;
- (f) that proper account is taken of any other matter reasonably required for the protection of the interests of the Licensee to the extent that no interest of the Operator is unduly prejudiced, including the need to ensure:
 - (i) that arrangements for connection accord with good engineering principles and practice;
 - (ii) that the commercial development of the Applicable Systems is not unduly impeded;

- (iii) that charging arrangements take account of the overall pattern of the Licensee's costs;
- (iv) that Messages which originate on one system and are conveyed by another should pass through a point of connection as near as reasonably practicable to the place from which they are initially sent or at which they are ultimately received;
- (v) that the Operator does not rely unduly upon services provided by the Licensee as a means of satisfying his own obligations under his licence;
- (vi) that the Licensee's obligations to the Operator are determined having due regard to its obligations and reasonably foreseeable obligations to establish points of connection for others;
- (vii) that arrangements made under this Condition are so far as circumstances allow in as similar a form as practicable notwithstanding the variety of Operators entitled to such arrangements under this Condition;
- (viii) that commercial and confidential information of the Licensee is properly protected; and
- (ix) that the technical evolution and numbering arrangements of the System are not unreasonably constrained.

6.7 The Licensee shall not be obliged to enter into any agreement under paragraph 6.2 if he refuses to do so, giving his reasons in writing to the Operator and to the Director, and the Director determines that those reasons are proper ones having regard to the matters mentioned in paragraph 6.6.

6.8 Where the Licensee is required to enter into an agreement to do anything under paragraph 6.2(b) the permitted terms and conditions may relate to all or any of the matters mentioned in paragraph 6.5 but in determining the terms and conditions in the event of failure to agree, under paragraph 6.6 the Director shall have regard to (in addition to the matters specified in paragraph 6.6 the need to ensure:

- (a) that, insofar as any freedom of choice is conferred upon persons running telecommunication systems connected to the Operator's system as to the extent to which Messages are conveyed by means of the Applicable systems and in routing messages so conveyed, a corresponding freedom of choice is conferred so far as reasonably practicable on persons running telecommunication systems

connected to the Licensee's system;

- (b) that the requirements of fair competition, including the need for those to whom telecommunication services are provided to have a reasonable means of learning by whom the Messages sent by them are conveyed, are satisfied

but paragraph 6.6 shall have effect for this purpose with the omission of sub-paragraph (f)(iv).

6.9 Where

- (a) an agreement has been entered into under paragraph 6.2 but for any reason (whether breach of that agreement or otherwise) anything which the Licensee is required to do under the agreement is not being done; and
- (b) the Director considers that the thing ought to be done in order to ensure that a connection made pursuant to that agreement is maintained or that a connection is established pursuant to that agreement and that Messages are conveyed by means of the connection in accordance with the agreement; and
- (c) the Director is satisfied that the Operator is not able satisfactorily to enforce the agreement so that that thing is done within such time as the Director considers necessary then, if the Director so directs, the Licensee shall do that thing subject to such conditions as the Director determines to be reasonable in the circumstances, having regard, in particular, to the permitted terms and conditions which apply and to any thing which he may reasonably require the Operator to do in order to mitigate the effects of the Licensee's failure to do the thing which he is required to do.

6.10 An agreement made pursuant to this Condition shall not contain any restrictive provision unless, before the agreement is made, the Director has expressly consented to the inclusion of such a provision or has determined that that provision should be included under paragraph 6.6 and, for the purposes of this paragraph, a provision in an agreement is a restrictive provision if by virtue of the existence of such a provision (taken alone or with other provisions) the agreement is one to which the Restrictive Trade Practices Act 1976 would apply but for paragraph 1(1) of Schedule 3 to that Act.

6.11 Where the Director so directs the Crown shall be treated for the purposes of this Condition as a person authorised to run a Relevant Connectable System.

CONNECTION OF OTHER SYSTEMS AND APPARATUS

7.1 Subject to Condition 12 and 13 and to the provisions of this Condition, the Licensee:

- (a) shall at the written request of a Service Provider, connect or permit the connection of any of the Applicable Systems to any telecommunication system to which this Condition applies or which is composed of apparatus which is approved under section 22 of the Act for connection to that system; and
- (b) shall not discontinue such connection of any such system lawfully made.

7.2 No system is required under paragraph 7.1 to be, or to be permitted to be, kept connected to the Applicable System if that system or any apparatus comprised in that system:

- (a) conformed to the relevant standard or standards for the time being designated under section 22(6) of the Act at the time when the connection to the Applicable System was made but has, since that time, ceased to do so yet does not conform to the current relevant standard or standards (if any) so designated; or
- (b) while continuing to conform to any relevant standard, is in the opinion of the Licensee liable to cause the death of, or personal injury to, or damage to the property of, the Licensee, or any person engaged in the running of any of the Applicable Systems or materially to impair the quality of any telecommunication service provided by means of any Applicable System unless the Director otherwise directs.

7.3 This Condition applies to any telecommunication system which is not a Relevant Connectable System and which is authorised by a Licence to be connected to the Applicable Systems and any telecommunication system which is run by the Crown.

PROVISION BY OTHERS OF SERVICES BY MEANS OF THE APPLICABLE
SYSTEMS

8.1 Without prejudice to the provisions of Condition 6.2, the Licensee shall permit any person, who is licensed to run a Connectable System under a Licence which authorises him to provide telecommunication services to others, including Connection Services, to provide such services whilst that Connectable System is connected to the Applicable System.

8.2 The Licensee shall permit any person:

- (a) using telecommunication apparatus which is lawfully connected to the Applicable Systems or which is connected to another telecommunication system which itself is lawfully connected to any of the Applicable Systems; or
- (b) running a telecommunication system which is so connected

to provide by means of the Applicable Systems any service other than:

- (i) Connection Services; or
- (ii) the installation, maintenance, adjustment, repair, alteration, moving, removal or replacement of telecommunication apparatus comprised in the Applicable Systems.

PUBLICATION OF CHARGES, TERMS AND CONDITIONS TO BE APPLIED

9.1 The Licensee shall, except in so far as the Director may otherwise consent in writing and except in respect of charges, terms and conditions which have been or could be determined under Condition 6:

- (a) publish in the manner and at the times specified in paragraph 9.3 a notice specifying, or specifying the method that is to be adopted for determining, the charges and other terms and conditions on which it offers:
 - (i) to provide each description of telecommunication service by means of the Applicable Systems in accordance with an obligation imposed by or under this Licence;
 - (ii) to maintain, adjust, repair or replace any apparatus comprised in the Applicable Systems in accordance with an obligation imposed by or under this Licence;
 - (iii) to connect to the Applicable Systems any other system which is not and is not to be comprised in the Applicable Systems in accordance with an obligation imposed by or under this Licence; or
 - (iv) to grant permission to connect such systems to, or to provide services by means of, the Applicable Systems in accordance with an obligation imposed by or under this Licence;
- and
- (b) where it does any of the things mentioned in paragraph 9.1(a)(i) to (iv), do those things at the charges and on the other terms and conditions so published and not depart therefrom.

9.2 The requirement to publish under paragraph 9.1 shall not apply in respect of any service which is materially different from any service already provided by the Licensee by means of the Applicable System until such time as it is provided.

9.3 Publication of the notice shall be effected by:

- (a) sending a copy thereof to the Director to arrive not more than 28 days after the date on which the Licensee first provides services under the Licence and thereafter not later than the last working day of the Director before the date on which any amendment to any charge, term or condition or the method of determining the same is to become effective;
- (b) placing as soon as practicable thereafter a copy thereof in a publicly accessible part of every Major Office of the Licensee in such manner and in such place that it is readily available for inspection free of charge by members of the general public during such hours as the Secretary of State may prescribe under section 19(4) of the Act that the register of Licences and orders is to be open to public inspection; and
- (c) sending a copy thereof or such part or parts thereof as are appropriate to any person who may request such a copy.

9.4 In this Condition "Major Office" means the Licensee's registered office and such other offices as the Director, having consulted the Licensee, may direct.

PROHIBITION ON UNDUE PREFERENCE AND UNDUE DISCRIMINATION

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

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

10.2 Any question relating to whether any act done or course of conduct pursued by the Licensee amounts to such undue preference or such undue discrimination shall be determined by the Director, but nothing done in any manner by the Licensee shall be regarded as undue preference or undue discrimination if and to the extent that the Licensee is required or permitted to do the thing in that manner by or under any provision of this Licence.

SCHEDULE 1

PART 3: OTHER CONDITIONS INCLUDED UNDER SECTION 7 OF THE ACT

Condition 11

WIRELESS TELEGRAPHY ACT LICENCE

11.1 There shall be in force in respect of each Station for Wireless Telegraphy and each item of Wireless Telegraphy Apparatus comprised in the Applicable Systems a licence granted to the Licensee under section 1 of the Wireless Telegraphy Act 1949.

PROVISION OF TELECOMMUNICATION SERVICES TO SERVICE PROVIDERS

12.1 Subject to the following provisions of this Condition and Condition 13, the Licensee shall:

- (a) not provide any telecommunication services by means of the Applicable Systems to any person other than a Service Provider; and
- (b) provide such services solely for the purposes of resale by the Service Provider.

12.2 The Licensee shall not provide services to any Service Provider who the Director determines is not willing to provide services to persons other than members of the Service Provider's Group either at all or at the same charges, terms and conditions as it is willing to provide or offer to provide to members of the Service Provider's Group.

12.3 The Licensee shall not be under any obligation to provide services to any Service Provider unless reasonably satisfied as to the ability of that Service Provider to provide services in a proper and efficient manner.

12.4 Nothing in this Condition shall prevent the Licensee from providing services to any of the following notwithstanding that such persons do not intend to resell such services:

- (a) the Crown;
- (b) Emergency Organisations; and
- (c) any person specified for the purpose of this Condition by the Director who is engaged in the provision of Public Utility Services or in public administration.

12.5 In this Condition:

"Public Utility Services" means a service consisting in the provision of gas, water or electricity; and

"Service Provider's Group" means the Service Provider, its holding company and all its holding company's subsidiaries taken together the latter two expressions having the same meaning as in section 154 of the Companies Act 1948.

FAILURE OF SERVICE PROVIDER TO PROVIDE SERVICES

13.1 If a Service Provider ("the First Service Provider") fails (whether due to insolvency or otherwise and whether or not in breach of contract) to provide the telecommunication services mentioned in paragraph 1(b) of Schedule 3 to any person running a telecommunication system lawfully connected to an Applicable System to whom the First Service Provider has agreed to provide such services, and the Director determines that it is unlikely that the First Service Provider will resume providing such services within a reasonable time and that the Licensee may provide such services, then subject to Condition 13.2, the Licensee may agree to provide such services to such person until the First Service Provider resumes the provision of such services to such person, or until three months beginning on the date the Licensee began to provide such services to that person, whichever period is the shorter.

13.2 The Licensee may only provide such services if before beginning to do so, he notifies that person in writing:

- (a) that such services may only be provided to him by the Licensee for a maximum continuous period of three months;
- (b) of the names and addresses of all other Service Providers; and
- (c) that if the First Service Provider has not resumed the provision of such services upon the expiry of three months beginning on the date on which the Licensee begins to provide such services to that person then unless that person has entered into an agreement for the provision of those services with one of those other Service Providers on or before such expiry, the Licensee will secure that the Applicable System is disconnected from that system run by that person.

PROHIBITION ON CERTAIN ACTIVITIES BY THE LICENSEE

14.1 The Licensee shall not engage in the business of:

- (a) the production of, or supply or offer for supply of telecommunication apparatus; or
- (b) the provision of Value Added Services.

14.2 For the avoidance of doubt, it is hereby declared that nothing in Condition 14.1 above shall preclude the Licensee from engaging in advertising and promotional activities relating to any of the Applicable Systems or from assembling any telecommunication apparatus comprised or to be comprised in any of the Applicable Systems.

PROHIBITION ON CROSS-SUBSIDIES

15.1 Where it appears to the Director that the Licensee is unfairly cross-subsidising any of the following activities carried out by another member of the Licensee's Group within the United Kingdom, that is to say:

- (a) the supply of telecommunication apparatus for connection to the Applicable System;
- (b) the production of telecommunication apparatus for connection to the Applicable System;
- (c) the provision of telecommunication services consisting in the installation, maintenance, adjustment, repair, alteration, moving, removal or replacement of telecommunication apparatus which is comprised in or to be comprised in any telecommunication system which is or is to be connected to but not comprised in any of the Applicable Systems;
- (d) the provision of Value Added Services by means of the Applicable System;
- (e) the provision of telecommunication services consisting in the conveyance of Messages by means of the Applicable System

it shall take such steps as the Director may direct for the purpose of remedying the situation.

15.2 The Licensee shall secure that any Subsidiary of the Licensee engaged in any of the activities specified in sub-paragraphs 15.1(a) (b) and (c) does not engage in the business of running a telecommunication system.

15.3 The Licensee shall record at full cost except where the Director agrees otherwise, any material transfer between it and any other member of the Licensee's Group in its accounting records.

15.4 For the purposes of this Condition:

- (a) a transfer from one business to another business or a company takes place when any thing (including any service or money) produced or acquired by, normally used in, or otherwise at the disposal of, the first mentioned business is made available for the purposes of the other business or the company; and
- (b) "full cost" in the case of money transferred includes the market rate of interest for that money.

ALTERATIONS TO THE APPLICABLE SYSTEMS

16.1 The Licensee shall from time to time inform the Director and provide him with such additional information as he may reasonably require about any proposals for changes to the Applicable Systems or to any apparatus comprised therein or to any stored commands or protocol, which the Licensee might reasonably anticipate from the facts known to it would or might when made have the effect of requiring any person:

- (i) running any Connectable System which is or is to be connected to the Applicable Systems;
- (ii) producing or supplying telecommunication apparatus or telecommunication systems for connection to the Applicable Systems without becoming comprised in them

materially to modify, or, as the case may be, to replace or cease to produce or supply, any item of telecommunication apparatus connected or to be connected to the Applicable Systems.

16.2 The Licensee shall prepare and publish in consultation with the Director not later than six months after the date on which this licence enters into force a statement of its procedures for consulting, and giving advance notice to, those persons likely to be affected by such changes (including in particular the British Standards Institution and any person appointed by the Secretary of State under section 25 of the Act) and shall adhere to those procedures.

16.3 In this Condition:

"to modify" in relation to any Other Apparatus or System means to make any alteration to that Apparatus or System which may be necessary to ensure that any Message which has been or is to be conveyed by means of any of the Applicable Systems connected or to be connected to that Other Apparatus or System is capable of being properly conveyed by that Other Apparatus or System or by that Applicable System as the case may be; and

"Other Apparatus or System" means any telecommunication apparatus or telecommunication system together with any protocol, message format or stored command in such apparatus or system connected or to be connected to but not comprised in any of the Applicable Systems.

PREPARATION OF ACCOUNTS

17.1 The Licensee shall:

- (a) maintain accounting records sufficient to show and explain its transactions;
- (b) prepare in respect of each complete financial year of the Licensee during which this Licence is in force, or of such lesser periods as the Director may specify but not more frequently than quarterly, accounting statements setting out, and, in the case of yearly statements, fairly presenting, the costs (including capital costs), revenue and financial position of the Licensee's business and including a reasonable assessment of the assets employed in and liabilities attributable to the Licensee's business and showing separately, in the case of yearly accounting statements, the amount of any material item of revenue, cost, asset or liability which has been either:
 - (i) charged from or to the business of any member of the Licensee's Group together with a description of the basis of the value on which the charge was made; or
 - (ii) determined by apportionment or attribution from an activity common to the Licensee's Group and and, if not otherwise disclosed, the basis of the apportionment or attribution;
- (c) procure in respect of each of those accounting statements prepared in respect of a complete financial year of the Licensee a report by the Licensee's Auditor stating whether in his opinion that statement is adequate for the purposes of this Condition; and
- (d) deliver to the Director a copy of each of the accounting statements and of the reports relating thereto required under sub-paragraphs (b) and (c) above as soon as reasonably practicable and in any event not later than six months after the end of the period to which they relate.

17.2 In this Condition:

"the Auditor" means the Licensee's auditor for the time being appointed in accordance with the requirements of the Companies Acts 1948 to 1983; and references to the costs of any business do not include profits of that business.

CODE OF PRACTICE FOR CONSUMER AFFAIRS

18.1 The Licensee shall, in consultation with the Director and any person specified by him, prepare and not later than six months after the date on which this Licence enters into force publish in accordance with Condition 9.3 a Code of Practice giving guidance in respect of any disputes or complaints relating to the provision of telecommunication services by means of, or in relation to, the Applicable System and shall secure that any contract between the Licensee and any Service Provider shall contain a provision obliging the Service Provider to act in accordance with such Code of Practice.

18.2 The Licensee shall consult the Director not less frequently than once every three years about the operation of the Code of Practice.

ARBITRATION OF DISPUTES WITH CUSTOMERS

19.1 The Licensee shall secure that Service Providers include in the terms and conditions on which they provide services in relation to the Applicable Systems provisions giving persons who enter into contracts for the provision of telecommunication services by the Service Providers the opportunity to refer to an inexpensive independent arbitration procedure, instead of to a court of law, any dispute relating to the provision of those services which does not involve a complicated issue of law or a sum greater than such sum as the Director may from time to time determine. The arbitration procedures and the method of appointment of the arbitrators shall be subject to consultation with the Director and the Licensee shall consult the Director not less frequently than once every five years about the operation of the arbitration procedures.

BODIES RECOGNISED TO BE REPRESENTING THE INTERESTS OF
CONSUMERS

20.1 The Licensee shall give due consideration to any matter which relates to:

- (a) telecommunication services provided by means of or in relation to the Applicable Systems;
- (b) the connection to the Applicable Systems of any telecommunication system run by any person other than the Licensee.

and which is the subject of a representation made to the Licensee by either:

- (aa) a body recognised by the Secretary of State under section 27 of the Act, after consultation with the Licensee, as representing the interests of consumers and other users of such telecommunication services or system; or
- (bb) an advisory body established by the Secretary of State under section 54(1) of the Act.

20.2 The Licensee shall, if requested by the Director or if it sees fit, furnish to the Director particulars of any matter considered by the Licensee under this Condition or a digest of activities undertaken in any period in pursuance of this Condition.

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METERING

21.1 The Licensee shall take all reasonable steps to ensure the accuracy and reliability of any meter used in connection with the Applicable Systems and shall keep such records as may be determined by the Director to be necessary in relation to any meter which appears to him to be a source of difficulty.

21.2 Where a meter which is to perform any particular function in connection with any of the Applicable Systems has been approved under section 24 of the Act, then the Licensee shall not, unless the Director agrees otherwise, use any meter in connection with that System to perform that function unless it is:

- (a) so approved; and
- (b) being used in compliance with any conditions specified in that approval

or it is of a type comprised in the Applicable Systems before that approval is given.

21.3 The Licensee shall:

- (a) permit any person appointed from time to time in accordance with section 25 of the Act to exercise any of the functions conferred on the Secretary of State by section 24 of the Act to inspect the manner in which any meter approved under section 24 for use in connection with any of the Applicable Systems is being used by the Licensee and on the request of any such person shall conduct tests for the purpose of assessing its accuracy, reliability and conformity to:
 - (i) the conditions of the approval;
 - (ii) any standard for the time being designated under section 24 of the Act in relation to such approval; and

(iii) the conditions in any such designation

in such fashion as he may reasonably request;
and

(b) upon the written request of any such person
furnish that person with such information as he
may reasonably require for the purpose of
enabling him to carry out his functions.

SUPPLY AND CONNECTION OF APPARATUS FOR THE DISABLED

22.1 The Licensee shall consult the Director from time to time about the arrangements made, or to be made, for the connection to the Applicable System of telecommunication apparatus designed or adapted to assist the disabled to obtain telecommunication services and shall, if requested by the Director to do so:

- (a) discuss with the Director the availability of telecommunication apparatus designed or adapted to meet the reasonable demands of the disabled; and
- (b) participate in the work of the advisory body for matters affecting persons who are disabled or of pensionable age established by him under section 54(4) of the Act.

SPECIAL TELEPHONES FOR THE HEARING IMPAIRED

23.1 If a Subsidiary of the Licensee engages in the supply of Telephones in the UK, the Licensee shall ensure that there are available for supply in such a way as to meet all reasonable demands for them Telephones of the following descriptions:

- (a) Telephones capable of being inductively coupled to hearing aids which have been designed to be so coupled to Telephones; or
- (b) Telephones incorporating sound amplification facilities.

REQUIREMENT TO PROVIDE INTER-SYSTEM ROAMING

24.1 Except to the extent that the Director consents to its not so doing, or unless compliance with a direction under Condition 37 prevents it from so doing, the Licence shall, within five years of the date on which this Licence comes into force or within such longer period as the Director after consulting the Licensee directs, secure that the Applicable Systems become capable of providing the service of Inter-System Roaming to any person using an Authorised Mobile and thereafter remain so capable.

24.2 The Licensee shall not, unless to do so would be necessary to comply with a direction of the Secretary of State under section 94 of the Act, or unless the Director consents to its doing, enter into any agreement or arrangement with any person running a Cellular Telecommunication System outside the United Kingdom, the terms or conditions of which would preclude or restrict the provision by another public telecommunications operator of a Cellular Telecommunication System of the service of Inter-System Roaming.

24.3 For the purposes of this Condition:

"Authorised Mobile" means a telecommunication system designed or adapted to be capable of being used while in motion which is lawfully connected to any of the Cellular Telecommunication Systems (whether or not within the United Kingdom) which have been specified by the Secretary of State for the purpose of Inter-System Roaming and described in a list kept for that purpose by the Director and made available by him for inspection by the general public; and

"Inter-System Roaming" means the ability of an Applicable System to convey (in accordance with a prior arrangement or, if after consultation with the Licensee, the Director so directs, whether or not pursuant to such a prior arrangement) upon demand Messages between any Authorised Mobile and the Public Switched Networks or between any Authorised Mobile and another Authorised Mobile.

NUMBERING ARRANGEMENTS

25.1 The Licensee shall from the date on which this Licence enters into force adopt a numbering plan and shall not later than three months thereafter furnish details thereof to the Director and on request to any other person having a reasonable interest.

25.2 The numbering plan shall describe the method adopted and to be adopted for allocating and re-allocating in respect of each Connectable System in respect of which Mobile Radio Telecommunication Services are provided such number or numbers as may be necessary for each such System.

25.3 The Licensee shall install, maintain or adjust the Applicable System so that it conveys Messages to such Connectable Systems in respect of which numbers have been allocated in accordance with the numbering plan.

25.4 The numbering plan on the date on which this Licence enters into force shall be the numbering arrangements applied immediately before that date but the Licensee shall from time to time thereafter consult:

- (a) the Director about the arrangements for the allocation and re-allocation of numbers within the numbering plan; and
- (b) about any developments of, additions to or replacements of, the numbering plan:
 - (i) its fellow members of one body approved by the Director for the purpose and which is representative of public telecommunications operators; and
 - (ii) other persons who the Director considers appropriate.

25.5 The Licensee shall from time to time (but in the case of proposals for a numbering plan based on more than nine digits not before 1 January 1987) prepare, taking into account the consultations in paragraph 25.4(b), and furnish to the Director proposals for developing, adding to or replacing the numbering plan and changing the Applicable Systems to the extent necessary to secure that:

- (a) sufficient numbers are made available, having regard to the anticipated growth in demand for telecommunication services, for a number or numbers to be allocated without undue delay;
- (b) numbers include as few digits as practicable and their allocation does not confer any undue advantage on members of the Licensee's Group or undue disadvantage on persons running Connectable Systems;
- (c) the cost of changing the Applicable Systems or any Connectable System in order to accommodate the revised numbering plan is reasonable; and
- (d) inconvenience caused by the alteration of the numbering plan to the Licensee and to persons using Connectable Systems in respect of which numbers have previously been allocated is minimised.

25.6 If the Director determines that the numbering plan with any developments, additions and replacements submitted in accordance with paragraph 25.5 is sufficient to provide compatibility with the numbering arrangements applied or to be applied by other public telecommunications operators and to meet the objectives specified in paragraph 25.5 the Licensee shall adopt the numbering plan but, if the Director determines that it is not compatible with numbering arrangements applied or to be applied by another public telecommunications operator or will not be sufficient to achieve the objectives specified in paragraph 25.5 then the Licensee shall adopt the numbering plan with such developments, additions or replacements as the Director may determine are best calculated to secure the objectives specified in paragraph 25.5.

25.7 The Director shall not exercise his powers under paragraph 25.6 before 1 April 1990 so as to require the Licensee to change the Applicable Systems provided that it does not develop, add to or replace the numbering plan before that date except with the consent of the Director.

25.8 Before making a determination under paragraph 25.6 above the Director shall take account of:

- (a) the state of technical development of the Applicable Systems and the Licensee's plans for their commercial development;
- (b) the balance of advantage between:

- (i) making developments of, additions to or replacements of numbering arrangements applied or to be applied, or making changes to systems run, by others; and
- (ii) making any requirement of the Licensee;
- (c) the cost to the Licensee and to those to whom there are provided telecommunication services by means of the Applicable Systems arising from any determination;
- (d) any obligations and recommendations of the International Telecommunication Union which apply to Her Majesty's Government and are accepted by them and any other standard to which the Director consents for the purpose from time to time; and
- (e) the views of the Licensee and such other persons (including operators of public telecommunication systems, those to whom telecommunication services are provided or telecommunication apparatus is supplied and producers of telecommunication apparatus) as appear to the Director to have an interest in the matter.

25.9 If the Director determines that the numbering plan shall be developed, added to or replaced in accordance with paragraph 25.6, nothing in paragraph 25.6 shall preclude the Licensee from submitting to the Director proposals for further developments of, additions to or replacements of the numbering plan or from subsequently changing the Applicable Systems if the Director does not object to the further developments, additions or replacements proposed by the Licensee.

25.10 The Licensee shall not charge any person for a number which is allocated to him (other than a coveted number allocated to a person who is not a public telecommunications operator at the request of such a person) but nothing in this Condition shall preclude the Licensee from recovering the reasonable cost of allocating a number and of carrying out any change to the Applicable Systems necessary for the purpose of permitting Messages to be sent to a number allocated to that person and any reasonable continuing costs arising from such a change.

25.11 For the purposes of this Condition "to change" includes to make any alteration to telecommunication apparatus or telecommunication systems or to the protocols (including Message formats) or stored commands in such apparatus or systems;

25.12 For the avoidance of doubt, it is hereby declared that this Condition applies notwithstanding any arrangements for numbering under Condition 6.

PROHIBITION OF LINKED SALES

26.1 The Licensee shall not make it a condition of:

- (a) providing any telecommunication service by means of or in relation to the Applicable Systems; or
- (b) connecting any other system or apparatus to the Applicable Systems

that any Relevant Person should acquire from the Licensee or from any other person specified or described by the Licensee:

- (i) any telecommunication service other than the telecommunication service requested save where that service cannot be provided without the provision of that other telecommunication service; or
- (ii) any telecommunication apparatus not comprised in the Applicable Systems save where the telecommunication service requested cannot otherwise be provided or the telecommunication apparatus requested cannot otherwise be used.

26.2 Except where the Director has agreed otherwise, the Licensee shall not do any one or more of the things described in paragraph 26.1 (a) and (b) together with any other of those things in a manner or for charges or on terms or conditions more favourable than would be available for doing that thing or those things without that other thing or those other things.

26.3 Notwithstanding paragraphs 26.1 and 26.2 the Licensee may:

- (a) impose such terms and conditions as are permitted terms and conditions under Condition 6;
- (b) where it provides by means of or in relation to the Applicable Systems and as part of the same transaction or an interconnected series of

transactions, two or more telecommunication services which are of the same description or which are so related as to permit economies of scale when they are provided together, offer such quantity discounts or such more favourable terms and conditions in respect of quantity for those services as have been published in accordance with Condition 9; or

- (c) where the Director consents, impose such other conditions of the kind referred to in paragraph 26.1 as are incidental to the provision of the telecommunication service or the supply of the apparatus requested by the Relevant Person.

26.4 In this Condition "Relevant Person" means a person:

- (a) who requests that a telecommunication service be provided by means of or in relation to the Applicable Systems, or for whom or on whose behalf such a telecommunication service is provided; or
- (b) who requests that telecommunication apparatus or system be supplied or to whom or on whose behalf such apparatus or system is supplied; or
- (c) who requests that any telecommunication system or telecommunication apparatus be connected to the Applicable Systems or for whom or on whose behalf such a system or such apparatus is so connected.

PROHIBITION OF CERTAIN EXCLUSIVE DEALING ARRANGEMENTS

27.1 The Licensee shall not, except with the written consent of the Director, make the acquisition from any person in the United Kingdom by the Licensee or the installation or servicing by any person in the United Kingdom for it of any telecommunication apparatus of any description conditional upon agreement:

- (a) to supply to the Licensee or to supply or not to supply to any other person apparatus of a different description;
- (b) to provide to the Licensee or to provide or not to provide to any other person any telecommunication service of a different description; or
- (c) to transfer to the Licensee or to any other person any interest in Industrial or Intellectual Property with a view to restricting unreasonably the freedom of the supplier of the apparatus or the provider of the service in question to exploit his Industrial or Intellectual Property in order to confer on the Licensee or some other person an unfair competitive advantage.

27.2 If the Director is satisfied that persons in the United Kingdom, who are not genuinely willing to give to the Licensee the sole right to purchase or to give any member of the Licensee's Group the sole right to supply to customers telecommunication apparatus supplied by those persons, are being so required by the Licensee then the Director may direct the Licensee to comply with the condition in paragraph 27.3.

27.3 The said condition is that the Licensee shall not, except with the written consent of the Director, make the acquisition of telecommunication apparatus, or of telecommunication apparatus specified by the Director or of a description so specified, by the Licensee or any member of the Licensee's Group from any person in the United Kingdom or any such person specified by the Director or such persons of a description specified by the Director conditional upon the agreement of the supplier not to supply to any other person apparatus of the same description as that to be supplied to the Licensee.

27.4 Notwithstanding paragraph 27.1 or any direction under paragraph 27.2, the Licensee shall be free:

- (a) to require that other telecommunication apparatus should be supplied or another telecommunication service should be provided with or in connection with any apparatus or service where the supply of that other apparatus or the provision of that other service is reasonably related to that supply or provision;
- (b) to require the transfer to the Licensee or any member of the Licensee's Group of any interest in Industrial or Intellectual Property which the Director agrees is necessary or desirable to facilitate the running of the System;
- (c) to dispose of any interest in Industrial or Intellectual Property owned by the Licensee or any member of the Licensee's Group free from all encumbrances and restrictions of whatsoever nature arising out of or under this Licence;
- (d) to require the transfer to the Licensee or any member of the Licensee's Group by any person of any interest in Industrial or Intellectual Property arising out of any work done in pursuance of any agreement made between the Licensee or any member of the Licensee's Group and that person for any research or development to be carried out by him, unless the Director otherwise directs;
- (e) to require the transfer to the Licensee or any member of the Licensee's Group or any other person of any interest in Industrial or Intellectual Property to the extent that that is reasonably necessary for the purpose of enabling the Licensee to secure alternative sources of supply of telecommunication apparatus; or
- (f) to require any person who supplies telecommunication apparatus or who provides telecommunication services to enter into an agreement of the kind referred to in paragraph 27.1, 27.2 or 27.3 where the Licensee or any member of the Licensee's Group makes available research, design or development work or where the Licensee or such member agrees to finance such work on terms that an agreement of that kind will be entered into.

CODE OF PRACTICE ON THE CONFIDENTIALITY OF CUSTOMER
INFORMATION

28.1 The Licensee shall take all reasonable steps to ensure that its employees observe the provisions of a Code of Practice which:

- (a) specifies the persons to whom they may not disclose information about a customer of the Licensee or a customer of a Service Provider which has been acquired in the course of the Licensee's business without the prior consent of that customer;
- (b) regulates the information about any such customer which may be disclosed without his consent; and
- (c) restricts disclosure of information relating to the testing of apparatus referred to in Condition 31.

28.2 The Licensee shall within three months of the date on which this Licence enters into force submit a draft of the Code of Practice to the Director for his approval and if the Licensee and the Director fail to agree on the provisions of the Code they shall be determined by the Director.

28.3 This Condition is without prejudice to the duties at law of the Licensee towards its customers.

INTELLECTUAL PROPERTY

29.1 Where it appears to the Director that any Relevant Intellectual Property Right has been, is being or is likely to be exercised (whether by the Licensee or by any other person in pursuance of an agreement, arrangement or concerted practice to which the Licensee is a party) so as to prevent:

- (a) any telecommunication system, which may lawfully be connected to the Applicable Systems, from being so connected either at all or on reasonable charges, terms and conditions;
- (b) any service, which may lawfully be provided by means of any telecommunication system connected to any of the Applicable Systems, from being so provided or obtained either at all or on reasonable charges, terms and conditions; or
- (c) any development in Cellular Telecommunication Systems from being available for use by any person running a Specified Cellular Telecommunication System in the United Kingdom

he may direct the Licensee in writing in accordance with paragraph 29.2 or 29.3.

29.2 Where the exercise of a Relevant Intellectual Property Right prevents:

- (a) a product from being made available either at all or on reasonable charges, terms and conditions to the person wishing to make such a connection or to provide or obtain such a service; or
- (b) a development in Cellular Telecommunication Systems from being available to any person running a Specified Cellular Telecommunication System in the United Kingdom

the Director may direct the Licensee to take such steps as are within the power of the Licensee and are, in the opinion of the Director, reasonable and necessary in all the circumstances to secure that the product is made available to that person on charges, terms and conditions acceptable to

that person or which (in default of agreement) are, in the opinion of the Director, reasonable to enable such connection to be made or such service to be provided or obtained or such developments to be so available.

29.3 Where paragraph 29.1 applies in circumstances other than those described in paragraph 29.2, the Director may direct the Licensee to take such steps as are within the power of the Licensee and are, in the opinion of the Director, reasonable and necessary in all the circumstances to secure that the person wishing to make such a connection or to provide or obtain such a service is enabled to make use of the Relevant Intellectual Property Right, for the purpose of making the connection or of providing or obtaining the service, upon charges, terms and conditions acceptable to that person or which (in default of agreement) are, in the opinion of the Director, reasonable for such purpose.

29.4 In this Condition:

"Relevant Intellectual Property Right" means any right, which is wholly or partly controlled by the Licensee or a member of the Licensee's Group, in Industrial or Intellectual Property or is subject to an agreement, an arrangement or concerted practice to which the Licensee or a member of the Licensee's Group is a party.

"Specified Cellular Telecommunication System" means a telecommunication system which is specified by the Secretary of State for the purpose of this Licence and described in a list kept for that purpose by the Director and made available by him for inspection by the general public.

29.5 Nothing in this Condition shall require the Licensee to do anything which would contravene the terms of or would result in revocation of a licence or assignment of a Relevant Intellectual Property Right granted or made to the Licensee or a member of the Licensee's Group on or before the date on which this Licence enters into force or which would result in the Licensee or a member of the Licensee's Group incurring any liability under such a licence or assignment.

PROHIBITION OF NON-STATUTORY TESTING REQUIREMENTS

30.1 Where the Director notifies the Licensee in writing that this Condition applies in circumstances specified or described in the notification, the Licensee shall not in such circumstances (whether in pursuance of any agreement, arrangement, concerted practice or otherwise) make it a condition of any telecommunication system being connected or kept connected to any of the Applicable Systems or of any telecommunication service being provided by means of any of the Applicable Systems that any such system, apparatus or service shall obtain the approval of, comply with any standard designated by, or pass any test set by, any person other than the Secretary of State or the Director or by a person appointed under section 25 of the Act, except insofar as the Director otherwise agrees.

30.2 Nothing in this Condition shall prevent the Licensee from requiring the passing of any test which the Director agrees is reasonably necessary or desirable for the purpose of determining whether:

- (a) any telecommunication system which is, or is to be, connected to any of the Applicable Systems is authorised to be so connected; or
- (b) notwithstanding such authorisation, the Licensee is obliged to connect it or permit its connection to any of the Applicable Systems.

STATUTORY TESTING

31.1 If the Licensee carries out any test or assessment of any telecommunication apparatus for the Secretary of State, the Director or any person for the time being appointed under section 25(1) of the Act, then unless the Director agrees otherwise it shall take all reasonable steps to ensure that no information with respect to any telecommunication apparatus which has been obtained in the course of or for the purpose of any such test or assessment shall be disclosed to any person including the Licensee's employees and agents except:

- (a) with the consent of:
 - (i) the Director;
 - (ii) the producer or supplier of that apparatus;
or
 - (iii) the person who requested the Licensee to carry out that test or assessment;
- (b) to the extent necessary to enable the Licensee to carry out any such test or assessment and report on it to the person for whom it was carried out; or
- (c) to the extent necessary for the purpose of managing persons conducting any such test or assessment.

31.2 No person engaged in any such test or assessment shall (except to the extent agreed by the Director) be answerable, in a way which requires disclosure of information of the kind referred to in paragraph 31.1, to anyone engaged in the activities of running telecommunication systems or the production or supply of telecommunication apparatus other than the Licensee's board of directors or a member of it or a person answerable directly to that board or a member of it.

PRENOTIFICATION OF CHANGES IN SHAREHOLDINGS

32.1 Except as specified in Condition 32.2, the Licensee shall notify the Secretary of State:

- (a) of any change in the proportion of shares held by any shareholder in the Licensee;
- (b) if any person acquires any shares in the Licensee who does not already hold any shares in the Licensee, and of the proportion of the shares to be held by such person;

in either case such notification to be given as soon as practicable after any change, or acquisition, as the case may be, is proposed.

32.2 The Licensee shall not be obliged to notify the Secretary of State of any such change or acquisition where:

- (a) such change or acquisition does not result in a change in control of the Licensee; and
- (b) the proportion of such shares, the holding of which it is proposed to change, or which it is proposed to acquire, as the case may be, when aggregated to the proportion of such shares the holding of which has been changed at any time after the granting of this Licence (whether or not the change has previously been notified to the Secretary of State in accordance with this paragraph) does not exceed 15% of the total number of shares in the Licensee to which this Condition applies.

32.3 The Licensee shall notify the Secretary of State not later than 30 days before the taking effect of any of the arrangements of the descriptions mentioned in paragraph 32.4.

32.4 Those descriptions of arrangements are:

- (a) any arrangement for obtaining a listing of any shares in the Licensee on any Stock Exchange in the United Kingdom or elsewhere; and

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- (b) any arrangement for dealings in any shares in the Licensee on an unlisted or over the counter market in the United Kingdom or elsewhere.

32.5 This Condition applies to all shares in the Licensee the holder of which for the time being is entitled to vote on any matter at a general meeting of the Licensee.

32.6 For the purposes of this Condition any shares held by a nominee for any person shall be treated as held by that person.

32.7 In this Condition 'control' means the power of a person to secure -

- (a) by means of the holding of shares or the possession of voting power in or in relation to that or any other body corporate, or
- (b) by virtue of any powers conferred by the articles of association or other document regulating that or any other body corporate,

that the affairs of the first mentioned body corporate are conducted in accordance with the wishes of that person.

PRE-NOTIFICATION OF JOINT VENTURES

33.1 Unless the Director otherwise agrees the Licensee shall notify the Director not later than 30 days before the taking effect of any of the agreements or arrangements to which this Condition applies giving particulars of those agreements or arrangements.

33.2 Those agreements and arrangements are:

- (a) an agreement with any person for the establishment or control of any body corporate for the purpose of:
 - (i) the running of a telecommunication system which requires a Licence;
 - (ii) providing telecommunication services in the United Kingdom which necessarily involve the running of such a system; or
 - (iii) the production of telecommunication apparatus for supply in the United Kingdom where that production would lead to a monopoly situation which would not otherwise exist in relation to the supply of telecommunication apparatus of any description in the United Kingdom;
- (b) an agreement for the establishment of a partnership for any of those purposes and in those circumstances;
- (c) any other agreement or arrangement in the nature of a joint venture for the purpose of running a telecommunication system which requires a Licence or for the purpose of providing telecommunication services in the United Kingdom which necessarily involve the running of such a system.

33.3 Paragraphs 33.2(a) and (b) apply in relation to an agreement or arrangement for the establishment or control of any body corporate or partnership where the Licensee has or is to have not less than 20% of the voting power in any organ controlling that body.

33.4 For the purposes of this Condition a monopoly situation shall be taken to exist where such a situation would be taken to exist for the purpose of any of the provisions of section 6 of the Fair Trading Act 1973 but with the substitution of the words "one fifth" for the words "one quarter" whenever they appear in that section.

33.5 In any case where circumstances beyond the Licensee's control require him to enter into an agreement or arrangement, if he is to enter into it at all, without having made a notification in accordance with paragraph 33.1 he shall notify the Director as soon as reasonably practicable but otherwise in accordance with the provisions of this Condition.

PAYMENT OF FEES

34.1 Subject to Condition 34.2, the Licensee shall pay the following amounts to the Secretary of State at the times stated:

- (a) on the grant of this Licence the sum of £25,000 and
- (b) on 1 April 1986 and annually thereafter a renewal fee which shall represent a fair proportion, to be determined each year by the Director according to a method that has been disclosed to the Licensee, of the estimated costs to be incurred in that fiscal year:
 - (i) by the Director in the regulation and enforcement of telecommunication licences and in the exercise of his other functions under the Act; and
 - (ii) by the Monopolies and Mergers Commission following licence modification references under section 13 of the Act

save always that the renewal fee for any year shall not exceed 0.08% of the annual turnover of the Licensee's business in the financial year before the last complete financial year of the Licensee before the fee is payable or £25,000, whichever is the greater ("the normal renewal fee"), unless the Director determines that the costs incurred in any fiscal year by him and the Monopolies and Mergers Commission in respect of the Licensee's activities exceeds the normal renewal fee, in which case the renewal fee for the following year shall be such fee (not exceeding 0.4% of the annual turnover of the Licensee's business in the financial year before the last complete financial year of the Licensee before the fee is paid) as the Director determines is sufficient to take account of that excess as well as the other costs to be incurred as mentioned in this paragraph.

34.2 Nothing in Condition 34.1(b) above shall require the Licensee to pay any fee so determined by the Director where the Director has not given to the Licensee at least 30 days notice in writing of the amount of the fee so determined; however, the Licensee shall pay such fee so determined immediately upon the expiry of such notice notwithstanding that such notice may expire at a date later than 1 April in any year.



LICENSEE'S GROUP

35.1 Without prejudice to the Licensee's obligations under these Conditions in respect, in particular, of anything done on its behalf, where:

- (a) any member of the Licensee's Group does anything which the Licensee is prohibited from doing under these Conditions (except Condition 14) or fails to do anything which the Licensee is in the circumstances required to do; and
- (b) the Director is of the opinion:
 - (i) that in consequence the Licensee is seeking to avoid or is in a material and substantial way avoiding obligations which would apply under these Conditions if the thing had been done or not done by the Licensee; and
 - (ii) that, having regard to the duties imposed on him by section 3 of the Act he ought to make a direction under this Condition,

then the Licensee shall take such reasonable steps to ensure that the member does or ceases to do that thing or otherwise to remedy the matter as the Director directs him to take.

35.2 Where these Conditions apply in respect of the Applicable Systems they do not apply in respect of any other telecommunication system, whether run by the Licensee or another.

35.3 Where any person becomes a member of the Licensee's Group then the Licensee shall not be subject to paragraph 35.1 before that is reasonably practicable but shall be so not later than one year after that person becomes such a member or such later date as the Director may determine.

35.4 This Condition shall not apply to any particular member of the Licensee's if and to the extent that the Director so determines.

REQUIREMENT TO FURNISH INFORMATION TO THE DIRECTOR

36.1 Subject to Condition 36.2, the Licensee shall furnish to the Director, in such manner and at such times as the Director may reasonably request, such documents, accounts, estimates, returns or other information and procure and furnish to him such reports as he may reasonably require for the purpose of exercising the functions assigned or transferred to him by or under Parts II and III of the Act.

36.2 The Licensee is not required to procure or furnish a report which would not normally be available to it unless the Director considers the particular report essential to enable him to exercise his functions.

STANDARDS AND OTHER TECHNICAL SPECIFICATIONS

37.1 If the Director having consulted the Licensee directs the Licensee to ensure that:

- (a) there is incorporated, or there ceases to be incorporated, as the case may be, any apparatus in the Applicable System; or
- (b) the Applicable System conforms, or ceases to conform as the case may be, to any standard (other than a standard designated under section 22 of the Act) or any other technical specifications specified in the direction;

then the Licensee shall comply with the direction within the period specified in the direction for such compliance subject to the following paragraph of this Condition, provided always that the power of direction here under shall be exercised only for the purpose of securing compliance with any requirement of European Community law in relation to the matters in (a) or (b) above.

37.2 In the case of a direction compliance with which would require a material modification to the Applicable System, then subject to any requirement of European Community law to the contrary, the Licensee shall not be required:

- a) to begin such modification so as to provide a limited service by means of the Applicable Systems in compliance with any requirement of European Community law pursuant to which the direction was given, until the expiry of five years from the date of that direction or such longer period as is specified therein or in any event before 1 January 1995; and
- b) to complete such modification in compliance with such requirement until the expiry of 10 years from the date of that direction or such longer period as is specified therein or in any event before 1 January 2000.

RESEARCH AND DEVELOPMENT

38.1 The Licensee shall settle and finance from time to time, after consultation with the Director, a programme of research into and development of radio telecommunication apparatus with the objective of permitting the limited number of allocated frequencies to provide a greater overall message throughput.

EXCEPTIONS AND LIMITATIONS ON OBLIGATIONS IN SCHEDULE 1

39.1 Unless the context otherwise requires and subject to paragraph 39.12, the Licensee's obligations under all the Conditions of this Licence except Conditions 6.2 to 6.11, 10, 19, 20.1 21.1, 26, 27, 28, 29 30 and 38, have effect subject to the following exceptions and limitations.

39.2 The Licensee is not obliged to do anything which is not practicable.

39.3 The Licensee shall not be held to have failed to comply with an obligation imposed upon it by or under these Conditions if and to the extent that the Licensee is prevented from complying with that obligation by any physical, topographical or other natural obstacle, by the malfunction or failure of any apparatus or equipment, by the act of any national authority, Local Authority or international organisation or as the result of fire, flood, explosion, accident, Emergency, riot or war.

39.4 The obligation to provide any Mobile Radio Telecommunication Service shall not apply:

(a) where provision of the service requested would expose any person engaged in its provision to undue risk to health or safety;

(b) where the Licensee is unable to obtain (either because it has not been developed or for some other reason beyond the Licensee's control) anything necessary to provide a service of the quality or standard required by the person who requests the provision of the service and, in the event of dispute, the Director's decision as to whether anything is necessary shall be final;

(c) where the person to whom the Licensee would otherwise be under an obligation to provide any service requests a service at a place in which the apparatus necessary to provide that service in that area has not been installed (or in which the installation of such apparatus has not been completed) or as the case may be such apparatus has not been adapted or modified to make it capable of providing the service of the kind requested or the trained manpower necessary to provide the service is not available in that area, provided that in every case where the Licensee declines to provide a service to which this sub-paragraph relates it shall have

published, or furnished to the Director, or within 28 days (or such longer period as the Director considers reasonable) following receipt by it of the request that service be provided shall have furnished to the Director, proposals for:

- (i) progressively installing or completing the installation or for the adaptation or the modification of the apparatus; or
- (ii) the allocation of the trained manpower

necessary for the provision of that service in that area and the Director has not determined that those proposals are unreasonable or are not being effectively carried out; or

(d) where the person to whom the Licensee would otherwise be under an obligation to provide any service requests a service at a place in an area in which the demand or the prospective demand for the service is not sufficient, having regard to the revenue likely to be earned from the provision of the service in that area, to meet all the costs reasonably to be incurred by the Licensee in providing the service there, including:

- (i) the cost of apparatus necessary for the provision of the service there;
- (ii) the cost of installing, maintaining and operating such apparatus for the purpose of providing the service there; and
- (iii) the cost of the trained manpower necessary to provide the service there.

(e) where in the opinion of the Director it is not reasonably practicable in all the circumstances for the Licensee to provide the service requested at the time or place demanded.

39.5 Condition 1.1(b)(ii) shall not apply to the extent that the Director, after consultation with the Licensee and after taking into account such considerations as appear to the Director to be appropriate and without prejudice to the generality of the foregoing, in particular:

- (a) whether the current and prospective demand for such telecommunication services to be provided by

means of any additional Applicable Systems that would need to be installed within that area and the revenues likely to be derived from providing such services would not be sufficient to enable the Licensee to recover the costs incurred in installing and running any such Applicable Systems; and

- (b) any other factor involved in the sound commercial development of the Applicable Systems;

determines.

39.6 The Licensee shall not be obliged to connect, or to keep connected to the Applicable System, or to permit to be so connected or kept connected any telecommunication system or telecommunication apparatus or to provide telecommunication services if the person to or for whom that is or is to be done:

- (a) has not entered or will not enter into a contract for the purpose with the Licensee for reasons other than the unreasonable refusal of the Licensee to agree terms for the purpose but this paragraph does not apply in a case where the Director is satisfied that:

- (i) the Licensee has not published standard terms and conditions which it proposes to apply for the purpose in question, or the transaction is not fit to be governed by such terms and conditions; and
 - (ii) the Licensee has unreasonably refused to agree terms and conditions for the purpose;

- (b) is, or in the Director's opinion has given reasonable cause to believe that he may become:

- (i) in breach of a contract with the Licensee for the provision of telecommunication services by the Licensee; or
 - (ii) in default in regard to any debt or liability owed to the Licensee in respect of any such contract;

- (c) has obtained, or attempted to obtain, any telecommunication service from the Licensee by corrupt, dishonest or illegal means at any time.

39.7 Nothing in these Conditions shall prevent the Licensee from withdrawing from, or declining to provide to, any person any telecommunication service which the Licensee has notified the Director that it is providing in a limited area, for the purpose of evaluating the technical feasibility of, or the commercial prospects for, that service.

39.8 Nothing in these Conditions shall require the Licensee to provide any telecommunication service, or to provide any telecommunication service of any particular class or description, if he provides instead a service, or a service of a class or description, which satisfies the purposes of that requirement at least to the same extent.

39.9 This Condition shall apply without prejudice to any limitation or qualification of the requirements imposed by or under any other Condition.

39.10 Nothing in these Conditions shall prevent the Licensee from withdrawing or restricting any service requiring the attendance of any of its employees:

(a) on Bank Holidays and other public or statutory holidays (but so that, where any such holiday is observed only in a part of the United Kingdom, this sub-paragraph shall apply in respect of that holiday to that part only); or

(b) on any other day on which the Director determines it is unreasonable to require the relevant employees of the Licensee to attend for the purpose of providing those services.

39.11 The Licensee shall be relieved of any obligation under these Conditions by virtue of a combination of any of the events and circumstances set out in the preceding paragraphs of this Condition, insofar as those paragraphs apply to the obligation in question; or a combination of any such events and circumstances and any limitation or exception contained in the Condition in question.

39.12 The exceptions and limitations set out in paragraphs 39.2 to 39.11 above do not apply to Conditions 4, 5.2, 9, 15, 16, 18, 20.2, 21.2 and 21.3, 22, 23, 24, 25, 28.2, 31, 33, 34, 35 and 36 except as follows

- (i) only paragraphs 39.2, 39.3, 39.9 and 39.11 apply to Conditions 9, 15, 16, 18, 20.2, 21.2 and 21.3, 22, 23, 24, 28.2, 31, 33, 34, 35, 36 and 37;
- (ii) only paragraphs 39.6(a), 39.9 and 39.11 apply to Condition 5.2;

(iii) only paragraphs 39.2, 39.3, 39.6, 39.9 and 39.11
apply to Condition 25;

(iv) only paragraphs 39.2, 39.3, 39.4(b), 39.6(a), 39.9
and 39.11 apply to Condition 4;

but paragraph 39.4(d) does not apply to Condition 1 and
paragraphs 39.6 and 39.8 do not apply to Condition 5.1.

SCHEDULE 2: REVOCATION

1 Notwithstanding paragraph 3 of the Licence the Secretary of State may at any time revoke this Licence by 30 days' notice in writing given to the Licensee at its registered office in any of the following circumstances:

- (a) if the Licensee agrees in writing with the Secretary of State that this Licence should be revoked;
- (b) if any amount payable under Condition 34 of Schedule 1 is unpaid 30 days after it becomes due and remains unpaid for a period of 14 days after the Secretary of State notifies the Licensee that the payment is overdue, such notification not to be given earlier than the sixteenth day after the day on which the payment became due;
- (c) if the Licensee fails to comply with a final order (within the meaning of section 16 of the Act) or a provisional order (within the meaning of that section) which has been confirmed under that section and that order is not subject to proceedings for review and such failure is not rectified within 3 months after the Secretary of State has given notice in writing of such failure to the Licensee such notice being given after the conclusion of any such proceedings;
- (d) if the Licensee:
 - (i) has given a notification to the Secretary of State under Condition 32 and the Secretary of State has notified the Licensee in writing within 21 days of receiving such notification that he is minded to revoke this Licence on the grounds that the proposed change or arrangement would in his opinion be against the interests of national security or relations with the Government of a country or territory outside the United Kingdom; or
 - (ii) commits any breach of Condition 32 of Schedule 1 and in either case the proposed change or arrangement takes effect;

if the Licensee:

- (i) is unable to pay its debts (within the meaning of section 223 of the Companies Act 1948), convenes any meeting with its creditors generally with a view to the general readjustment or re-scheduling of its indebtedness or makes a general assignment for the benefit of its creditors generally; or
- (ii) enters into receivership or liquidation;
- (iii) ceases to carry on its business; or
- (iv) if it or any other person takes any action for voluntary winding-up or dissolution of the Licensee or if the Licensee enters into any scheme of arrangement (other than in any such case for the purpose of reconstruction or amalgamation upon terms and within such period as may previously have been approved in writing by the Secretary of State) or if a receiver, trustee or similar officer of the Licensee, or of all or any material part of the revenues and assets of it, is appointed, or if any order is made for the compulsory winding-up or dissolution of it.

2 For the purposes of sub-paragraph (1)(d)(i) of this Schedule, in construing the terms of paragraph (a) of section 223 of the Companies Act 1948 the figure of "£750" therein shall be deemed to be replaced by "£250,000" or such higher figure as the Director may determine and the said paragraph (a) shall not apply if the demand therein referred to is being contested in good faith by the Licensee with recourse to all appropriate measures and procedures, whether legal or otherwise, or if the demand is satisfied prior to the expiry of the notice from the Secretary of State.

SCHEDULE 3: AUTHORISATION TO CONNECT OTHER SYSTEMS AND
APPARATUS TO THE APPLICABLE SYSTEMS AND TO PROVIDE
TELECOMMUNICATION SERVICES BY MEANS OF THE SYSTEM

1 Nothing in this Licence removes any need to obtain any other licence that may be required under any other enactment but, subject to that limitation, this Licence authorises:

(a) the connection to any Applicable System of:

- (i) any other Applicable System all or part of which is situated on the same set of premises, or on one or more of the sets of premises, as the first mentioned Applicable System;
- (ii) any Specified Public Telecommunication System;
- (iii) any telecommunication system run by the Crown;
- (iv) any telecommunication system in the United Kingdom the Licence for which authorises it to be connected to the Applicable System;
- (v) any telecommunication system situated on a vessel or hovercraft outside the United Kingdom which if such system were inside the United Kingdom it would be authorised to be run under the licence entitled "Class Licence for Mobile or Portable Apparatus Connected to Cellular Telecommunication Systems";
- (vi) telecommunication apparatus of every description which is comprised in the Applicable System; and
- (vii) telecommunication apparatus comprised in a telecommunication system mentioned in sub-paragraphs (i) to (v) above;

(b) the provision by means of the Applicable System of:

- (i) Mobile Radio Telecommunication Services consisting in the conveyance (not including switching) of Messages (not including cable

programme services sent under a licence granted or having effect as if granted under section 4 of the Cable and Broadcasting Act 1984) and switching incidental to such conveyance:

- (A) which have been or are to be conveyed by means of a telecommunication system run under a licence entitled "Class Licence for Mobile or Portable Apparatus Connected to Cellular Telecommunication Systems" and which have been or are to be conveyed by means of a connection between the Applicable System and a telecommunication system run under the above mentioned Class Licence, a Specified Public Telecommunication System or a telecommunication system the licence for which authorises it to be connected to the Applicable System;

or

- (B) to or from a person who is engaged in the running of the Applicable System or apparatus comprised in the Applicable System where such conveyance is incidental to the provision of the services specified in sub-paragraph (A) above;

and

(ii) directory information services.

2 In this Schedule:

- (a) "Licence" means a licence granted or having effect as if granted under section 7 of the Act;
- (b) "Mobile Radio Telecommunication Service" means any telecommunication service provided by means of a telecommunication system for the conveyance of Messages through the agency of wireless telegraphy where every Message that is conveyed thereby has been, or is to be, conveyed by means of a telecommunication system which is designed or adapted to be capable of being used while in motion;
- (c) "Message" means anything falling within paragraph (a) to (d) of section 4(1) of the Act;

SCHEDULE 4: OTHER EXCEPTIONS AND CONDITIONS RELATING TO THE
APPLICATION OF THE TELECOMMUNICATIONS CODE

DEFINITIONS AND INTERPRETATION

1 In this Schedule:

- (a) "Area of Outstanding Natural Beauty" means an area in England or Wales designated and confirmed as such under Section 87 of the National Parks and Access to the Countryside Act 1949 or an area in Northern Ireland designated as such under Section 10 of the Amenity Lands Act (Northern Ireland) 1965;
- (b) "Area of Scientific Interest" means an area designated under section 15 of the Amenity Lands Act (Northern Ireland) 1965;
- (c) "The Broads" means the area in which the Broads Authority exercises power of development control;
- (d) "Conservation Area" means, in relation to England and Wales, any area designated as a conservation area under section 277 of the Town and Country Planning Act 1971; in relation to Scotland, any area designated as a conservation area under section 262 of the Town and Country Planning (Scotland) Act 1972; and in relation to Northern Ireland, any area designated as a conservation area under Article 37 of the Planning (Northern Ireland) Order 1972;
- (e) "Installing" includes "replacing" and "substantially altering"; and "Install", "Installed" and "Installation" shall be construed accordingly;
- (f) "Limestone Pavement Area" means an area in England, Wales or Scotland designated by the Secretary of State or relevant authority under section 34 of the Wildlife and Countryside Act 1981;
- (g) "National Nature Reserve" means any land in Great Britain declared by the Nature Conservancy Council under Section 35 of the Wildlife and Countryside Act 1981 to be a national nature reserve;

- (d) "Specified Public Telecommunication System" means a public telecommunication system run by British Telecommunications plc or Mercury Communications Limited or any other public telecommunication system which is specified by the Secretary of State for the purpose of this Licence and described in a list kept for that purpose by the Director and made available by him for inspection by the general public; and
- (e) "United Kingdom" includes any area to which the provisions of the Act apply by virtue of section 107.
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- (h) "National Park" means any area in England and Wales designated and confirmed as such under section 5 of the National Parks and Access to the Countryside Act 1949;
- (i) "National Scenic Area" means any area in Scotland designated as such under the Town and Country (Planning) Scotland Act 1972;
- (j) "Planning Authority" means:
 - (i) in relation to England and Wales, the local planning authority for the area in question within the meaning of section 1 of the Town and Country Planning Act 1971;
 - (ii) in relation to Scotland, the general planning authority or the district planning authority for the area in question within the meaning of section 172 of the Local Government (Scotland) Act 1973;
 - (iii) in relation to Northern Ireland, the Department of the Environment for Northern Ireland.
- (k) "Relevant Authority" in relation to a National Nature Reserve or a Site of Special Scientific Interest shall be the Nature Conservancy Council established under the Nature Conservancy Act 1973 and in relation to an "Area of Scientific Interest" shall be the Department of the Environment for Northern Ireland;
- (l) "Site of Special Scientific Interest" means an area notified as such under section 28 of the Wildlife and Countryside Act 1981 or an area in respect of which the Secretary of State has made an order under section 29 of that Act; and
- (m) "Statutory List of Buildings" is the list of buildings of special architectural or historic interest compiled by the Secretary of State under section 54 of the Town and Country Planning Act 1971 or under section 52 of the Town and Country Planning (Scotland) Act 1972 or Article 31 of the Planning (Northern Ireland) Order 1972.

2 The Interpretation Act 1978 shall apply for the purpose of interpreting this Schedule as if it was an Act of Parliament.

3 Any word or expression used in this Schedule shall, unless the context otherwise requires, have the same meaning as it has in the Act.

4 For the purposes of interpreting this Schedule headings and titles shall be disregarded.

INSTALLATION OF TELECOMMUNICATION APPARATUS ABOVE THE GROUND

1.1 Subject to Condition 5.1, the Licensee shall, before Installing any telecommunication apparatus above the ground, give to the Planning Authority written notice of its intention to do so describing the proposed Installation and identifying the place where it is proposing to Install the apparatus and shall not Install the apparatus until 28 days after the giving of the notice except with the written consent of the Planning Authority.

1.2 The requirement in paragraph 1.1 does not apply where the Licensee has given notice to the Planning Authority under Condition 2.1 or 3.1.

1.3 The Licensee shall Install the apparatus in accordance with the notice referred to in paragraph 1.1 or, where the Planning Authority gives notice in writing within the period of 28 days beginning with the giving of that notice that the apparatus should be Installed in accordance with conditions, the Licensee shall Install the apparatus in accordance with such of those conditions as are reasonable in all the circumstances of the case taking into account the desirability of protecting the visual amenity of the locality in which the apparatus is to be Installed, the technical requirements of the Licensee's system and the cost of Installing the apparatus.

1.4 For the avoidance of doubt, paragraph 1.1 does not apply to the Installation of apparatus in relation to which planning permission is required from the Planning Authority.

LISTED BUILDINGS AND ANCIENT MONUMENTS

2.1 Subject to Condition 5.1, the Licensee shall give written notice to the Planning Authority before installing any telecommunication apparatus in proximity to a building shown as Grade 1 or, as the case may be, Category A in the Statutory List of Buildings or any building notified to the Licensee in writing by the Department of the Environment for Northern Ireland as being in the Statutory List of Buildings and equivalent to Grade 1 and shall not install the apparatus until 40 days after the giving of the notice except with the written consent of the Planning Authority.

2.2 Where the Planning Authority notifies the Licensee in writing within 40 days of the giving of the notice under paragraph 2.1 that the installation of the apparatus would detrimentally affect the character or appearance of the building, or its setting, and that the installation should not take place, the Licensee may install the apparatus only if the Planning Authority agrees in writing or if the Secretary of State, after having consulted the Planning Authority, so directs in writing.

2.3 For the avoidance of doubt paragraph 2.1 does not apply to the installation of apparatus in relation to which planning permission or listed building consent or both is required from the Planning Authority.

2.4 For the avoidance of doubt it is hereby declared that nothing in this Licence affects:

- (a) the statutory requirement that the consent of the Secretary of State shall be obtained before any work is carried out which will affect the site of an ancient monument scheduled under sections 1 and 2 of the Ancient Monuments and Archaeological Areas Act 1979 or section 7 of the Historic Monuments (Northern Ireland) Act 1971; or
- (b) the obligation imposed on the Licensee by virtue of section 55 of the Town and Country Planning Act 1971 (or by section 53 of the Town and Country Planning (Scotland) Act 1972 or by Article 32 of the Planning (Northern Ireland) Order 1972) to obtain listed building consent for any works which affect the character of a listed building, or involve the demolition of any part of such a building.

CONSERVATION AREAS, NATIONAL PARKS, AREAS OF OUTSTANDING
NATURAL BEAUTY ETC

3.1 Subject to Condition 5.1, the Licensee shall give written notice to the Planning Authority before Installing any telecommunication apparatus in a Conservation Area, National Park, National Scenic Area, Area of Outstanding Natural Beauty, The Broads or a Limestone Pavement Area and shall not Install the apparatus until 40 days after the giving of the notice except with the written consent of the Planning Authority.

3.2 Where the Planning Authority notifies the Licensee in writing within 40 days of the giving of the notice under paragraph 3.1 that the Installation of the apparatus would detrimentally affect the character or appearance of the area and that the Installation should not take place, the Licensee may Install the apparatus only if the Planning Authority agrees in writing or if the Secretary of State, after having consulted the Planning Authority, so directs in writing.

3.3 For the avoidance of doubt paragraph 3.1 does not apply to the Installation of apparatus in relation to which planning permission is required from the Planning Authority.

NATIONAL NATURES RESERVES, SITES OF SPECIAL SCIENTIFIC
INTEREST OR AREAS OF SCIENTIFIC INTEREST

4.1 Subject to Condition 5.1, before Installing any telecommunication apparatus in any National Nature Reserve, Site of Special Scientific Interest or Area of Scientific Interest, the Licensee shall give the Relevant Authority written notice of its intention to do so describing the proposed works and shall not Install the apparatus until 40 days after the giving of the notice except with the written consent of the Relevant Authority.

4.2 Where the Relevant Authority notifies the Licensee in writing within 40 days of the giving of the notice under paragraph 4.1 that the proposed works would be likely to destroy or damage the flora, fauna or geological or physiographical features by reason of which the land is of special interest and that the Installation should not take place, the Licensee may Install the apparatus only if the Relevant Authority subsequently agrees in writing or, in the case of a National Nature Reserve or Site of Special Scientific Interest, if the Secretary of State, after having consulted the Relevant Authority, so directs in writing.

4.3 The Licensee shall also comply with any direction given to it in writing by the Secretary of State relating to giving notice to and considering representations made by any other authority exercising statutory functions in relation to National Nature Reserves, Sites of Special Scientific Interest or Areas of Scientific Interest or such other environmentally sensitive areas as may be specified in the direction.

EMERGENCY WORKS

5.1 Where apparatus is to be replaced or substantially altered in the course of emergency works the Licensee is not required to give the notice at Condition 1.1, 2.1, 3.1 or 4.1 before replacing or substantially altering the apparatus but it shall give the required written notice as soon as practicable after the commencement of the emergency works.

5.2 The Licensee shall, if requested by the Planning Authority or, as the case may be, the Relevant Authority, give to the Authority making the request reasons for the need to undertake the emergency works.

Condition 6

MAINTENANCE AND THE SAFETY OF APPARATUS

6.1 The Licensee shall from time to time inspect its telecommunication apparatus which is not inside a building and which is on or above the surface of the ground with a view to ensuring that it will not cause harm to other persons or property; and the Licensee shall notify the Director of its arrangements for inspecting such apparatus.

6.2 In addition to carrying out inspections of its own apparatus on or above the surface of the ground, the Licensee shall investigate any report (other than a frivolous one) of any of its apparatus (wherever situated) being in a dangerous state and shall remove any danger.

not given to the Licensee at least 30 days notice in writing of the amount of the fee so determined; however, the Licensee shall pay such fee so determined immediately upon the expiry of such notice notwithstanding that such notice may expire at a date later than 1 April or, as the case may be, 1 January in any year.

- (e) adding in Condition 39.7 after the words "a limited area" the words:-

" , or to a limited class of customers "

Ben -

exceeds the renewal fee for that year, save always that the aggregate of renewal fee and the special fee for any fiscal year shall not exceed 0.08% of the annual turnover of the Licensee's business in the financial year before the last complete financial year of the Licensee before the fee is payable or £25,000, whichever is the greater ("the normal aggregate fee"), unless the Director determines that the costs incurred in any fiscal year by him and the Monopolies and Mergers Commission in respect of the Licensee's activities exceeds the normal aggregate fee, in which case the aggregate of renewal fee and the special fee for the following year shall be such fee (not exceeding 0.4% of the annual turnover of the Licensee's business in the financial year before the last complete financial year of the Licensee before the renewal fee is paid) as the Director determines is sufficient to take account of that excess as well as the other costs to be incurred as mentioned in this paragraph.

34.2 Nothing in Condition 34.1(b) or (c) above shall require the Licensee to pay any fee so determined by the Director where the Director has

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of telecommunication licences
and in the exercise of his
other functions under the Act;
and

(ii) the costs estimated to have
been already incurred in that
fiscal year by the Monopolies
and Mergers Commission
following licence modification
references under section 13 of
the Act; and

(iii) the estimated costs to be
incurred in the remainder of
that fiscal year:

(A) by the Director in the
regulation and enforcement of
telecommunication licences and
in the exercise of his other
functions under the Act; and

(B) by the Monopolies and
Mergers Commission following
licence modification references
under section 13 of the Act

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pay the following amounts to the Secretary of State at the times stated:

- (a) on the grant of this Licence the sum of £25,000;
- (b) on 1 April 1986 and annually thereafter a renewal fee which shall represent a fair proportion, to be determined each year by the Director according to a method that has been disclosed to the Licensee, of the estimated costs to be incurred in that fiscal year; and
- (c) where the Director so determines, on 1 January 1990 and annually thereafter a special fee which shall represent a fair proportion, to be determined each year by the Director according to a method that has been disclosed to the Licensee, of the amount, if any, by which the aggregate of -
 - (i) the costs estimated to have been already incurred in that fiscal year by the Director in the regulation and enforcement



working days of commencing to provide such services; and

(b) gives notice to the persons receiving such services within seven working days of commencing provision of the services that such services may only be provided to him by the Licensee for a maximum continuous period of three months, and giving the names and addresses of all other Service Providers.

13.3 The Director may, on giving seven days notice in writing to the Licensee at any time while the Licensee is providing services pursuant to Condition 13.1, direct the Licensee to cease to provide those services and to make such provision consequential upon so ceasing as appears to the Director to be appropriate in all the circumstances having regard, in particular, to the interests of those to whom the services were provided."

(d) deleting Condition 34 and substituting for it the following Condition:-

" PAYMENT OF FEES

34.1 Subject to Condition 34.2, the Licensee shall



- (c) deleting Condition 13 and substituting for it the following Condition:-

"THE CESSATION OF THE PROVISION OF SERVICE BY A
SERVICE PROVIDER

13.1 Where the contract of a Service Provider with the Licensee for the provision by the Licensee of telecommunication services solely for the purpose of resale by that Service Provider is terminated by the Licensee or by that Service Provider or where, for any reason, a Service Provider ceases to provide such services by way of resale, the Licensee may, notwithstanding the provisions of Condition 12, provide telecommunication services to any person to whom that Service Provider provided such services by way of resale subject to Conditions 13.2 and 13.3.

13.2 The Licensee may provide or continue services pursuant to Condition 13.1 for a maximum continuous period of three months commencing on the date he began to provide if he:-

- (a) gives notice to the Director within two



ANNEX

Schedule 1 is hereby amended by:-

In Part 1

- (a) adding as a tailpiece to that definition in paragraph 1(r) after the words "Condition 9" the following:-

"and not being a system which the Director has determined ought not be deemed to be a Relevant Connectable System for the purposes of Condition 6."

In Part 2

- (b) deleting in Condition 1.1(b)(i) the reference to "Condition 12.3" and substituting for it a reference to "Condition 12.4".





Office of Telecommunications

Whereas the Secretary of State for Trade and Industry granted on 28 June 1985 to Racal Vodafone Limited ("the Licensee") a licence to run telecommunication systems under section 7 of the Telecommunications Act 1984.

Now therefore, the Director General of Telecommunications ("the Director") in exercise of the powers conferred upon him by Condition 9 of the Licence, hereby consents to the Licensee providing the telecommunication services specified below at charges or on terms and conditions which have not been published in accordance with Condition 9.1 and departing from any charges and other terms and conditions that have been so published.

The services referred to above are those telecommunication services provided to any Service Provider which are resold by that Service Provider to customers who are disabled drivers without charge in respect of:-

- (a) the connection of that customer's telecommunication system to the Applicable Systems
- (b) the conveyance of calls from that customer's system to a helpline for the disabled driver operated by the Licensee

to the extent that these services are provided without charge to the Service Provider in respect of the facilities referred to in sub-paragraphs (a) and (b).

The Interpretation Act 1978 shall apply for the purpose of interpreting this consent as if it were an Act of Parliament and any word or expression used in this consent shall have the same meaning as in the Licence.

DIRECTOR GENERAL OF TELECOMMUNICATIONS

26 January 1990

23B.5

In this Condition "Chatline Service" and "Message Service" have the respective meanings given to those terms in Condition 23A.

December 1989

which that customer is the customer of the relevant Service Provider or of the Licensee, to all Chatline Services and Message Services to which this Condition applies;

23B.4 The services to which this Condition applies are those Chatline Services and Message Services in respect of which:-

- (a) the person providing the service obtains the whole or any part of his revenue from the Licensee or those public telecommunication operators referred to in Condition 23A.8(a); and
- (b) the person responsible for paying the charges for the telephone calls by means of which the Service is obtained is billed by means of his telephone bill for any amount in respect of the provision of the Service.

and which are specified in a direction made under Paragraph 23B.2; and for this purpose the Director may specify a Chatline Service or Message Service of any description or all Chatline Services or Message Services and the provisions of this Condition shall apply accordingly.

- (i) the date on which the total charges accrued within the standard billing period of the Service Provider or the Licensee as appropriate for voice telephony services and any other service to be included in the bill or invoice for such services exceed an amount specified by that customer being an amount, or one of a number of amounts, from time to time specified by the Licensee as being suitable for the purpose; or
- (ii) the date on which the aggregate charges accrued in any such period in respect of Chatline Services and Message Services to which this Condition applies exceed an amount determined from time to time by the Director; and
- (c) the barring, by means of apparatus forming part of the Applicable Systems, on request by any such customer, of access from any telecommunication system run under a licence entitled "Class Licence for Mobile or Portable Apparatus connected to Cellular Systems" specified by that customer and in respect of

Director after consultation with the Licensee and shall specify only facilities which the Director considers it will be technically and economically practicable for a Service Provider or the Licensee to provide. The direction shall specify the date by which each facility is to be provided and the class or description of customer (whether described by reference to area or otherwise) to whom it is to be provided and shall be subject to such conditions as the Director thinks fit.

23B.3 The facilities referred to in paragraph 23B.2 are:-

- (a) The provision to any customer of a Service Provider or of the Licensee for voice telephony services who requests it of a bill or invoice showing, by reference to the number used to access the service, and the date and time on which access was obtained, the amount of any charge imposed by the Service Provider or by the Licensee, as appropriate, for a telephone call to any service to which this Condition applies;
- (b) the notification to such a customer who requests it, as soon as reasonably practicable, of:

CONDITION 23B

PROVISION OF SPECIAL FACILITIES

23B.1 The Licensee shall:-

- (a) only supply such telecommunication services which convey Messages comprised in services to which this Condition applies by means of the Applicable System to any Service Provider after the making of a direction under Paragraph 23B.2 where that Service Provider makes available to persons to whom it resells such services such facilities listed in Paragraph 23B.3 as are specified in the direction and complies with that direction and with any relevant conditions to which the direction is subject; and
- (b) comply with any such direction which requires the Licensee to make available to the persons specified in Condition 12.4 such of the facilities listed in Paragraph 23B.3 as are specified in the direction.

23B.2 A direction under this paragraph shall be made by the

otherwise be regarded as such a service.

23A.11 The provisions of this Condition shall cease to have effect on the making of a direction by the Director under Condition 23B to the extent specified in the direction.

23A.12 The provisions of this Condition and Condition 23B shall come into force on such day as the Director may determine and different days may be so determined for different provisions or different purposes.

December 1989

(ii) between a person who has independently called the service for the purpose of conducting a telephone conversation with one other such person, and such other person

and, for the avoidance of doubt, it does not include a service provided by a human operator of the Licensee which is incidental to the conveyance of a voice telephony message.

(d) "Message Service" means a service which consists of, or includes, the sending of speech, music or other sounds or signals to any person who obtains access to that service by means of a Public Switched Telephone Network.

(e) "Public Switched Telephone Network" means any public telecommunications system which is used to provide switched voice telephony services to the general public.

23A.10 A service by which one or more additional persons who are known (by name or telephone number) to one or more of the parties conducting an established telephone conversation can be added to that conversation by means of being called by one or more of such parties is not on that account a Chatline Service if it would not

("the participants") simultaneously to conduct a telephone conversation with one another without either:

(A) each of them having agreed with each other; or

(B) one or more of them having agreed with the person enabling such a telephone conversation to be conducted;

in advance of making the call enabling them to engage in the conversation the respective identities of the other intended Participants or the telephone numbers on which they can be called.

(c) "Live Conversation Message Service" means a Message Service (other than a directory information service) which consists of the provision of live telephone conversation for any purpose, whether or not including the provision of information of any kind,

(i) between the person providing the service (or a person acting on his behalf) and a person who obtains the service, or

- (a) the person providing the Service obtains the whole or any part of his revenue from the Licensee or from British Telecommunications PLC, Mercury Communications Limited, Kingston upon Hull City Council, Kingston Communications (Hull) PLC or Telecom Securicor (Cellular Radio) Limited; and
- (b) the person responsible for paying the charges for the telephone calls by means of which the Service is obtained is billed by means of his telephone bill for any amount in respect of the provision of the Service.

23A.9 In this Condition:-

- (a) "Controlled Service" means any service of the following descriptions:-
 - (i) a Chatline Service; or
 - (ii) a Live Conversation Message Service.
- (b) "Chatline Service" means, subject to paragraph 23A.10 below, a service which consists of or includes:-
 - (i) the enabling of more than two persons

23A.7 The Director may determine, subject to such conditions as he thinks fit, that:-

(a) any Controlled Service of any description, or any individually specified such Service provided by a person named in the determination, is not to be treated as a Controlled Service for the purposes of this Condition; and

(b) any individually specified Controlled Service in respect of which a determination under subparagraph (a) above has been made or which is within a description of Controlled Services in respect of which such a determination has been made, is to be treated as a Controlled Service for those purposes notwithstanding such determination.

and where a determination of the kind specified in subparagraph (b) above is made the provisions of this Condition shall apply to such a Service from the date specified in the determination.

23A.8 Subject to paragraph 23A.7, the provisions of this Condition only apply to a Controlled Service in respect of which:

writing of his intention to the body of persons applying and administering the Code, determine that its recognition be revoked if he is satisfied that its provisions are not capable of properly regulating the provision of the Controlled Services to which it relates or that it is not being properly applied and administered.

23A.5 For the purposes of this Condition the Director may recognize a Code of Practice in relation to any description of Controlled Service or to all Controlled Services and the provisions of this Condition shall apply accordingly.

23A.6 If a recommendation is made to the Director by the body of persons applying and administering a Code of Practice recognized under paragraph 23A.2 that any person should no longer be permitted or should not be permitted to provide a particular Controlled Service or any Controlled Services (whether or not he is providing it or them when the recommendation is made) and the Director considers it appropriate, he may direct the Licensee to cease to provide, or, as the case may be, not to provide that person or any other person with any service facilitating or enabling the provision or conveyance of the relevant Controlled Service or Services.

or conveyed, a Code of Practice governing the provision of such a Service, which has been recognised by the Director for the purposes of this Condition after consultation with the Licensee and with any body which he considers to be representative of those wishing to provide such Services.

23A.3 A Code of Practice shall only be recognized for the purposes of Paragraph 23A.2 if the Director is satisfied that:-

(a) its provisions are capable of properly regulating the provision of the Controlled Services to which it relates and, without prejudice to the generality of the foregoing, make adequate provision for compensating those who suffer as a result of the provision of such Services; and

(b) adequate arrangements have been made for the constitution of a body of persons to apply and administer the Code.

23A.4 A Code of Practice is recognized for the purposes of this Condition where it is specified as such in a determination made by the Director, and the Director may, at any time after such a Code is recognized and after giving not less than one month's notice in

ANNEX

CONDITION 23A

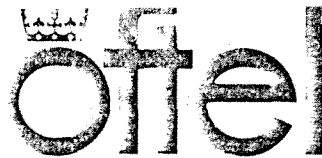
CONTROLLED SERVICES

23A.1 The Licensee may only:-

- (a) provide a telecommunication service to another person by means of the Applicable Systems by means of which that person, to the knowledge of the Licensee, provides a Controlled Service (whether or not Messages comprised in, or resulting from the provision of, such Services have previously been or are subsequently conveyed by any other public telecommunication system); or
- (b) convey by means of its Applicable Systems to the knowledge of the Licensee any Messages comprised in a Controlled Service;

where the Relevant Condition is satisfied.

23A.2 The Relevant Condition is that there is in effect at the time the Controlled Service concerned is provided



Office of Telecommunications

Whereas the Secretary of State has granted to Racal Vodafone Limited ("the Licensee") on 28 June 1985 a Licence ("the Licence") under section 7 of the Telecommunications Act 1984 ("the Act") for the running of the telecommunications systems specified in Annex A to that Licence.

Whereas the Director General of Telecommunications ("the Director") in accordance with section 12 of the Act, published on 16 March 1989 a notice stating he proposed to make these modifications and setting their effects, stating the reasons why he proposed to make the modifications and stating that any person whose interests were likely to be affected by them and who was desirous of making representations or objections in respect of them should do so in writing before 30 April 1989.

Whereas a copy of that notice was sent to the Licensee on 16 March 1989.

Whereas the Licensee has consented to the making of the modifications.

Whereas the Secretary of State has not directed the Director not to make the modifications.

And whereas the representations or objections that were duly made and not withdrawn have been considered.

Now, therefore, the Director in exercise of the powers conferred upon him by section 12 of the Act hereby makes the following modifications to Schedule 1 of the Licence:-

Part 3 of Schedule 1 to the Licence is hereby amended by inserting after Condition 23 the following new Conditions 23A and 23B set out in the attached Annex.

DIRECTOR GENERAL OF TELECOMMUNICATIONS

4 December 1989

Whereas the Secretary of State has granted to Racal Vodafone Limited ("the Licensee") on 28 June 1985 a Licence ("the Licence") under section 7 of the Telecommunications Act 1984 ("the Act") for the running of the telecommunications systems specified in Annex A to that Licence.

Whereas the Director General of Telecommunications ("the Director") in accordance with section 12 of the Act, published on 22 September 1989 a notice stating that he proposed to make these modifications and setting out their effects, stating the reasons why he proposed to make the modifications and stating that any person whose interests were likely to be affected by it and who was desirous of making representations or objections in respect of it should do so in writing before 23 October 1989.

Whereas a copy of that notice was sent to the Licensee on 22 September 1989.

Whereas the Licensee has consented to the making of the modifications.

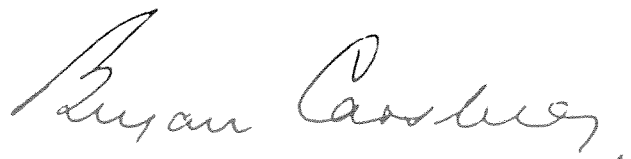
Whereas the Secretary of State has not directed the Director not to make the modifications.

And whereas no representations or objections have been made.

Now, therefore, the Director in exercise of the powers conferred upon him by section 12 of the Act hereby makes the following modifications to Schedule 1 of the Licence:-

Schedule 1 to the Licence is hereby amended as provided in the attached Annex.

9 November 1989



DIRECTOR GENERAL OF TELECOMMUNICATIONS

the Vodafone System or who is in the business of securing the provision of such services by such means; and

"the Vodafone System" means those telecommunications systems the running of which is authorised by the Vodafone licence.

3(2) The Interpretation Act 1978 shall apply for the purpose of interpreting this determination as if it were an Act of Parliament.

3(3) Any word or expression used in this determination shall unless the context otherwise requires have the same meaning as it has in the Act or the Vodafone Licence.

3(4) In the event of any inconsistency between the meaning that any word or expression used in this determination has in the Act and the meaning that it has in the Vodafone licence, the meaning it has in the Act shall prevail.

3(5) References in this determination to the Schedule and to paragraphs of the Schedule are to the Schedule and paragraphs of the Schedule to this determination.

3(6) References in this determination to "Vodafone" and "Mercury" shall include their respective employees, agents, successors (whether by operation of law or otherwise) and permitted assigns.

August 1991


Director General

agreed between Vodafone and Mercury and relate to all or any of the matters set out in Condition 6.5 of the Vodafone licence.

3(1) In this determination -

"the Agreement" means the agreement to be entered into by Vodafone and Mercury in accordance with Condition 6 of the Vodafone licence to do the things described in Condition 6.2(a) and (c) of that licence;

"Call" means the establishment of a connection through a telecommunication system from the originator of a Message to the intended recipient thereof, for the purposes of conveyance of that Message;

"the Director" means the Director General of Telecommunications;

"the Mercury System" means those telecommunication systems the running of which is authorised by the Mercury licence;

"Message" means anything falling within paragraphs (a) to (d) of Section 4(1) of the Act;

"Service Provider" means any person who is in the business of providing mobile radio telecommunication services to another by means of a telecommunication system lawfully connected to

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Whereas, after a period which appears to the Director General of Telecommunications ("the Director") to be reasonable for the purpose, Vodafone has failed to enter into an agreement as required by Mercury under Condition 6.2; and

Whereas Mercury applied on 30 July 1990 to the Director to determine under Condition 6.6 of the Vodafone licence the permitted terms and conditions for the purpose of an agreement under Condition 6.2 between Vodafone and Mercury;

Now, therefore, the Director, in exercise of the powers conferred upon him by Condition 6.6 and 6.8 of the Vodafone licence, hereby makes the following determination:-

1. This determination applies to interconnection between the Vodafone System and the Mercury System, for the purposes of the conveyance of messages from the Mercury system to the Vodafone system.

2(1) The terms and conditions for the purpose of an agreement between Vodafone and Mercury to do the things described in Condition 6.2 (a) and (c) of the Vodafone licence shall include all of the terms and conditions set out in the Schedule to this determination and any other agreement between Vodafone and Mercury to do those things shall include all of those terms and conditions.

2(2) The agreement referred to in sub-paragraph (1) above may also include such other terms and conditions as may be

12/4/91

Whereas the Secretary of State granted to Racal-Vodafone Limited ("Vodafone") on 28 June 1985 a licence ("the Vodafone licence") under section 7 of the Telecommunications Act 1984 ("the Act") for the running of the telecommunication systems specified in Annex A to that licence;

Whereas the Secretary of State granted to Mercury Communications Ltd ("Mercury") on 5 November 1984 a licence ("the Mercury licence") under section 7 of the Act for the running of the telecommunication systems specified in Annex A to that licence;

Whereas the Secretary of State by order designated as a public telecommunication system each of the telecommunication systems the running of which is authorised by the Vodafone licence or by the Mercury licence;

Whereas Mercury is authorised by the Mercury licence to run a Relevant Connectable System as defined in Part 1 of Schedule 1 to the Vodafone licence;

Whereas Vodafone and Mercury have already concluded an agreement dated 12 November 1987 governing the interconnection of their respective telecommunication systems ("the 1987 Interconnection Agreement");

Whereas Mercury has required Vodafone to enter into an agreement to do the things described in Condition 6.2(a) and (c) of the Vodafone licence;

Run

DETERMINATION OF THE TERMS AND CONDITIONS FOR THE
PURPOSES OF AN AGREEMENT ON THE INTERCONNECTION OF THE
RACAL-VODAFONE LIMITED SYSTEM AND THE MERCURY
COMMUNICATIONS LIMITED SYSTEM UNDER CONDITION 6
OF THE LICENCE GRANTED TO RACAL-VODAFONE LIMITED
UNDER SECTION 7 OF THE TELECOMMUNICATIONS ACT 1984

75 The Applicable Systems are defined

- (a) as cellular telecommunication systems by means of which Mobile Radio Telecommunication services are provided;
- (b) by reference to the location on which the apparatus or systems may be situated (paragraph 1(b)); and
- (c) by specifying certain particular apparatus and systems which are excluded (paragraph 1(b) and (c)).

69 Condition 5 It will be seen from the Definitions and Interpretations at the head of this Schedule that "Installing" includes "replacing" and "substantially altering". Thus Vodafone will, for example, be required to give the 28 days prior notice required at Condition 1.1 when they replace or substantially alter their apparatus as well as when they initially install any apparatus.

70 However, Condition 5 provides that where apparatus is replaced in the course of emergency works (eg an antennae blown down in a gale) or where apparatus is substantially altered in the course of emergency works (eg a mast shored up to prevent further gale damage) Vodafone need not give the required prior notice to the Authority concerned but must do as soon as practicable after the commencement of the emergency works.

71 Condition 6 requires Vodafone to inspect their apparatus which is not inside a building and which is on or above the surface of the ground (ie antennae on the roof of a building) to ensure that it is not in a dangerous state. The two companies are also required to investigate any report of their apparatus being unsafe and to remove any danger.

72 Condition 7 requires Vodafone to take all reasonable steps to secure that apparatus is installed in conformity with the provisions of the Condition in particular by giving instructions to those acting on their behalf. Condition 7 also requires Vodafone to furnish details of these instructions to the Director General of Telecommunications at specified times. The instructions include a requirement on the Licensee, before erecting a new mast, to investigate the possibility of using an existing mast, replacing an existing mast with a mast for joint use and erecting in cooperation with any other cellular operator a mast for joint use.

73 Condition 8 reflects Section 10(5) of the Act. Vodafone must make available to the public in their Major Office or Offices a copy of Schedule 4 to the Licence and a copy of any direction given by the Secretary of State under Section 10(4) of the Act, for example a direction modifying the list of environmentally sensitive areas in Condition 4.

ANNEX A: DEFINITION OF THE APPLICABLE SYSTEMS

74 Annex A, which is identical to that in the licence granted to Vodafone, defines "the Applicable Systems", that is to say the systems which the licence authorises Vodafone to run.

64 Also, the requirement in Condition 1 on Vodafone of giving prior notice to the Planning Authority does not apply where they need to obtain planning permission from the Authority eg in the case of a mast more than 15 metres high. Similarly the requirement of prior notice at Conditions 2 and 3 does not apply where planning permission is required for the installation of the apparatus concerned.

65 Condition 2 requires Vodafone to give 40 days notice to the Planning Authority before installing any telecommunication apparatus in proximity to a building shown as Grade I (in England and Wales), the equivalent to Grade 1 (in Northern Ireland) or Category A (in Scotland) in the list of buildings of special architectural or historic interest compiled by the Secretary of State under the Town and Country Planning Acts. Where the Planning Authority gives notification that the installation concerned would detrimentally affect the character or appearance of the building, or its setting, and that the installation should not take place, Vodafone may install the apparatus only with the written agreement of the Planning Authority or as directed by the Secretary of State.

66 Condition 3 requires Vodafone to give 40 days notice to the Planning Authority before installing any telecommunication apparatus in a Conservation Area (in England, Wales, Scotland or Northern Ireland), a National Park (in England and Wales), a National Scenic Area (in Scotland), an Area of Outstanding Natural Beauty (in England, Wales or Northern Ireland), the "Norfolk Broads" or a Limestone Pavement Area (in England, Wales or Scotland). Where the Planning Authority gives notification that the installation of the apparatus would detrimentally affect the character or appearance of the area concerned and that the installation should not take place Vodafone may install their apparatus only with the written agreement of the Planning Authority or as directed by the Secretary of State.

67 Condition 4 requires the two operators to give 40 days notice to the Nature Conservancy Council before installing any apparatus in a National Nature Reserve or a Site of Special Scientific Interest (in England, Wales or Scotland) or to the Department of the Environment for Northern Ireland before installing any apparatus in an Area of Scientific Interest (in Northern Ireland). Where the proposed works would be likely to have a specified detrimental effect the apparatus may only be installed with the necessary agreement or as directed by the Secretary of State.

68 Condition 4 also enables the Secretary of State to give a direction to Vodafone requiring it to give notice to and consider representations made by any other statutory body in relation to National Nature Reserves, SSSIs or ASIs or such other environmentally sensitive areas (eg Marine Nature Reserves) as may be specified in the direction.

telecommunications that document set out the Government's proposal that those operators to whom Telecommunications Code powers were applied should be granted a general permission to carry out minor telecommunications development (eg the installation of kiosks, wires, poles, small antennae, cables and ducts) without needing to seek specific planning permission in each case.

60 The consultative paper made clear the intention that this general permission should be qualified in the relevant telecommunications licences which applied the Code by exceptions and conditions designed to protect the physical environment, the practical result being to restrict the use that an operator would be able to make of the new GDO permission in a particular situation. This general intention has been reaffirmed by the Parliamentary Under Secretary of State at the Department of the Environment, Mr MacFarlane, in answer to a written Parliamentary question on 25 October. Schedule 4 to the Vodafone licence has been drawn up on this basis (as has that of the other cellular radio operator). It should be noted that the Secretary of State has power to modify Schedule 4 of the Vodafone licence (and that of the other operator) if, in its original form, it is not adequate to achieve the objective set out in paragraph 58 above.

61 Of particular relevance to the plans of the two cellular radio operators, Mr MacFarlane's answer of 15 October noted that the permitted development in relation to the installation of minor telecommunication apparatus would cover apparatus erected on buildings provided that the apparatus does not increase the height of the building by more than a specified amount (6m for buildings of up to 15m; 8m for buildings of 15m or more but less than 30m; and 10m for buildings of 30m or more). The Conditions in Schedule 4 are identical to those in the licence granted to Vodafone.

62 Condition 1 requires Vodafone to give 28 days notice to the Planning Authority before installing any telecommunication apparatus above the ground. The Planning Authority can require the apparatus to be installed in accordance with conditions which are reasonable in all the circumstances of the case taking into account the desirability of protecting the visual amenity of the locality in which the apparatus is to be installed, the technical requirements of the operators' systems and the cost of installing the apparatus.

63 This requirement to give 28 days prior notice to the Planning Authority before apparatus is installed above ground does not apply in a case where Vodafone is required to give 40 days prior notice to the Planning Authority under Condition 2.1 (in respect of apparatus to be installed in proximity to certain Listed Buildings and Ancient Monuments) or Condition 3.1 (in respect of apparatus to be installed in Conservation Areas, National Parks, Areas of Outstanding Natural Beauty Etc).

"impracticable" to provide a service or whether there is no "reasonable" demand for a service can in the first instance be answered by the Director but in the final analysis his decisions can be challenged in the courts.

SCHEDULE 2: REVOCATION

55 Schedule 2 lists the circumstances under which the licence may be revoked.

SCHEDULE 3: AUTHORISATION TO CONNECT OTHER SYSTEMS AND TO PROVIDE TELECOMMUNICATION SERVICES

56 Schedule 3 which is identical to that in the Vodafone licence, lists the kinds of system and the kinds of apparatus that may be connected to Vodafone's systems. It also specifies the services that may be provided: Mobile Radio Telecommunication Services; and directory enquiry services.

SCHEDULE 4: EXCEPTIONS AND CONDITIONS RELATING TO THE APPLICATION OF THE TELECOMMUNICATIONS CODE

57 Schedule 4 to the Licence sets out the exceptions and conditions subject to which the various powers to install apparatus contained in the Telecommunications Code (Schedule 2 to the Telecommunications Act 1984) are conferred on Vodafone.

58 Most of the exceptions and conditions in Schedule 4 of the licences reflect that criterion set out in section 10(4) of the Act which is designed to ensure that the physical environment is protected and, in particular, that the natural beauty and amenity of the countryside is conserved. It should be noted that it is not considered requisite or expedient to include conditions and exceptions in the licences reflecting the other criteria set out in section 10(4) because Vodafone will not be empowered to undertake street works.

59 It should be borne in mind that the Telecommunications Code itself is not directly concerned with the purely planning aspects of the installation of telecommunication apparatus. The Code assumes that the planning status of telecommunications development is a matter to be determined separately under planning legislation. In this context the Department of Environment issued a consultation document in January 1984 on the revision of the General Development Order 1977 made under the Town and Country Planning Act 1971. (Similar proposals have been put forward in respect of the equivalent Scottish legislation.) In the section on

48 Condition 33 obliges Vodafone to give the Director 30 days prior notice, subject to the exception specified in paragraph 33.5, of any agreement for the establishment or control of a body corporate or the establishment of a partnership for the running of a telecommunication system under a licence, the provision of telecommunication services which involve the running of a system under a licence or for the production of telecommunication apparatus resulting in the acquisition of a market share of more than 20%. The same obligation is also imposed about any other agreement or arrangement in the nature of a joint venture for running telecommunication systems or providing telecommunication services.

49 Condition 34 requires Vodafone to pay a fee on the grant of the licence and an annual fee thereafter which will represent Vodafone's share, as determined by the Director, of the cost of running OFTEL and any related costs incurred by the Monopolies and Mergers Commission. The annual fee is subject to a maximum limit of 0.08% of Vodafone's annual turnover or £25,000 whichever is the greater.

50 Condition 35 is designed to ensure that Vodafone cannot evade its obligations under the licence by acting through a member of its Group. Condition 35 enables the Director to issue a direction requiring Vodafone to take remedial steps where he considers that it is trying to avoid such obligations in this way.

51 Condition 36 places an obligation on Vodafone to provide the Director with any information he may reasonably require to enable him to carry out his functions.

52 Condition 37 requires Vodafone to comply, subject to certain exceptions with respect to timing, with any direction by the Director for the purpose of securing compliance with any provision of Community law concerning the incorporation or otherwise of apparatus in or the conformity to any standards of the Applicable Systems.

53 Condition 38 requires Vodafone to settle and finance a research and development programme for radio telecommunication apparatus.

54 Condition 39 sets out the limitations on Vodafone's obligations under Schedule 1 of the licence. Paragraph 39.11 sets out the application of these limitations which do not all apply to all the obligations, for example where individual Conditions have their own limitations built in. Subject to that Vodafone is not obliged to do anything which is not practicable; nor will it be in breach of an obligation if it is prevented from complying by force majeure (paragraphs 39.2 and 39.3). Paragraphs 39.4 and 39.5 set out the circumstances in which Vodafone is entitled to refuse service because the demand would not be reasonable. The questions whether it is

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- (b) supply other telecommunication services to Vodafone or provide or not provide other telecommunication services to another person; or
- (c) transfer to Vodafone or another person any interest in intellectual or industrial property which would confer an unfair competitive advantage on them.

42 Condition 27 also says that, while Vodafone or a member of its Group may agree with another person to act as sole supplier of some or all of the apparatus supplied by that person, if the Director is satisfied that that person did not willingly agree to give that sole right, the Director may oblige Vodafone not to impose such a condition in future either in all circumstances or in certain specified circumstances.

43 Condition 28 places an obligation on Vodafone to draw up, with the agreement of the Director, a code of practice on the confidentiality of customer information for its employees. The code must specify the people to whom information about a customer cannot be disclosed without the customer's consent, regulate the information about any customer or service which may be disclosed within the business, and restrict the disclosure of information relating to the statutory testing of apparatus.

44 Condition 29 gives the Director powers to ensure that Industrial and Intellectual Property Rights (patents, design, knowhow, copyright etc) needed for telecommunication apparatus or services are not exercised by Vodafone in such a way as to prevent others providing telecommunication apparatus or services on reasonable terms and conditions.

45 Condition 30 gives the Director powers, where appropriate, to prevent Vodafone from making the connection of telecommunication apparatus to its systems subject to any approval or test other than those designated by the Secretary of State or by the Director under the Act.

46 Condition 31 obliges Vodafone to take all reasonable steps to ensure that information acquired in the course of any test or assessment of apparatus that it carries out for the purposes of section 25 of the Act is not disclosed, except with the agreement of those concerned, either to its own employees or to other people. Paragraph 31.2 is designed to ensure that people undertaking any such work in Vodafone are not required to disclose information about it to those to whom they may be answerable in the activities of running systems or supplying apparatus.

47 Condition 32 requires Vodafone to pre-notify the Secretary of State about changes in the control of its share capital and there is a related power (in Schedule 2) for the Secretary of State to revoke the licence in certain circumstances.

32 Condition 17 lays down certain rules about how Vodafone shall maintain its accounting and reporting records.

33 Condition 18 obliges Vodafone, to issue a code of practice for its employees and customers and to secure that Service Providers act in accordance with its provisions. The aim is that the code should describe the terms on which Vodafone provides services, the quality of service Vodafone aims to achieve and the procedures and contact points for customers who have complaints or queries about their bills, service faults, directories etc. Six months is allowed for the publication of the code from the date on which such services are first provided but in preparing the code Vodafone must consult the Director and any person specified by him. The Director must also be consulted about the code's operation at least once every three years.

34 Condition 19 requires Vodafone to secure that its Service Providers' customers have access to independent arbitrators in respect of small disputes related to the provision of the telecom services. Dissatisfied customers can of course take legal action but for the ordinary customer court action is normally too expensive and too lengthy. Condition 19 therefore enables them to seek resolution of disputes involving small sums through independent arbitrators. A limit, to be agreed between the Director and Vodafone, will be placed on the sums which can go to arbitration.

35 Condition 20 requires Vodafone to receive and consider representations from consumer bodies about its provision of services. Condition 21 obliges Vodafone to ensure the accuracy of the meters it uses to measure the duration etc of telephone calls made by its customers. If any meter is a source of difficulty Vodafone can be obliged by the Director to keep additional records. Paragraphs 21.2 and 21.3 make provision for the time when the current discussions about independent approvals of Vodafone meters are brought into effect.

36 Conditions 22 and 23 impose obligations on Vodafone relating to the special requirements of the disabled for telecommunication services and apparatus. The Government has made clear its determination to ensure that the disabled are looked after.

37 Condition 22 covers the general needs of the disabled at large. It requires Vodafone to consult with the Director about the arrangements it makes for the connection of apparatus to the Vodafone system to meet all reasonable demands by disabled persons. Vodafone must also discuss with the Director the availability of apparatus for the disabled and participate in the work of the advisory body for the disabled and persons of pensionable age which the Director must establish under section 54 of the Act. The effect of

Condition 23 is to oblige Vodafone - if a subsidiary produces or supplies telephones - to ensure that telephones which incorporate the inductive coupler (which enables people with suitable hearing aids to use the telephone) or telephones with amplifiers (which enable hearing impaired people without hearing aids to use the telephone) are made available to meet all reasonable demands.

38 Condition 24 requires Vodafone to provide, within 5 years or a period to be determined by the Director, an inter-system roaming service between all telecommunication systems specified by the Secretary of State and not to enter into exclusive arrangements or agreements with any international operator offering mobile radio telecommunication services.

39 Condition 25 requires Vodafone to adopt a numbering plan which describes the arrangements for allocating numbers to customers and other systems and to give the details to the Director. Paragraph 25.4 requires Vodafone to consult the Director about its revisions of its numbering plan after consulting other public telecommunications operators and others concerned. If the Director is not satisfied about these proposals paragraphs 25.6 to 25.9 make provision for the Director to decide what Vodafone's numbering plan should be so that it takes account of the interests of other operators and users. Again this condition parallels similar provisions in the licences granted to other public telecommunications operators.

40 Condition 26 prevents linked sales by placing an obligation on Vodafone, subject to certain specified exemptions, not to make it a condition of providing any telecommunication service, or connecting any other system or apparatus to any of its systems authorised under the licence, that any other telecommunication service or apparatus should be acquired either from Vodafone or any other specified person. Condition 26 also prevents Vodafone providing a service, or making a connection, on more favourable terms when it does any of those things in combination than when it does them alone.

41 Condition 27 anticipates the possibility that Vodafone could become a monopoly purchaser of certain types of telecommunication apparatus. In such circumstances Condition 27 which prohibits certain exclusive dealing arrangements, places an obligation on Vodafone, except with the written consent of the Director and subject to certain specified exemptions, not to make it a condition of buying any telecommunication apparatus to be comprised in the Applicable Systems that the supplier of that apparatus should:

- (a) supply other telecommunication apparatus to Vodafone or supply or not supply other telecommunication apparatus to another person;

include in the relevant agreements. Paragraphs 6.6 and 6.7 give the Director the role of determining the terms of the agreement if, after a reasonable period of time, Vodafone and the Operator do not reach agreement, and they set out the criteria to which the Director is to have regard in making such a determination. Paragraph 6.8 provides for Vodafone to refuse to make a connection in circumstances where the Director agrees it is right to refuse and paragraph 6.9 enables the Director to require that Vodafone observes the arrangements for any connection. This Condition is paralleled in other public telecommunications operators' licences so that there are reciprocal obligations on operators seeking to inter-connect their systems.

21 Condition 7 obliges Vodafone generally to connect, or permit the connection, to its systems of any system which is not covered by Condition 6 and any apparatus which is approved under section 22 of the Act.

22 Condition 8, which is required by section 8(1)(c) of the Act, obliges Vodafone to permit any person who is running a telecommunication system connected to the Vodafone systems to provide any telecommunication services to others which he is permitted to provide under his licence. Condition 8 also obliges Vodafone to permit any person running such a system or using any apparatus connected to the Vodafone systems to provide services which do not fall within the definition of "telecommunication services" in section 4 of the Act. This is to ensure that people remain free to provide services like banking or the provision of information over the telephone.

23 Condition 9 obliges Vodafone to publish the charges, terms and conditions for the generality of its telecommunication services and to provide those services in accordance with those terms and conditions. In accordance with section 8(1)(e) of the Act the services covered by this obligation include those described in section 8(1)(a) to (c).

24 Condition 10 prohibits Vodafone from showing, whether in respect of charges or other terms and conditions or otherwise, undue preference or undue discrimination (particularly as respects persons in rural areas) in providing the generality of its telecommunication services including those described in section 8(1)(a) to (c) of the Act. Paragraph 10.2 provides for the Director to decide when Vodafone is showing undue preference or undue discrimination as provided for in section 8(3) of the Act.

SCHEDULE 1: PART 3

25 Conditions 11 to 38 are not required by section 8 of the Act but are the remaining provisions which the Secretary of

State considers it necessary to include in the Vodafone licence in order to secure the objectives set out in section 3 of the Act.

26 Condition 12 prohibits Vodafone from providing telecommunication services by means of the Applicable Systems except to people engaged in the business of providing retail telecommunication services (Service Provider), the Crown, Emergency Organisations and persons engaged in Public Utility Services and public administration who have been designated by the Director for the purpose of this Condition. Paragraph 12.2 prohibits Vodafone from providing services to a Service Provider who in the opinion of the Director is unwilling to provide such services on the same basis to others than members of his Group.

27 Condition 13 permits Vodafone to provide telecommunication services direct to a Service Provider's customers for up to a maximum period of three months in the event of that Service Provider being in the opinion of the Director unable or unwilling to continue to provide service. Before providing such services Vodafone is required to notify the customers' in writing of the names and addresses of all other Service Providers providing service by means of the Applicable Systems. This Condition is to ensure continuity of service for customers on the Applicable Systems in circumstances beyond their control.

28 Condition 14 prohibits Vodafone from engaging in the business of producing or supplying telecommunication apparatus or of providing valued added services.

29 Condition 15 prohibits Vodafone from cross-subsidising certain activities that members of its Group may undertake - the provision of maintenance service on systems connected to the Applicable Systems, the supply or production of apparatus for connection to the Applicable Systems or the provision of value added services or retail telecommunication services by means of the Applicable Systems - out of revenue from its business. Condition 15 gives the Director a power to direct Vodafone to take immediate steps of any kind if it unfairly cross-subsidises.

30 Paragraph 15.3 imposes an obligation on Vodafone to keep accounting records of any material transfer between any part of Vodafone's business and of the activities mentioned in paragraph 29 above.

31 Condition 16 requires Vodafone to inform the Director about any proposals for changing its systems in ways which would require customers or manufacturers to buy or produce modified apparatus. Vodafone is also obliged to prepare, in consultation with the Director, and to publish a statement of its procedures for giving advance notice of such changes.

12 Condition 2 contains a number of obligations on Vodafone to provide directory information. To all to whom Vodafone provides voice telephony services either directly or through Service Providers (see Condition 12) by means of the Applicable Systems, it must under paragraph 2.1(a) also provide a full directory information service as defined in section 4 of the Act, that is to say a directory enquiry service of the kind currently provided by British Telecom to its customers. Vodafone must also, under paragraph 2.1(b), make available to anyone who requests them any directories (for telephone, telex or other services) it produces.

13 Paragraph 2.2(a) obliges Vodafone to make available directory information to all customers of its Applicable Systems about customers of systems such as the British Telecom system to which Vodafone is connected. Paragraph 2.2(b) imposes a requirement to provide information to other operators so that they can provide an equivalent service to their customers who want to find out the numbers of customers of the Vodafone Applicable Systems. Paragraph 2.3 makes provision for customers of the Vodafone Applicable Systems to have access to directory information about customers of overseas telecommunication systems. Reciprocal obligations are contained in the licences for the other public telecommunication systems.

14 Paragraph 2.4 contains the protection for the blind and disabled required by section 8(2) of the Act. It requires Vodafone to provide a directory information service to blind and other disabled persons who cannot use printed telephone directories in a form appropriate to their needs (eg in an audible form like the present directory enquiry service provided by British Telecom, not a visual form). Whether or not Vodafone decides to charge for its directory enquiry service, it must provide this directory information to the blind and other disabled persons free of charge or, if the Director agrees, appropriately recompense such persons.

15 Condition 3 obliges Vodafone to take all reasonable steps to ensure, through connections to public telecommunication systems authorised to provide international services that customers' of the Vodafone Applicable Systems can send Messages to places outside the United Kingdom (including the Isle of Man and the Channel Islands) and receive Messages from those places.

16 Condition 4 obliges Vodafone to provide a "Public Emergency Call Service", commonly known as the 999 service to the extent that the Director determines that it is reasonably practicable to do so. The company is required to deliver emergency calls by means of the Applicable System, in an acceptable form, to an appropriate Emergency control centre serving the location from which the call is made. Condition 4.2 contains an obligation to ensure that customers are

informed when Vodafone is not providing such a service so that they do not mistakenly assume that apparatus connected to the Vodafone systems will give access to the emergency services.

17 Conditions 5 requires Vodafone to provide other emergency services and to formulate such plans and arrangements for emergencies as may be required by the appropriate authorities. Such services and requirements will include calls made by the Emergency Organisations special arrangements in the event of major accidents and plans to facilitate essential national communications in the event of damage to the network from whatever cause. Vodafone will be entitled, where this is appropriate, to recover the costs of such services, plans and arrangements.

18 Conditions 1 to 5 are included in the draft licence in accordance with section 8 (1) (a) of the Act and require Vodafone "to provide such telecommunication services as are specified in the licence". Conditions 6 and 7 fulfil the requirement in Clause 8(1)(b) that the licence must require the licensee "to connect or permit the connection to any telecommunication system to which the licence relates of such other telecommunication systems and such apparatus as are specified" or described in the licence.

19 Condition 6 has to be read in conjunction with Condition 7 in order to understand Vodafone's full obligation to make connections to its system. Condition 6.1 obliges Vodafone to connect to public switched telecommunication systems. By this means full interworking with Vodafone will be achieved. Paragraph 6.2 deals with a limited range of connections to major systems - and in particular the British Telecom and Vodafone systems - run under licences granted to individuals rather than under class licences. Systems like those of British Telecom, Mercury, Cellnet, Hull, and the local broadband cable systems that are individually licensed are covered by Condition 6, but not, for example private branch systems in office blocks (which are run under a class licence). Where the Operator of such a major system requests that his system be connected, Vodafone is obliged to make an agreement with that Operator to make the connection and, if the Operator and Vodafone fail to reach agreement, the arrangements for connection are to be laid down by the Director. Where the Operator is what is called a "Long Line Public Telecommunications Operator" he will also be able to require an agreement from Vodafone which provides not only for basic connections to be made but also for people making use of the connections between his system and the Vodafone systems to be able themselves to choose to what extent their calls are conveyed by means of the Operator's system and Vodafone's system.

20 Paragraph 6.3 lays down the circumstances in which Vodafone is exempt from these obligations to connect; for example when the necessary connections might be unsafe. Paragraphs 6.4 and 6.5 describe the matters which Vodafone may

SCHEDULE 1: PART 1

9 Schedule 1 is divided into three parts. Part 1 simply contains the definitions, interpretations and transitional provisions relating to the conditions in Parts 2 and 3. Schedules 2, 3 and 4 and Annex A each have their own definitions, interpretations and transitional provisions as appropriate. The definitions etc in Schedule 1, Part 1 can be modified if necessary using the procedures in section 12 and 15 of the Act. The convention is that terms which have a special meaning are normally given initial capital letters. If a term is used in only one condition its definition is included in the condition in question. If a term is used in several conditions its definition has been brought forward to Part 1.

SCHEDULE 1: PART 2

10 The conditions in Schedule 1 are divided into Part 2 and Part 3 because section 8(1) and (2) of the Act lays down the kinds of conditions which must be included in a licence before the system to which that licence relates can be designated under section 9 of the Act as a "public telecommunication system" and the operator as a "public telecommunications operator" or before the Telecommunications Code can be applied to them under section 10(2)(a). All the Conditions in Part 2 of Schedule 1 (ie Conditions 1 to 10) are set by reference to section 8(1) and (2). They impose a series of obligations on Vodafone specifying the services it must provide and how it must provide them. Under section 7 of the Act licences may also include other conditions apart from those included by reference to section 8(1) of the Act. Part 3 contains the other conditions which the Secretary of State thinks necessary. The obligations placed on Vodafone by the conditions in both Part 2 and Part 3 are subject to the exceptions and limitations in Condition 38 which set out the circumstances where it would either be impracticable or not reasonably practicable to do those things or where demands would not be reasonable.

11 Condition 1 Unlike British Telecom Vodafone does not have a universal service obligation. This reflects the fact that it does not have a national system like British Telecom. Instead Condition 1 places an obligation on Vodafone to install and run Applicable Systems from the date the licence comes into force and to have expanded the system so that by 31 December 1989 service is available by means of the Applicable Systems over an area where 90% of the United Kingdom population live. Condition 1 also requires Vodafone to meet all reasonable demands for service within the areas covered by the Applicable Systems.

- he must maintain and promote competition so that telecommunication users obtain a choice of services and apparatus;
- he must promote efficiency and economy;
- he must promote research and development and the use of new techniques;
- he must encourage major users of telecommunications to set up business in the UK, promote the provision of international transit services here, and enable those providing telecommunication services and producing apparatus in the UK to compete effectively overseas.

6 Vodafone will be made to comply with these conditions by the Director General of Telecommunications (who is called "the Director" in the licence) using the powers in sections 16, 47, 49 and 53 of the Act. The Director will also have the assistance of the advisory bodies to be set up under section 54 of the Act. Where the Director considers that a breach of a licence condition has occurred he must under section 16 make an order (of either a provisional or a final kind) requiring Vodafone to take such steps as he considers necessary to comply with the condition. Such orders are enforceable by civil proceedings in the Courts.

7 The Director may modify the conditions in Schedule 1. This can happen in two ways. First, if the Director and Vodafone agree that a change to a licence condition is needed or that a new condition is needed, and the Director gives public notice of his intention and then considers public comments about it, a condition can be modified by agreement under section 12 of the Act. Second, where there is no agreement between the Director and Vodafone but the Director thinks that a licence condition needs adding to or changing, the Director may refer the matter to the Monopolies and Mergers Commission (MMC). If the MMC considers that a modification would be in the public interest, then the Director may, under section 15 of the Act, modify the condition to put matters right. This power to modify applies only to the conditions in Schedule 1. The provisions of Schedules 2 and 3 and of Annex A cannot be modified under sections 12 and 15 and Schedule 4 can be modified only in accordance with the special procedures laid down in section 10 of the Act

8 The Secretary of State's responsibility is limited to granting the initial licence and setting the initial conditions in Schedule 1. Once the conditions are set he has no power to initiate changes to them and only limited powers under sections 12 and 15 of the Act to prevent modifications.

Licence will last for at least 25 years and will go on for longer unless 10 years notice of termination is given. The long period of notice is needed so that fears that the licence might not be renewed will not prevent Vodafone from raising the capital to invest in expensive new plant and equipment. Paragraph 4-6 contain standard wording for interpreting the licence.

SCHEDULE 1: CONDITIONS INCLUDED UNDER SECTION 7 OF THE ACT

Introduction

4 Schedule 1 which is identical to that in the licence granted to Telecom Securicor Cellular Radio Limited (Cellnet), sets out the conditions which Vodafone must observe when it does the things permitted under paragraph 1 of the licence. These conditions are set by the Secretary of State using the powers of section 7(5) and (6) of the Act. Since Vodafone's systems are to be "public telecommunication systems" he must include conditions of the kinds described in section 8(1) and (2) of the Act; these conditions are in Part 2 of Schedule 1. The conditions or rules are needed because the Act tells the Secretary of State that he must do certain things when he grants a licence. In particular section 3 of the Act places the Secretary of State under a duty, every time he grants a licence, to act in the way which he thinks best calculated to achieve a number of objectives:

- first, he must so far as practicable secure that everyone who wants a telecommunication service in reasonable circumstances can obtain service and he must pay special regard to those wanting emergency services, public call box services, directory information services, maritime services and services in rural areas;
- second, he must ensure that those like Vodafone who provide telecommunication services are able to finance the provision of those services.

5 These objectives are the most important ones. Once the Secretary of State has taken account of them, he must then act in the way best calculated to meet further objectives:

- he must promote the interests of those who use telecommunication services or who use telecommunication apparatus (including in particular the elderly and the disabled) in obtaining a variety of good quality services and apparatus at reasonable prices;

LICENCE FOR RACAL-VODAFONE LIMITED

EXPLANATORY NOTES

INTRODUCTION

1 These notes are intended to provide an explanation of the provisions in the licence that the Secretary of State for Trade and Industry proposes to grant to Racal-Vodafone Limited (Vodafone) under section 7 of the Telecommunications Act 1984.

2 The conditions of the Vodafone licence are similar to the conditions in British Telecom's and Mercury's licence, but appropriate changes have been made to reflect the different circumstances of Vodafone. The licence document is divided into six parts:

- The licence to run certain telecommunication systems;
- Conditions regulating how the Systems are to be run;
- Arrangements for revoking the licence;
- Authorisation to connect to other systems and to provide telecommunication services;
- Exemptions and conditions relating to the application of the Telecommunications Code; and
- Definition of the telecommunication systems Vodafone is allowed to run.

THE LICENCE

3 The licence itself has six paragraphs. Paragraph 1 gives Vodafone permission to run the telecommunication systems (known as the "Applicable Systems") throughout the United Kingdom which are described in Annex A and to connect to other telecommunication systems and to provide the telecommunication services specified in Schedule 3. But when it does these things Vodafone must abide by the conditions set out in Schedule 1 and the permission can be revoked, or taken away, in the (unlikely) circumstances described in Schedule 2. Paragraph 2 allows Vodafone to benefit from certain provisions of the Telecommunications Code (contained in Schedule 2 to the Telecommunications Act) so that it can install the apparatus which is needed to provide services to customers. But when it uses the powers in the Code Vodafone must abide by the special conditions set out in Schedule 4. Paragraph 3 says that the

(a) the Peak Rate shall apply to Calls made between 7.30 am and 9.30 pm Monday to Saturday inclusive;

(b) the Off-Peak Rate shall apply to Calls made at any time to which the Peak Rate does not apply.

If Vodafone changes the periods during which it charges the generality of its Service Providers at different rates so that those periods are not the same as the periods set out in (a) and (b) above, the parties shall enter into negotiations with the objective of agreeing revisions to the rates set out in the Table. If the parties cannot agree within a reasonable time, either party may apply to the Director to determine the new rates and his determination, in the absence of manifest error, shall be final and binding.

1.5.2 For the purposes of calculating charges payable in respect of any call made before and including 31 March 1991 in relation to which no charges were provided in the 1987 Interconnect Agreement the Peak Rate mentioned in that Table shall be reduced to 19.6 pence per minute and the Off-Peak Rate to 13.1 pence per minute.

1.5.3 Each sum mentioned in the Table shall be varied in relation to each period of twelve months beginning on 1 April 1992 or any anniversary thereof by an amount equal to the variation in an appropriate Index (expressed as a percentage), produced in accordance with Clause 1.6, during the period of twelve months ending on 31 March immediately before the beginning of the first mentioned period of twelve months.

1.6 Vodafone and Mercury shall co-operate in the production of one or more Indices by the Director and shall provide the Director with any information he may reasonably request for the purpose of producing the Index or Indices. The Index or Indices shall take account of estimated variations in the switching, transmission, administrative and capital costs to be incurred in providing voice telephony services during the period of twelve months immediately following the production of the Index or Indices.

1.7 For the purposes of determining which of the rates referred to in the Table shall be applicable to a particular Call -

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<u>Rate</u>	<u>Charge per</u> <u>Minute</u>
Peak	20.6 pence
Off-Peak	13.8 pence

Such charges shall be subject to variations in accordance with Clauses 1.5 to 1.7 inclusive.

1.4 For the purpose of calculating B referred to in Clause 1.2 -

(a) where the Call is connected for less than one minute, the number of minutes shall be the number of seconds during which the connection is established expressed as a decimal (calculated to three decimal places) of one minute;

(b) where the Call is connected for more than one minute, any parts of a minute during which the connection is established shall be expressed as a decimal (calculated to three decimal places) of one minute.

1.5.1 The sums mentioned in the Table set out in Clause 1.3 shall apply for the calculation of charges payable in respect of any Call made during the period from 1 April 1991 to 31 March 1992 inclusive.

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SCHEDULE

1. PAYMENTS

1.1 This Clause applies only to Calls to Vodafone numbers beginning with 0836 NNG (but excluding 08361, 08364, 08368 and 08369), 0831 NNG and any other numbers used at any time for the purpose of accessing telecommunication systems connected to the Vodafone system by means of wireless telegraphy, and, subject to that, in consideration of the interconnection to be provided under this Agreement, Mercury shall pay Vodafone's charges determined in accordance with the provisions of this Clause for Calls by means of such interconnection.

1.2 Where a Call conveyed on the Mercury System is handed over to the Vodafone System at a point of connection for delivery to another system connected to the Vodafone System, the charge payable by Mercury shall be an amount equal to A multiplied by B, where A is the rate shown in the Table in Clause 1.3 for Calls made at the applicable time and B is the number of minutes calculated in accordance with Clause 1.4 during which the Call is connected.

1.3 The Table referred to in Clause 1.2 is the Table set out below



"Station for Wireless Telegraphy" has the same meaning as in the Wireless Telegraphy Act 1949 to 1967; and

"United Kingdom" does not include any area to which the provisions of the Act apply by virtue of section 107.

- (d) conveyance which is in progress as the telecommunication system designed or adapted to be capable of being used while in motion which is transmitting or receiving the Messages which are being conveyed moves from Cell to Cell is Handed-Off automatically; and
- (e) the strength of the emissions of the Stations for Wireless Telegraphy is automatically controlled so as to secure as far as is technically possible that each Station for Wireless Telegraphy can effectively provide services only in the Cell in which it is located;

"Cell" means a geographical area served by a Station for Wireless Telegraphy which is dedicated to transmitting or receiving Messages which have been or are to be conveyed by telecommunication systems designed or adapted to be capable of being used while in motion situated for the time being in that area;

"Fixed Link" means any apparatus or telecommunication system linking by the agency of electric, magnetic, electro-magnetic, electro-chemical, or electro-mechanical energy any Applicable System to:

- (a) any other Applicable System or
- (b) any other telecommunication system which is neither designed nor adapted to be capable of being used while in motion

which in either case, is situated on another set of premises;

"Hand-Off" means the control procedure which allows particular Messages to continue whilst the telecommunication system designed or adapted to be capable of being used while in motion which is also conveying those Messages moves from Cell to Cell;

"Mobile Radio Telecommunication Service" means any telecommunication service provided by means of a telecommunication system for the conveyance of Messages through the agency of wireless telegraphy where every Message that is conveyed thereby has been, or is to be, conveyed by means of a telecommunication system which is designed or adapted to be capable of being used while in motion;

"Message" means anything falling within paragraphs (a) to (d) of section 4(1) of the Act;

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THE APPLICABLE SYSTEMS

1 The Applicable Systems are Cellular Telecommunication Systems of every description within the United Kingdom by means of which there are conveyed Messages for the purpose of providing Mobile Radio Telecommunication Services provided that a System is an Applicable System only if and to the extent that all the apparatus comprised in the System is:

(a) situated on a single set of premises or on different sets of premises:

(i) where the sets of premises are within the same building; or

(ii) where none of them is more than 50 metres, or such greater number of metres as the Director may determine, in lateral distance from any other;

(b) neither designed nor adapted for use while in motion; and

(c) does not comprise any Fixed Link.

2 In this Annex:

"Cellular Telecommunication System" means a telecommunication system in which:

(a) the area in which services are provided is divided into a number of Cells;

(b) Stations for Wireless Telegraphy comprised in the system are automatically controlled by a central processor;

(c) the radio frequencies used to connect the Stations for Wireless Telegraphy comprised in the system to telecommunication systems which are designed or adapted to be capable of being used while in motion are assigned automatically;

PUBLIC INSPECTION OF CODE RELATED LICENCE CONDITIONS

8.1 The Licensee shall place a copy of this Schedule and of every direction given to the Licensee under section 10(4) of the Act in a publicly accessible part of every Major Office of the Licensee in such a manner and in such a place that it is readily available for inspection free of charge by the general public during such hours as the Secretary of State may prescribe under section 19(4) of the Act for the register of licences and orders to be open for public inspection.

8.2 "Major Office" means any office notified to the Director by the Licensee from time to time or, where the Director determines otherwise, such other offices as the Director may determine from time to time.

Telecommunications System, a mast for the joint use of the Licensee and that other operator.

7.2 The Licensee shall within three months of the date on which this Licence enters into force, and from time to time as the Director may require, furnish details to the Director of the instructions given in accordance with paragraph 7.1 above.

7.3 The requirement specified in paragraph 7.1(c) is without prejudice to the requirements of Condition 2.1.

INSTRUCTIONS FOR THE INSTALLATION OF TELECOMMUNICATION

APPARATUS

7.1 Without prejudice to any of its statutory obligations the Licensee shall take all reasonable steps to secure (in particular by giving instructions to its employees and agents) that:

- (a) the minimum practicable number of items of telecommunication apparatus are erected allowing for estimated growth in demand for telecommunication services;
- (b) telecommunication apparatus is Installed so that it does not present a safety hazard;
- (c) the visual amenity of properties in proximity to which telecommunication apparatus is installed (in particular buildings in the Statutory List of Buildings which have been notified by the Planning Authority to the Licensee as deserving special consideration) is protected as far as is practicable; and
- (d) before erecting a new mast the possibility is investigated of:
 - (i) using an existing mast belonging to the Licensee or any other person (in particular any other public telecommunications operator);
 - (ii) replacing an existing mast belonging to the Licensee or any other person (in particular any other public telecommunications operator) with a mast for the joint use of the Licensee and that other person; and
 - (iii) erecting, in cooperation with any other operator of a Cellular

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