

SCHEDULE 3

PART 2: GENERAL CONDITIONS

Condition 1

REQUIREMENT TO PROVIDE CONNECTION SERVICES INCLUDING CO-LOCATION AND FACILITY SHARING

1.1 Subject to paragraphs 1.3 and 1.4 and any exercise by the Director of his functions under regulation 6(3) or 6(4) of the Interconnection Regulations, the Licensee shall to the extent requested by an Operator which is a Schedule 2 Public Operator, negotiate with that Operator with a view to concluding an Interconnection agreement (or an amendment to an existing agreement) within a reasonable period, whereby the Licensee agrees:

- (a) to connect, and keep connected, to any of the Applicable Systems, or to permit to be so connected and kept connected, the Operator's telecommunication 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 any of the Applicable Systems to be conveyed in such a way as conveniently to meet all reasonable demands for the conveyance of Messages between the Operator's system and the Applicable Systems; and
- (b) 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 which, to the extent the parties do not agree (or the Licensee is not in any event so required under or by virtue of another Condition), the Director may determine 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 it provides or proposes to provide.

1.2 The Licensee or the Operator may at any time request the Director to make a direction in order:

- (a) to specify issues which must be covered in an Interconnection agreement;
- (b) to lay down specific conditions to be observed by one or more parties to the agreement; or
- (c) if he thinks fit, to set time limits within which negotiations are to be completed;

and a direction under this paragraph operates as an exercise by the Director of the power of direction conferred by regulation 6(3) or 6(4) of the Interconnection Regulations as the case may be.

1.3 The Licensee shall:

- (a) comply with the requirements of any direction given to the Licensee under paragraph 1.2 or under regulation 6(3) or 6(4) of the Interconnection Regulations in relation to any negotiations or agreement to which it is or is intended to be a party;
- (b) comply with the requirements of any direction given to the Licensee under regulation 6(6) or 6(7) of the Interconnection Regulations in relation to any Interconnection dispute;
- (c) where the Director specifies conditions based on essential requirements pursuant to regulation 7(1) of the Interconnection Regulations for inclusion in any Interconnection agreement to which the Licensee is a party, forthwith secure the incorporation of those terms and conditions in such an agreement;

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- (d) comply with any requirement made by the Director as a last resort under regulation 6(10) of the Interconnection Regulations to interconnect in order to protect essential public interests, and comply with any terms set by the Director for such purpose;
- (e) comply with any decision by the Director under regulation 10(2) of the Interconnection Regulations; and
- (f) comply with any facility or property sharing arrangement, or both, specified by the Director in accordance with regulation 10(3) of the Interconnection Regulations.

1.4 Paragraph 1.1 above does not apply to the extent that the Director has consented to limiting such obligation on a temporary basis and on the grounds that there are technically and commercially viable alternatives to the Interconnection requested, and that the requested Interconnection is inappropriate in relation to the resources available to meet the request.

1.5 So long as section 11 of the Restrictive Trade Practices Act 1976 is still in force an agreement made pursuant to this Condition shall not contain any restrictive provision, unless, before the agreement is made, the Director has consented to the inclusion of such a provision. 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.

1.6 The Licensee shall comply with any request by the Director under regulation 6(5) of the Interconnection Regulations to inspect any Interconnection agreement entered into by the Licensee in its entirety.

1.7 Where the Director so directs the Crown shall be treated for the purposes of this Condition as a Schedule 2 Public Operator.

Condition 2

PRIVACY, CONFIDENTIALITY AND METERING SYSTEMS

2.1 Subject to the other provisions of this Licence, the Licensee shall take all reasonable steps to safeguard the privacy and confidentiality of:

- (a) any Message conveyed for a consideration by means of the Applicable Systems; and
- (b) any information acquired by the Licensee in relation to such conveyance.

2.2 The Licensee shall take all reasonable steps to ensure the accuracy and reliability of any Metering System used in connection with the Applicable Systems and shall, in relation to any Metering System, keep such records as the Director has specified and notified to the Licensee.

Condition 3

ESSENTIAL INTERFACES

3.1 The Licensee shall take full account of such standards, if any, as are listed in the Official Journal of the European Communities as being suitable for the purposes of Interconnection.

3.2 The Director may, having first notified the Licensee of his proposal and given the Licensee not less than 28 days in which to make representations, specify an Essential Interface. In making such a specification the Director will consider whether the Relevant Standard is inappropriate for the particular application for any reason.

3.3 Where in pursuance of paragraph 3.2 the Director specifies an interface as an Essential Interface, and the Licensee thereafter makes that interface available to a Schedule 2 Public Operator,

it shall do so in such a manner as it considers appropriate, but shall ensure such availability is in compliance with the Relevant Standard if the Schedule 2 Public Operator so requires.

- (a) (a) For the purposes of paragraph 3.3 “Relevant Standard” means:
- (i) standards listed in the Official Journal of the European Communities, if any, as being suitable for the purposes of Interconnection, or in the absence of such standards;
 - (ii) standards adopted by European standardisation bodies such as the European Telecommunications Standards Institute (ETSI) or the European Committee for Standardisation/European Committee for Electrotechnical Standardisation (CEN/CENELEC), or in the absence of such standards;
 - (iii) international standards or recommendations adopted by the International Telecommunication Union (ITU), the International Organisation for Standardisation (ISO) or the International Electrotechnical Committee (IEC), or in the absence of such standards;
 - (iv) any other standard specified by the Director after notifying the Licensee of his proposal and allowing the Licensee adequate time, being not less than 28 days, in which to make representations, provided that the Director shall not specify a standard if an appropriate European or other international standard is expected to be promulgated within a reasonable time, including, by way of example, if the European Telecommunications Standards Institute have published a work programme for the development of such a standard;

to the extent that such a standard is necessary to ensure interoperability.

- (b) Where in pursuance of paragraph 3.4(a)(iv) the Director specifies a standard as a Relevant Standard, he shall include in that Relevant Standard a technical specification, using all reasonable endeavours to obtain the agreement of the Licensee and other relevant licensees to a technical specification applicable to that Relevant Standard, being a specification defined if possible by reference to:
- (i) standards listed in the Official Journal of the European Communities, if any, as being suitable for the purposes of Interconnection, or in the absence of such standards;
 - (ii) standards adopted by European standardisation bodies such as the European Telecommunications Standards Institute (ETSI) or the European Committee for Standardisation/European Committee for Electrotechnical Standardisation (CEN/CENELEC), or in the absence of such standards;
 - (iii) international standards or recommendations adopted by the International Telecommunication Union (ITU), the International Organisation for Standardisation (ISO) or the International Electrotechnical Committee (IEC).

3.5 Where the Director has been unable in accordance with paragraph 3.4(b) to secure the agreement of the Licensee and other relevant licensees to a technical specification within a period not exceeding 3 months from the date he first sought the agreement of the Licensee and other relevant licensees under that paragraph, the Director shall adopt for inclusion in the Relevant Standard an appropriate technical specification which has been promulgated by a recognised standards body, including, by way of example, the European Telecommunications Standards Institute, or the British Standards Institute, or other such body as the Director considers to be representative of all relevant telecommunications interests and has notified the Licensee and other relevant licensees.

3.6 The Director shall specify a Relevant Standard in pursuance of paragraph 3.5 only if the owners of relevant intellectual property rights have agreed to grant any necessary licences in respect thereof to the Licensee on reasonable terms.

3.7 For the avoidance of doubt this Condition shall not:

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- (a) without prejudice to paragraph 3.3, prevent the Licensee using such interfaces as it considers appropriate in relation to the Applicable Systems; or
- (b) where it makes available to a Schedule 2 Public Operator an interface which the Director has specified as an Essential Interface, require the Licensee to comply with the Relevant Standard if the Schedule 2 Public Operator does not require it to do so.

3.8 When implementing an Essential Interface, the Licensee shall not be obliged to conform with the Relevant Standard if to do so would necessitate the Licensee:

- (i) acquiring apparatus, software or other goods or supplies of any kind, or implementing any operation, incompatible with, as the case may be, apparatus, software or such other goods or supplies already in use at the time, or the subject of contracts for their procurement for use, in connection with the Applicable Systems, or, in the case of an operation, incompatible with any other operation being carried out at the time in connection therewith; or
- (ii) incurring any cost, or having to resolve technical difficulties, disproportionate to the benefits to be gained from the implementation of the Relevant Standard,

provided that the Licensee shall take reasonable steps to incorporate the Relevant Standard in its plans for network development, with a view to implementation of that Standard in connection with the Applicable Systems, but without the Licensee incurring any incremental expenditure which, but for the implementation of the Relevant Standard, would not have been incurred.

3.9 It is a precondition of any obligation on the Licensee under this Condition that an equivalent Condition to this Condition is included in the respective Licences of all Schedule 2 Public Operators running telecommunication systems that are connected to the Applicable Systems.

Condition 4

NUMBERING ARRANGEMENTS

4.1 The Director may determine a Specified Numbering Scheme (the “Scheme”) in accordance with the National Numbering Conventions (referred to in this Condition as the “Conventions”) published in accordance with paragraph 4.5 and he will allocate Numbers from this Scheme to the Licensee in accordance with the Conventions. The Director shall, at the request from time to time of the Licensee and in accordance with the Conventions, allocate to it:

- (a) such quantity of additional Numbers as it may require; and
- (b) such specific Numbers as it may request and which the Director is satisfied are not required for other purposes.

4.2 The Licensee shall adopt a Numbering Plan for such Numbers as the Director may allocate to it from time to time in accordance with the Conventions. It shall prior to being notified of such allocation furnish details of the Numbering Plan to the Director, and keep him informed of material changes to the Numbering Plan as they occur. The Licensee shall also furnish details of the Numbering Plan together with any material changes to that Numbering Plan on request to any other person having a reasonable interest. Except where the Director agrees otherwise, the Numbering Plan shall be consistent with the Conventions published in accordance with paragraph 4.5. If the Numbering Plan is not consistent with those Conventions, the Director may direct the Licensee to adopt and furnish him with a new Numbering Plan or to take such other reasonable remedial action which does not cause undue inconvenience to the Licensee’s customers, as may be necessary to ensure consistency.

4.3 The Licensee shall install, maintain and adjust its switched Applicable Systems so that those Systems route Messages and otherwise operate in accordance with the Numbering Plan. The

Licensee shall not use Numbers other than those allocated to it from the Scheme except with the written consent of the Director.

- (a) (a) The Licensee shall provide to the Director, on request, such information about its operations under its Numbering Plan as he may reasonably require to administer the Scheme and in particular on:
 - (i) the percentages of Numbers in significant ranges which have already been allocated to end-users or which for other reasons are unavailable for further allocation;
 - (ii) any allocation of blocks of Numbers to any person for purposes other than end use;
 - (iii) Numbers whose use has been transferred at an end-user's request to another Operator; and
 - (iv) the Licensee's current forecasts of all of the above matters.
- (b) The Licensee shall not be required to provide information about individual end-user customers.
- (c) In making any such request the Director shall ensure that no undue burden is imposed on the Licensee in procuring and furnishing such information and, in particular, that the Licensee is not required to procure or furnish information which would not normally be available to it, unless the Director is satisfied that such information is essential to the administration of the Scheme.
- (a) (a) The Conventions referred to in this Condition will be a set of principles and rules published from time to time by the Director after consultation with Interested Parties who are members of the Telecommunications Numbering and Addressing Body and, if deemed appropriate, with end-users.
- (b) In consulting the said Interested Parties, the Director shall afford a reasonable period, not being less than 28 days, for them to make representations, and he shall take the said representations into account when publishing the Conventions. The Conventions shall govern the specification and application of the Scheme and the Numbering Plan of the Licensee and may also include such other matters relating to the use and management of Numbers as (but not limited to):
 - (i) criteria and procedures relating to the application for, allocation of and withdrawal of Numbers;
 - (ii) dialling plans;
 - (iii) access codes;
 - (iv) prefixes;
 - (v) standard ways of recording Numbers for convenience or ease of use, such as the grouping of digits in Numbers in particular lengths;
 - (vi) methods of enabling end-users to understand the meaning implicit in Numbers or other dialled digits, and in particular the rate at which a call to a particular Number will be chargeable; and
 - (vii) arrangements for the transfer of Numbers between Operators as a result of Portability.
- (c) The Director may from time to time amend or withdraw a Convention already published, after consultation with Interested parties who are members of the Telecommunications Numbering and Addressing Body. The Licensee shall not be required to comply with any such amendment or withdrawal unless the Licensee has been given a reasonable period of notice, such notice not being less than three months. Numbers allocated to the Licensee may only be withdrawn after similar consultation and notice, and the Director shall consult end-users affected by such withdrawal. Subject to overriding national interests, or where

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there is no alternative solution available, the power to withdraw Numbers shall not apply to any Numbers which the Director has approved from time to time as part of a specific service of the Licensee, which, as a result of investment by the Licensee, has a recognised identity and quality associated with that particular Number and which the Licensee is using and plans to continue to use.

4.6 In deciding on the details of and any subsequent changes to the Scheme and the Conventions, and when making or changing Number allocations within the Scheme or making determinations under this Condition, the Director shall ensure that the Scheme complies with the Conventions and shall have regard to:

- (a) the need for sufficient Numbers to be made available, having regard to the anticipated growth in demand for telecommunication services, together with the need for good husbandry of that supply at any time;
- (b) the need to ensure Compatibility with the Numbering Plans adopted or to be adopted by other public telecommunication operators;
- (c) the convenience and preferences of end-users;
- (d) the requirements of effective competition;
- (e) the practicability of implementing the Conventions with respect to licensed systems by the date when the Conventions are intended to apply;
- (f) any costs of inconvenience imposed on the Licensee, other network operators, end-users and other Interested Parties (including those overseas);
- (g) any relevant international agreements, recommendations or standards;
- (h) the views of the Licensee and other Interested Parties; and
- (i) any other matters he regards as relevant.

4.7 The Licensee shall not, unless the Director consents otherwise, 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 from the operator of a Relevant System the reasonable costs associated with allocating Numbers to and routing calls to that System; save that in the case of any dispute or difference as to those costs the Director may determine them and the Licensee shall not be obliged so to allocate Numbers and route calls unless such operator agrees to bear the costs so determined.

4.8 For the avoidance of doubt, it is hereby declared that this Condition applies notwithstanding any arrangements for numbering arising by virtue of any agreement made following negotiations pursuant to Condition 1, or any agreement made pursuant to Part A of this Licence. But nothing in this paragraph shall affect the operation of any such agreements entered into before the coming into force of this Licence.

4.9 The Numbers to which this Condition applies are Numbers:

- (a) of a class described in ITU-T Recommendation E.161, E.164, E.166 or F.69 or their functional successors; or
- (b) which are of a class described in ITU-T Recommendation X.121 or X.122 and which include any data network identification code which has been specified by the Director for the purposes 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.

Condition 5

NUMBERING ARRANGEMENTS FOR OTHER NUMBERS

5.1 Subject to Condition 4, the Licensee shall, from the date on which it first provides Applicable Services, adopt a Numbering Plan in respect of Applicable Services provided or to be provided, for the allocation of any Numbers which:

- (a) are not allocated in accordance with a Specified Numbering Scheme;
- (b) are used or are intended to be used;
 - (i) by the Licensee; or
 - (ii) by any person running a telecommunication system, other than a public telecommunication system, under a Licence, who provides a telecommunication service of a description which the Licensee could provide in accordance with the provisions of this Licence; or
 - (iii) by any public telecommunications operator; and
- (c) are necessary for access to each separately distinguishable element of each Applicable Service.

5.2 The Numbering Plan shall describe the method adopted or to be adopted for allocating and re-allocating Numbers of a kind described in paragraph 5.1. That method shall allow for sufficient Numbers to be available in relation to all telecommunication services, having regard to the reasonably foreseeable growth in demand for such services.

5.3 The Licensee shall, on or before the date on which it first provides Applicable Services or as soon as practicable thereafter, furnish details of the Numbering Plan to the Director and, on request, to any other person having a reasonable interest.

5.4 The Licensee shall furnish to the Director details of any proposals which the Licensee may have from time to time to change the arrangements for allocating or re-allocating Numbers within, or to develop, add to or replace, the Numbering Plan adopted and furnished in accordance with paragraphs 5.1, 5.2 and 5.3.

5.5 Where any arrangements for allocating or re-allocating Numbers within the Numbering Plan referred to in paragraph 5.1 or any developments, additions or replacements furnished in accordance with paragraph 5.4:

- (a) are insufficient to provide Compatibility with the numbering arrangements applied or to be applied by any public telecommunications operator or other person running a telecommunication system under a Licence who provides a service of a description which the Licensee could provide in accordance with the provisions of this Licence; or
- (b) do not allow for sufficient Numbers to be available in relation to all telecommunication services, having regard to the reasonably foreseeable growth in demand for such services; or
- (c) are not consistent with any obligations and recommendations of the International Telecommunication Union which apply to Her Majesty's Government and are binding on or are accepted by it,

the Licensee shall adopt the Numbering Plan referred to in paragraph 5.1 with such developments, additions or replacements as are best calculated to secure such Compatibility or availability or consistency.

5.6 The Numbers to which this Condition applies do not include Numbers:

- (a) which are of a class described in ITU-T Recommendation E.161, E.164, E.166 or F.69 or their functional successors; or

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- (b) which are of a class described in ITU-T Recommendation X.121 or X.122 and which include any data network identification code which has been specified by the Director for the purposes 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.

5.7 The Licensee shall allocate and re-allocate Numbers in accordance with the Numbering Plan referred to in paragraph 5.1.

Condition 6

PREPARATION OF ACCOUNTS

6.1 The Licensee shall maintain accounting records in such a form that its business of providing the services authorised in Schedule 3 to this Licence is separately identifiable or separately attributable in the books of the Licensee, being records sufficient to show and explain the transaction of that part of the Licensee's business.

Condition 7

ACCOUNTING SEPARATION FOR SPECIAL OR EXCLUSIVE RIGHTS IN NON-TELECOMMUNICATION SERVICES

7.1 Where the Licensee has special or exclusive rights for the provision of services in sectors other than telecommunications, within the meaning of Article 8(1) of the Interconnection Directive, and the Licensee's annual turnover from its telecommunications activities in the Community exceeds 50 million euros, the Licensee shall keep, draw up, submit to independent audit, and publish, separate accounts for telecommunications activities in the Community, to the extent that would be required if the telecommunications activities in question were carried out by legally independent companies, so as to identify all elements of cost and revenue, with the basis of their calculation and the detailed attribution methods used, related to their telecommunications activities including an itemised breakdown of fixed assets, or have structural separation for the telecommunications activities.

Condition 8

REQUIREMENT TO FURNISH INFORMATION TO THE DIRECTOR

8.1 Without prejudice to any other provision in this Licence relating to the provision of information, the Licensee shall furnish to the Director, in such manner and at such times as the Director may reasonably request, such information in the form of documents, accounts, estimates, returns and without prejudice to the generality of the foregoing such other information as he may reasonably require for the purpose of verifying that the Licensee is complying with these Conditions and for statistical purposes.

8.2 In making any such request the Director shall ensure that no undue burden is imposed on the Licensee in procuring and furnishing such information and, in particular, that the Licensee is not required to procure or furnish information which would not normally be available to it unless the Director considers that the particular information is essential for the purposes referred to in paragraph 8.1.

8.3 The Licensee shall permit the Director and any person authorised by him in writing to inspect the Applicable Systems at any reasonable time for the purpose of verifying whether:

- (a) the Licensee is running the Applicable Systems in accordance with this Licence;

or

- (b) the connection or the proposed connection of any other telecommunication system to the Applicable System causes or would cause any contravention of the Licence under which that other system is run.

8.4 The Licensee shall provide financial information to the Director promptly on request and to the level of detail required by the Director under Part IV of Schedule 3 to the Interconnection Regulations.

8.5 In this Condition “documents” includes, without prejudice to the generality thereof, drawings, designs, plans or specifications.

Condition 9

NOTIFICATION OF CHANGES IN SHAREHOLDINGS

9.1 The Licensee shall notify the Secretary of State if an undertaking becomes a Parent Undertaking in relation to the Licensee.

9.2 Subject to paragraph 9.3, the Licensee shall notify the Secretary of State of:

- (a) any change in the proportion of the Shares held in a Relevant Company by any person; and
- (b) the acquisition of any Shares held in a Relevant Company by a person not already holding any such Shares, and the proportion of any such Shares held by that person immediately after that acquisition.

9.3 The Licensee shall be obliged to notify the Secretary of State of any acquisition of Shares or change in the Shareholding of a Relevant Company by any person only if, by reason of that acquisition or change, the total number of Shares in that Relevant Company held by that person otherwise than as trustee or nominee for another person together with any Shares held by any nominee or trustee for that person immediately after that change or acquisition:

- (a) exceeds 15 per cent of the total number of Shares in that company (where it did not exceed 15 per cent prior to that change or acquisition);
- (b) exceeds 30 per cent of the total number of Shares in that company (where it did not exceed 30 per cent prior to that change or acquisition); or
- (c) exceeds 50 per cent of the total number of Shares in that company (where it did not exceed 50 per cent prior to that change or acquisition);

provided that where a Relevant Company is a public company as defined in section 1 of the Companies Act 1985, the obligation shall be discharged by forwarding to the Secretary of State as soon as practicable all information in respect of that acquisition or that change as is entered on or received for entry on the register required to be maintained by that Relevant Company under section 211 of the Companies Act 1985.

9.4 In any case referred to in paragraph 9.1 or 9.2, notification shall be given by a date which is 30 days prior to the taking effect of such change or acquisition, as the case may be, or as soon as practicable after that date.

Condition 10

LICENSEE'S GROUP

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

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- (a) the Director determines either:
 - (i) that a member of the Licensee's Group has done something which would, if it had been done by the Licensee, be prohibited or not be authorised under these Conditions; or
 - (ii) that a member of the Licensee's Group has done something which would, if it had been done by the Licensee, require the Licensee to take or refrain from taking a particular action under these Conditions and that neither the Licensee nor the member has met that further requirement; and
- (b) the Director is not satisfied that the Licensee has taken all reasonable steps to prevent any member acting in that way,

then the Director may direct the Licensee to take such steps as the Director deems appropriate for the purpose of remedying the matter, including refraining from carrying on with that member such commercial activities connected with telecommunications as the Director may determine.

10.2 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.

10.3 Where any person becomes a member of the Licensee's Group then the Licensee shall not be subject to paragraph 10.1 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.

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

Condition 11

PAYMENT OF FEES

11.1 Subject to paragraph 11.2 below, 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 £6,000;
- (b) on 1 April 2000 and annually thereafter a renewal fee of (at the option of the Director) either £3,000 (the subsequent renewal fees being adjusted to take account of any fall or increase in the value of money since that date) or such amount 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 in a written statement, of the estimated costs to be incurred in that fiscal year by the Director in the regulation and enforcement of telecommunication licences and in the exercise of his other relevant functions under the Act. The first renewal fee shall be increased by the proportion which the period from the date of granting of this Licence until the next following 1 April bears to the period of one year; and
- (c) when the Director so determines, on 1 January 2001 and annually thereafter, a special fee which shall represent a fair proportion, to be determined by the Director according to a method that has been disclosed to the Licensee in a written statement, 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 of telecommunication licences and in the exercise of his other relevant functions under the Act;
 - (ii) the costs estimated to have been already incurred in that fiscal year by the Competition 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 relevant other functions under the Act; and
 - (B) by the Competition Commission following licence modification references under section 13 of the Act,exceeds the renewal fee for that year.

11.2 The aggregate of the renewal fee and the special fee for any fiscal year shall not exceed:

- (a) 0.08 per cent of the relevant annual turnover attributable to the licensable activities of the Licensee in the United Kingdom (as described in a written statement given to the Licensee by the Director) in the financial year before the last complete financial year of the Licensee before the renewal fee is payable (the “relevant turnover”); or
- (b) £3,000 (adjusted in the manner described in paragraph 11.1(b)),

whichever is the greater (the “normal aggregate fee”), unless the Director determines that the costs incurred in any fiscal year by him and the Competition Commission in respect of the Licensee’s activities exceed the normal aggregate fee, by virtue of the costs of licence modification references under section 13 of the Act, in which case the aggregate of the renewal fee and the special fee for the following year shall be such amount (not exceeding 0.4 per cent of the relevant turnover) as the Director determines is sufficient to take account of that excess as well as the normal aggregate fee.