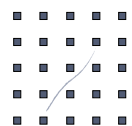




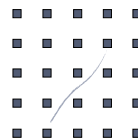
BELGIAN INSTITUTE  
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AND TELECOMMUNICATIONS



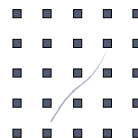
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## MINISTER'S PREFACE

Although BIPT became independent on 23 April 2003, as the minister responsible for telecommunications and for BIPT, I would like to take the opportunity this 2003 annual report affords me to briefly present my views on both subjects.

By the time this annual report is published, a major step towards the transposition into Belgian law of the new European directives on electronic communications networks will have been made. The bill has been submitted to the Council of State for its opinion.

These two significant changes, the new status and the new regulations, constitute two important steps in the continued development of Belgium's information society. On the one hand, BIPT has received better legal tools to fulfil its mission as a regulator and, on the other hand, the new regulations generate a new framework that creates the conditions required for fair competition on the telecommunications market, the introduction of new technologies, the rise in the level of investment, and the improvement of service quality and tariffs. This lies squarely within the scope of the ambitions of the government, which wants this sector to become the mainstay of social development in Belgium.

An absolute prerequisite of achieving these ambitions with respect to the information society and to minimise any 'digital divide' is a regulator that ensures that competition can blossom to the benefit of users and above all consumers. This must be realised in a transparent, coherent and correct way. A legal instrument is already available to do just that; an instrument that will be toughened up in the near future.

BIPT took some decisive steps in 2003, as you will read in this report. The services cover a wide array of interests, including guaranteeing free access to the Belgian telecommunications market, managing numbers and frequencies, and ensuring correct and balanced relationships between the various market players, all in the interest of Belgian consumers. The combination of a government initiative and strict application of the rules governing the sector enabled Belgium to lead the world in terms of broadband penetration in 2003. With respect to interconnection, BIPT's efforts have enabled alternative operators to effectively compete with the historical operator, which has led to a significant reduction in tariffs for users.

Notwithstanding all of that, there is still a long way to go. We must continue to stimulate the introduction of new technologies and to find the right balance between competition in telecommunications services and guaranteeing a healthy climate for network investments.

BIPT must also focus more on protecting the interests of consumers. Major users are typically better protected, but things are not as straightforward when it comes to consumers. However, well-informed consumers that have no qualms about switching operators are an important group without which healthy competition simply cannot develop.

If we examine market developments more closely, we also notice the constant threat of competition-restricting predatory pricing and other practices with respect to service quality among the dominant players and new entrants to the market. That is also a problem to which BIPT will have to pay special attention.

In addition to this task BIPT must continue to monitor the realisation of the universal service. Commencing in 2004, new legislation will introduce a number of essential modifications to this range of services.

BIPT's role is just as crucial in the postal sector, which is almost as important from a socio-economic perspective, although it does not have the same economic dynamics. That role is to monitor the universal service and guarantee a proper legal-economic balance between competition and the reserved service, so as to guarantee the financing of the universal service. Major efforts are demanded of BIPT in the light of the development of European directives.

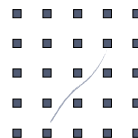
BIPT must continue to widen and deepen its expertise with respect to competition in the future. The comprehensive consultations with the Belgian competition authority, which I will intensify, will make a major contribution to this.

So the near future holds many challenges for BIPT. I will ensure that BIPT receives the human and material resources it needs to fulfil its tasks for the good of our economy, in terms of both supply and demand.

A handwritten signature in black ink, consisting of stylized, overlapping loops and lines, representing the name Fientje Moerman.

Fientje MOERMAN  
Minister of Economy, Energy, Foreign Trade and Science Policy

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## MESSAGE OF THE COUNCIL

The body responsible for regulating communications and postal services cannot remain passive in a world that is on the move and in sectors that have to respond to technological advancements and economic developments every single day. As in other years, in 2003 BIPT had to adapt its practices to market developments and circumstances without compromising the underlying principles of its mission.

The principles of the Institute's mission are determined not only by the regulatory framework developed at the European level, but also by the national parliament and government, which has expressed the wish that the market's regulation be carried out smoothly, that it be adapted to specific situations and that it be technologically neutral but favourable to innovative investments and the emergence of new markets. At the same time, it must pay particular attention to the interests of consumers, who must not be held to ransom by the operators on the market.

This annual report explains in detail the Institute's actions in 2003. Some of these actions have been particularly significant in strengthening competition on the Belgian electronic communications market. This is particularly true of modelling used for analysing operators' costs; the continued imposition of obligations with respect to unbundling, bitstream access and migrations within the framework of unbundling and bitstream access offers; the thorough examination of the universal service's costs; and, in the postal sector, the definition of services not reserved to the operator responsible for providing the universal service.

In addition to the continuation of its regulation and monitoring of the market, the Institute has also started to prepare future actions. Within the framework of European groups, it has contributed to deliberations on future developments in digital radio broadcasting at RSPG (Radiospectrum Policy Group) and on the corrective measures that will apply to the operators with significant power on the electronic communications market at the ERG (European Regulators Group), which it will chair in 2004.

The application of these corrective measures and the implementation of the regulatory framework for electronic communications will find their true expression only with the transposition into Belgian law of European directives applicable to the electronic communications sector. BIPT hopes that this transposition will be achieved soon so that the market is able to function with greater legal security.

In the postal services sector, the Institute has actively prepared the texts on secondary legislation ensuing from the European directives and a communication on the services that are clearly distinct from universal service. At the international level BIPT has continued to chair CERP (The European Committee on Postal Regulation), helping to guarantee European cohesion and strategic debate in a sector undergoing great change.

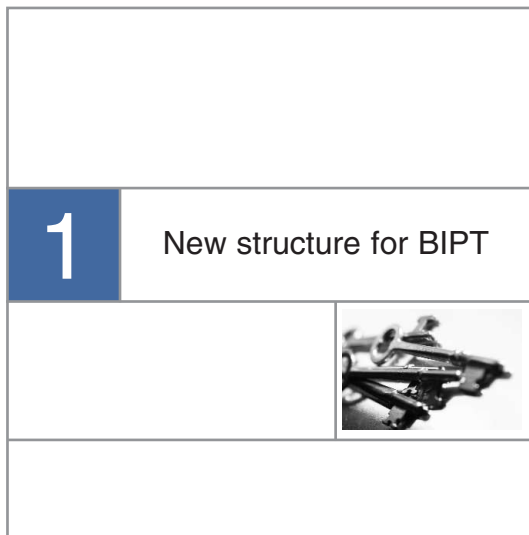
At the regulatory level, in 2003 the Institute saw its status change, which enhanced its independence, and a new Council was appointed to manage it. We hope that these changes help BIPT achieve even greater quality in the fulfilment of its mission.

Michel Van Bellinghen  
Member of the Council

Georges Deneff  
Member of the Council

Catherine Rutten  
Member of the Council

Eric Van Heesvelde  
Chairman of the Council



Ten years after its establishment and following its recent change of status, it was time for the Institute to review its organisation.

BIPT is now divided into nine services instead of the former five departments:

- Market analysis / Economic analysis for telecommunications;
- Legal service for telecommunications;
- Telecommunications monitoring / National Spectrum Monitoring / Public and consumer service;
- International relations;
- Technology;
- Post;
- Budget / Logistics;
- IT / Translators;
- Human Resources.

The objective was to create:

- six vertical services corresponding to the Institute's major spheres of activity;
- three horizontal services (Human Resources, IT and Budget) to support the vertical services.

The Council, which is composed of a chairman with a casting vote and three members, has also introduced a *modus operandi* based on reconciliation – in accordance with the Act of 17 January 2003 – of transparency and swift decision-making. No time was wasted in codifying practices in this sphere, the result of which will be proposed to the King as the Council's Rules of procedure.

This *modus operandi* enables the Institute to fulfil its role as a regulator on the telecommunications and postal services markets and to offer to its staff working conditions worthy of a modern administration.

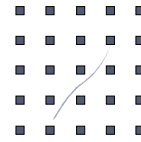
Responsibilities are divided as follows:

**Eric Van Heesvelde**, Chairman, is responsible for:

- the general coordination of the policy of the Institute;
- the representation of the Institute;
- the management plan, the report to parliament, the report to the minister;
- external communication;
- the coordination of the support services IT / Translators, personnel and training, budget, billing and logistics.

**Catherine Rutten**, member, is responsible for:

- the analysis of the market, the economic analysis (including the Public Service tariffs) of telecommunications and all economic aspects of telecommunications (analysis of the market, SMP, tariffs, cost models, calculation of the cost price of the universal service, statistics) access and interconnection (BRIO, BROBA, BRUO);
- the international telecommunications relations (coordination of activities in terms of ERG, IRG, European institutions, ITU, WTO and CEPT);



- budget and logistics: BIPT budget, accounting (collection of revenues and management of expenditure) purchasing service, equipment.

**Georges Deneff**, member, is responsible for:

- the postal services sector (strategy, legal and economic aspects, monitoring that regulations are respected (authorisations, universal service, quality standards, tariffs) and the management contract of La Poste, international postal institutions);
- the services of Monitoring, Public Service, Consumers, Universal Service Telecommunications (monitoring of the frequency use, including radio broadcasters in the FM band, radiation standards (certificates), radio interference, monitoring universal service obligations and Belgacom's management contract, information on the universal service, e-security team, Comixtelec, relations with the consumer organisations, protection of consumer rights, application of legislation on phone tapping and emergency services);
- the IT and Translators services (management and procurement of equipment and software, management of the internal network and development of software and translation of documents (French – Dutch – German – English)).

**Michel Van Bellinghen**, member, is responsible for:

- the legal aspects of telecommunications (legal framework of telecommunications and radio communications, general legal support to the other services, disputes, conciliation, international treaties, protection of privacy, Ethics Commission);
- the Technology service: use of telecommunications and radio communications (international and national) spectrum management, international organisation of radio communications, management of the frequency plan, computerisation, monitoring equipment and notifications according to the RTTE directive, (international) standardisation; grant of radio communications licences and voice telephony and fixed networks licences, declarations of telecommunications services, RF Radiation Department, management of the numbering plan, domain names, portability of numbers, use of numbers;
- the human resources service (status, sector committee, training).

# 2

## The telecommunications market and technologies



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## 2.1. THE STATE OF THE INDUSTRY

The developments experienced by the industry in the past few years have certainly left their mark. All telecommunications operators have introduced far-reaching reforms. These mainly relate to cost control and the search for the most profitable markets. There is certainly a drift to lower margins and many telecoms operators are finding it increasingly difficult to finance new investments. There have been signs of a recovery recently, however.

The continued development of new technologies is a positive step in the industry and improves the opportunities for competition. Fine examples include 3G (third-generation mobile phones), Wi-Fi technology (hotspots<sup>1</sup> offering wireless Internet access to the public) and especially XDSL (digital subscriber line) technologies such as ADSL, SDSL and in the near future perhaps VDSL. Technological developments have also enabled cable network operators to send spiralling volumes of data over their networks, while the emergence of Voice over IP and Internet telephony should not be forgotten.

In all these examples, market developments have not been shaped exclusively by the growth of parts of the market between the former monopoly holder and the new players. The introduction of new technologies and new services, and the development of tariffs are clearly also positive growth indicators.

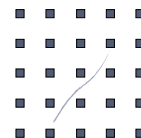
These developments are illustrated by selected figures below.

### 2.1.1. FIXED VOICE TELEPHONY

The growth in competition in voice telephony is marked by a difference between international traffic on the one hand and national calls on the other. There are also differences between residential customers and professional (corporate) customers. Belgacom currently imposes a single tariff for calls within Belgium (the old system distinguishing zonal tariffs from interzonal tariffs has been withdrawn), so the focal point of competition is the corporate market and international telephony. We do not have precise figures, but we can make some estimates. The statistics show that at the end of 1999 the alternative operators had only a 2.5% share of the total market for national voice telephony and a 10.5% share for international voice telephony (according to turnover). At the end of 2002 those shares had risen to 17% and 38% respectively, however. In 2003 their share of voice telephony probably hit 25%. Strikingly, international telephony is subjected to much greater competitive pressure than national telephony, which is a direct consequence of the higher margins available after the liberalisation of this service. A European comparison of national telephony shows that the countries that quickly opened up their services to competition (before 1998) have been exposed to much greater competition than the countries, like Belgium, that waited until 1998. After this relatively late liberalisation the slowdown in growth in the telecoms industry in recent years has had a greater impact, because alternative operators have been less tempted to make investments on the national market.

The table below more clearly shows the development of voice telephony tariffs. It should be noted that the Eurostat data relates to a ten-minute call, although an average call in Belgium lasts five minutes. The table is based on Belgacom tariffs.

1 • A hotspot is a point of access for connection to Internet based on the Wi-Fi (IEEE 802.11) standard.



**The tariff in euro payable in Belgium for a ten-minute call at 11 am is:**

	Local call	National call	Average
1997	€ 0.45	€ 2.25	€ 1.35
2003	€ 0.56	€ 0.56	€ 0.56

Source : Eurostat

These are official, average tariffs. However, they do not include special tariff plans recently introduced by Belgacom and other operators. For example, Tele 2 offers a ten-minute call for 0.29 euros (not including calls to Telenet, mobile phones, special numbers and short numbers).

The volume of numbers with carrier selection and preselection, as well as the growth percentage, clearly constitutes another important indicator of the rise in competition in Belgium. There were 114,735 numbers with carrier preselection on 1 January 2001 and 850,384 on 1 January 2004. Similarly, the volume of numbers ported has not stopped growing, increasing from 42,328 in January 2001 to 197,456 on 1 January 2001.

One operator that clearly deserves a mention is Telenet, which currently provides direct access to some 250,000 customers.

BIPT's policy on interconnection tariffs has led to a significant reduction in these tariffs and clearly plays an important role here. The table below shows this development and explains why alternative operators are able to compete with Belgacom and so make a positive contribution to the lowering of tariffs in the Belgian telecoms industry.

**Wholesale interconnection tariffs (eurocent/minute)**

Terminating IAA <sup>2</sup>	3 minutes Peak	3 minutes Off-Peak	Delta Peak	Delta Off-Peak
1998	6.396	3.818		
1999	5.402	3.242	-15.54 %	-15.06 %
2000	4.440	2.662	-17.81 %	-17.89 %
2001	3.716	1.951	-16.30 %	-26.72 %
2002	3.587	1.879	-3.47 %	-3.68 %
2003	3.346	1.754	-6.72 %	-6.65 %
2004	3.025	1.585	-9.59 %	-9.63 %

Collecting IAA	3 minutes Peak	3 minutes Off-Peak	Delta Peak	Delta Off-Peak
1998	7.486	4.487		
1999	6.296	3.775	-15.89 %	-15.86 %
2000	4.794	2.881	-23.86 %	-23.70 %
2001	3.830	2.013	-20.11 %	-30.12 %
2002	3.686	1.934	-3.75 %	-3.94 %
2003	3.447	1.808	-6.49 %	-6.49 %
2004	3.025	1.585	-12.24 %	-12.33 %

2 • Intra Access Area.

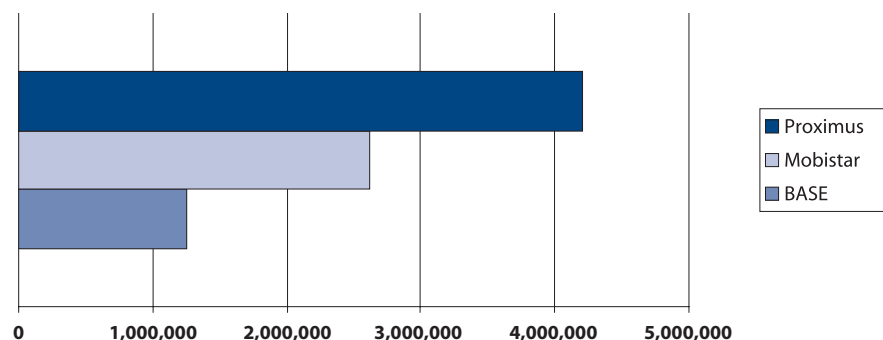
On this subject the Institute would like to provide supplementary explanations for its decision on Telenet's terminating tariffs. This decision has led to an increase in the price of calls from other operators to the Telenet network (the terminating tariffs amount to around 4.75 cents a minute for Telenet) and reduced transparency for the end users. BIPT would like to stress that, based on the regulatory framework, Telenet's request to increase its terminating tariffs must be considered reasonable. Indeed, the high investment costs that Telenet had to make to adapt its network to telephony and due to the still relatively limited volumes of traffic routed over Telenet's network would have forced Telenet to sell its termination activities below value if reciprocity between the terminating tariffs of Belgacom and Telenet had been applied.

Without getting into details, it should be stated that such demands cannot be imposed on an operator that does not have a significant position on the interconnection market. The same goes for mobile operators. Although Mobistar and Proximus are operators with significant market power on the market (25% share of the market by virtue of the old regulatory framework), their terminating tariffs differ from those of Belgacom and other operators, for the same reason as Telenet's do. It should however be stressed that BIPT's decision was accepted by the European Commission and that similar decisions have been taken in France, the Netherlands and Germany.

## 2.1.2. MOBILE TELEPHONY

After the considerable delay in the mid-1990s, the penetration of mobile telephony in Belgium has increased significantly and is now around the European Community average.

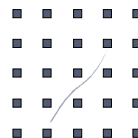
On 31 December 2003 Proximus numbered 4,201,313 active customers<sup>3</sup>. In that period Mobistar had 2,615,368, of which 68.6% with prepaid cards and 31.4% with subscriptions. BASE, the third operator in the country, had 1,253,000 clients in total. That amounts to 8,069,681 active customers.



The number of mobile phone numbers ported provides an additional indication of the highly competitive character of the mobile market. While 18,734 mobile numbers were ported by 1 November 2002, 253,186 were ported by 1 January 2004.

In the meantime, the three mobile operators are preparing the introduction of third generation mobile telephony. However, there is still some anxiety on the market with respect to the supply of terminal equipment and especially with respect to demand: which applications will encourage residential and professional users to use third generation mobile telephony?

<sup>3</sup> An active customer is defined as a holder of a mobile phone who has effectively made or received a call or SMS message over the past three months.

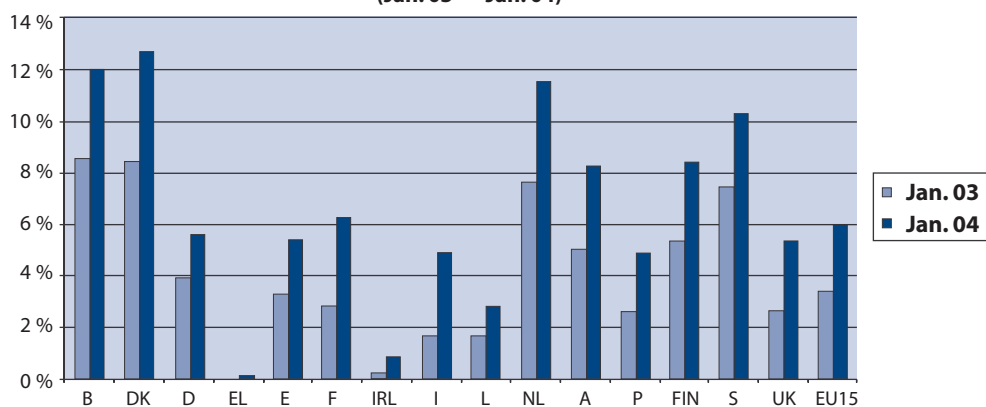


### 2.1.3. BROADBAND INTERNET

According to ISPA<sup>4</sup>, the total number of Internet connections rose to 1,892,000 by 31 December 2003. The residential market totalled around 1,566,000 connections, 63% (981,000) of them broadband. In terms of corporate customers, broadband represents 89% of the market (292,000 connections out of a total of 326,000 connections).

Figures submitted to BIPT by telecoms and cable operators indicate a 'retail' level of 661,229 DSL lines and 455,381 cable modem connections, or 1,116,610 broadband connections.

**Broadband penetration rate in the EU (percentage of population)**  
(Jan. 03 — Jan. 04)



Source : European Commission (CoCom)

The high broadband penetration rate is due to the competition between the various players on the market, among other things.

The combination of competitiveness between cable distributors and Belgacom and the pressure exercised by the regulatory framework governing unbundling of the local loop has put Belgium in the leading group with respect to broadband Internet access.

In Europe as a whole, only Denmark has a higher penetration – less than half a percentage point – than Belgium, and these two countries occupy third and fourth place on a global level. The regulatory context has enabled the commercialisation of a product based on FREE ADSL since December 2003, offering broadband access for €0.0425 per minute online and a connection charge of €0.25 per session. Furthermore, another product – Always ADSL – offers customers a twelve-month connection with a monthly download volume of 250 MB for €19.90 per month. In both cases, the maximum connection speeds are 512 Kbps downstream and 256 Kbps upstream. This speed is slower than those offered by traditional ADSL products on the residential market, although the tariffs are also considerably lower (around half the price). This product is marketed by S.A. Versatel Belgium. On the whole, the tariffs for traditional ADSL access in Belgium vary between €40 and €35 per month.

With respect to unbundling, BIPT observes that SDSL is mainly offered on the professional market (specifically the small and mid-sized business sector) and it is offered as an alternative to leased narrowband lines. Compared with Belgacom's SDSL offering, the new players and service providers have gained a considerable share of the market here: 3,915 lines for full unbundling and 2,682 lines for shared access.

The residential market is served with two bitstream access products. In fact, no unbundled lines are offered on the residential market, because for competitors realising 'bitstream access' through Belgacom is still more attractive from a financial and a commercial point of view. There are 47,000 bitstream access lines (BROBA: Belgacom Reference Offer for Bitstream Access), also including the above-mentioned Always ADSL and FREE ADSL products. In addition, there are another 66,000 unregulated bitstream access lines (they are lines resold by providers of the Belgacom ADSL offer) dating from

<sup>4</sup> Belgian Association of Internet Service Providers, established in May 1997, claims to represent around 95% of the market, through its 33 ISP members.

before the introduction of Belgacom's obligations to provide bitstream access. BIPT has developed regulations governing the migration of this wholesale offer by Belgacom to bitstream access, which is effectively regulated. In this respect, it may be said that a growing number of these unregulated wholesale lines are being converted to regulated bitstream access. This is further proof of the success of the regulations governing unbundling and bitstream access in Belgium.

## 2.2. MODIFICATIONS TO THE REGULATORY FRAMEWORK

### 2.2.1. AT EUROPEAN LEVEL

On 7 March 2002 the Council and the European Parliament officially adopted four directives and a decision constituting the 'Electronic Communications Package', which was scheduled for transposition to Belgian law on 24 July 2003. The directive concerning the processing of personal data and the protection of privacy in the electronic communications sector was set for transposition on 31 October 2003.

This new European regulatory framework maintains the separation of the regulation of the transmission from that of content, which remains under a distinct system. However, digitisation in particular means that various types of network are now able to convey highly diverse content and services. The new European regulatory framework also addresses the new phenomenon of technological convergence to establish a harmonised system shared by all electronic communications networks (telecommunications and broadcasting), be they fixed or wireless.

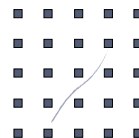
The new directives simplify the conditions of entry on the market by abolishing the individual licence needed prior to the establishment of electronic communications networks and the provision of electronic communications services. The only exceptions are the allocation of rights to use frequencies and telephone numbers. The scarcity of these resources justifies the maintenance of a more restrictive system with respect to them. The aim is to establish a proper system of free access, except for the utilisation of limited resources.

The development of competition and the changes on the market (the emergence of new services such as broadband Internet, the meteoric development of mobile telephony, etc) has made it necessary to review the mechanisms of regulation. The new directives also introduce a sliding-scale regulation depending on the level of competition attained on each relevant market. Where competition on specific markets is imperfect or limited, the regulator can impose obligations on operators identified as having significant market power on the relevant market.

The definition of significant market power is close to that of a dominant position in competitive law. The current quantitative criterion defining an SMP operator as one with a 25% share of the market has been superseded by a quality assessment based on several criteria. It will be up to the regulator to analyse the relevant markets, taking due account of the European Commission's Recommendation and Guidelines.

In concrete terms, the definition of specific obligations to be imposed on the regulators with significant market power will be realised within the framework of a three-step approach.

- Identification of relevant markets ripe for regulation, as well as obstacles to the development of effective competition on these markets;
  - Determination of the operators with significant power on these markets;
  - Definition of the specific obligations to be imposed on these operators necessary to realise the regulation.
-



The obligations that may be imposed on operators with significant market power primarily focus on the services provided by the operators to other operators, i.e. interconnection and network access services. As to their content, these obligations broadly correspond to those that exist within the prevailing regulatory framework, but now it is the regulator's task to appreciate the opportunity and the efficacy with respect to problems of competition that it will detect on the market in question.

So we observe that the new European regulatory framework accords national regulators plenty of room for assessment, enabling them to adapt their actions according to how competition and the market develops. In return, the directives also strengthen European harmonisation through mechanisms of consultation between national regulators and the European Commission, especially in their selection of the obligations to be imposed on SMP operators. For a limited number of subjects (definition of relevant markets and analysis of their competitive character) the Commission may go so far as to oppose a national measure judged to be contrary to the realisation of the single market.

Belgium, along with seven other Member States, has been slow in transposing European directives relating to electronic communications. While the legislator undertakes to transpose the new European directives of 7 March 2002, BIPT has undertaken a number of steps for their concrete implementation. The Institute has already started the realisation of the first phase – the analysis of the various markets (also including any geographical markets) in the Recommendation of the European Commission of 11 February 2003, with the exception of Market 18, Broadcasting, which comes under the competence of the Communities. After the analysis of the relevant markets the effectiveness of the competition on these markets and the presence of any dominant operators that could disrupt these markets have to be analysed. That can also be realised before the complete transposition of the directives has been effected. However, the imposition on dominant operators of measures aimed at improving competition remains difficult, as the proper amendments must be made to telecommunications legislation to this end. In the meantime, the existing measures continue to apply, which constitutes a guarantee for the industry.

The Institute has also submitted to the minister two draft circulars for the implementation of a transitory phase towards the new system, as regards network and service licences and also within the framework of the problem of MVNOs (Mobile Virtual Network Operators). These two texts were submitted for market consultation at the beginning of 2004.

### 2.2.2. AT BELGIAN LEVEL

The Act of 17 January 2003 introduced a new status for the Institute. BIPT's status as a regulator of the postal and telecommunications sectors has been questioned for several years. The European Commission addressed a reasoned recommendation to the Belgian State in July 2001 enjoining it to ensure BIPT's total independence from the public postal operator. Both the European Commission and the new players on the telecoms market levelled the same type of criticism at the organisation of the telecommunications sector. This sector was completely liberalised on 1 January 1998.

Furthermore, the stipulations of title III of the Act of 21 March 1991 on the reform of some public economic companies, which governs the structures and the functioning of the Institute, had gradually become unsuited to the new missions of a postal and telecommunications regulator. The perspective of the transposition into national law of new European directives on electronic communications made the necessary amendments even more pressing.

The minister responsible for postal services and telecommunications, Rik Daems, rolled out a proj-

ect aimed at giving the Institute a new status that offers it greater autonomy, while relaxing the conditions governing the material and human organisation of its activities. The Act on the status of the Belgian postal services and telecommunications regulator was approved by the King on 17 January 2003 and published in *Moniteur Belge* on 24 January 2003.

Besides a certain continuity, principally expressed in the preservation by the 'new' Institute of the legal status of the 'old' Institute, BIPT's status was radically reformed by the Act of 17 January 2003. The Institute has left the ranks of category A parastatal bodies to become a unique public interest body based on the model of financial and energy regulators: The Banking and Financial Commission, and the Commission for the Regulation of Electricity and Gas.

The direct organic link that connected the Institute to the Minister has been broken. The Minister no longer represents the Institute and is not responsible for its management. Its tasks are now the responsibility of a Council, which has four members, including a chairperson, appointed by the King for a renewable period of six years.

The Institute does however remain under the supervision of the Council of Ministers, which may suspend some of its decisions on the proposal of the competent minister. A Royal Decree deliberated in the Council of Ministers is yet to establish the list. The minister formally informed the Parliament of her opinion that an intervention can only be justified in cases concerning the provision of universal service or the use of broadcast frequencies. The competent minister also has the right to bring a legal appeal in front of the Brussels Appeals Court against any decisions by the Institute that he or she feels are contrary to law.

The essence of the Institute's mission continues to be to ensure that all legislation and regulations governing postal services, telecommunications and radio communications are observed. To this end, he has the power to impose administrative, notably financial, sanctions on offenders.

Specifically in the field of telecommunications, the legislator has also entrusted the Institute with certain powers to make decisions in the exercise of which it has some room for discretion. The impending transposition of European directives will increase this inclination.

To help it in its tasks, the Institute is legally authorised to demand the communication of all useful information and to organise any type of inquiry or public consultation.

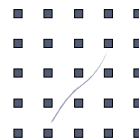
In return, just like every other administrative authority BIPT is subject to the Act of 29 July 1991 on the formal motivation of administrative acts. The Act of 11 April 1994 on the public nature of the administration also applies to the Institute, subject to confidential information on the company or the manufacture of products. In addition, the legislator has expressly agreed to offer every person directly and personally involved in a decision of the Council the possibility to be heard in advance.

In the event of disputes between postal or telecoms operators, the disputing parties may request BIPT to work out a reconciliation proposal.

Lastly, the Institute can also initiate opinions on any issue within its competence and is obliged to formulate them where the law or the regulations provide for such, and on the request of the minister.

The Institute's new status became effective with the publication in the 23 April 2003 issue of *Moniteur Belge* of the nomination of members of its new Council. The Council held its first meeting at the end of April and made its first decision on 2 June 2003.

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## 2.3. THE REGULATION OF THE MARKET

### 2.3.1. THE REGULATION OF DOMINANT OPERATORS

The adequate functioning of the telecommunications market demands the monitoring of the actions of operators whose power enables them to impede the normal play of competition. These dominant operators are therefore subjected to a number of a priori obligations. Their aim is to strengthen competition and facilitate access to the market; they primarily relate to interconnection and unbundling, but they also address tariff transparency and cost accounting.

#### 2.3.1.1. FIXED NETWORKS AND SERVICES

##### **BRIO (Belgacom Reference Interconnect Offer)**

The Institute has continued its work to ensure that the Belgacom Reference Interconnect Offer permits competition on the market and allows Belgacom to continue to invest.

A public consultation was organised on the quality and tariffs of the BRIO 2004 project proposed by Belgacom. Supplementary to the written procedure, special meetings were devoted to issues related to the Letter of Authorisation<sup>5</sup> and the compatibility of CPS<sup>6</sup> with other services or functionalities.

The BIPT Council's final decision on BRIO 2004 (16 December 2003) leads to several important modifications with respect to interconnection, subject to the results of the reconciliation between the top-down<sup>7</sup> and bottom-up model<sup>8</sup>:

- The suppression of the difference in terminating and collecting tariffs ;
- The possibility of reselling (local or IAA<sup>9</sup>) collecting to other operators ;
- The simplification of the Letter of Authorisation and the possibility of incorporating it into the operator's order form ;
- The possibility of paying the ATAP<sup>10</sup> every month rather than every year ;
- A significant reduction in terminating and collecting tariffs ;
- A new reduction in half-link tariffs, after the first reduction in September 2003.

Another of BIPT's important short-term missions is the elaboration of a bottom-up cost model for interconnection. The BIPT project has been the subject of four consultations, in accordance with European advice, the Recommendation of the European Commission<sup>11</sup> and IRG's Best Practices. To guarantee maximum economic efficiency, BIPT is developing the 'LRIC<sup>12</sup> bottom-up' model to replace the top-down model for interconnection. The bottom-up model offers more guarantees on the precision of results and leads to the development of an open, competitive market.

5 • Document that proves that an operator has the agreement of the customer to activate a CPS.

6 • Carrier Pre-Selection.

7 • Cost model based on the accounts of an operator, which shares the costs involved between the various network elements (for example, switching, transmission) and between the services that use these network elements.

8 • Cost model based on the volumes of traffic that an operator has to transmit. These volumes determine the optimal dimensioning of various network elements (for example, switching, transmission).

9 • Intra Access Area.

10 • Access to Access Point.

11 • Commission Recommendation of 11 February 2003 on Relevant Product and Service Markets within the electronic communications sector susceptible to ex ante regulation in accordance with Directive 2002/21/EC of the European Parliament and of the Council on a common regulatory framework for electronic communication networks and services.

12 • Long Run Incremental Cost. An accounting method for establishing the costs of a raising or lowering of the production level. The impact of this modification is measured over the long term, because in the long term all costs can be considered to be variable. LRIC is compatible with a top-down or a bottom-up model.

The Institute is also continuing its mission of monitoring the fulfilment of obligations with respect to the separation of accounts, especially at Belgacom. The model that has been put into place permits a coherent approach as regards the analysis of the cost orientation, the risks of cross-subsidies, price squeeze and selling at a loss, which may be applied to all SMP operators according to an analogous methodology.

Besides BRIO 2004, BIPT has taken several other decisions on the disputes between operators in terms of interconnection:

- Decision of the BIPT Council of 29 August 2003 on the peak hours of the operator BASE for its terminating service ;
- Decision of the BIPT Council of 22 August 2003 on the migration of leased lines to the transport interconnection service ;
- Decision of the BIPT Council of 2 December 2003 on precisions following the decision of 22 August 2003 on the migration of leased lines to the transport interconnection service.

#### **BRUO (Belgacom Reference Unbundling Offer) and BROBA (Belgacom Reference Offer Bitstream Access)**

The BIPT Council has taken a series of measures to specify, refine and complete the reference offers proposed by Belgacom. All these steps have led to a real opening up of the ADSL/SDSL market, as shown by the number of ADSL connections and the introduction of ADSL services at prices lower than €20 per month.

The Institute has forced Belgacom to modify its reference offer for bitstream access (2003 version) and has provided some clarifications on the execution by Belgacom of its obligations within this framework. The BIPT Council has taken two decisions on this subject: on 2 June 2003 with respect to migrations, i.e. the change from the Belgacom offer to other operators of an unregulated product to a regulated product, and on 3 September 2003, with respect to the Improved Service Level Agreement (ADSL without voice, SDSL).

Although these obligatory Belgacom offers are highly stable, there are still problems to be solved. On the one hand, with respect to the tariffs and their cost orientation, and on the other, with respect to some aspects of these offers, such as the value added services, the procedures relating to Carrier Select and Carrier Preselect Code, the monitoring of the migration of unregulated wholesale contracts for bitstream access to regulated contracts and the adoption of Improved Service Level Agreements.

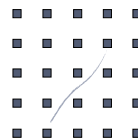
### **2.3.1.2. MOBILE NETWORKS AND SERVICES**

#### **Terminating costs**

On 2 February 2003 Mobistar was designated as an SMP operator on the national interconnection market for the first time, which forces it to orient the terminating charges it claims from other operators to its costs and to work in a non-discriminatory way. The Institute based its determination of the amount of these terminating charges on the cost model developed by Mobistar itself, under the control of BIPT, which led to the fixing of a margin that takes account of the various hypotheses adopted. That prompted BIPT to take the 23 December 2003 decision to impose a price cap mechanism on Mobistar to gradually reduce the average level of its terminating charges towards the lower limit of the margin determined in advance. The first Mobistar tariff reduction was introduced on 1 November 2003.

#### **GSM Gateway Inquiry**

On several occasions in 2003 the Institute was questioned on the legality of the use of this equipment, which converts fixed to mobile calls (F2M) to mobile to mobile calls (M2M). The Institute adopted a



provisional position, now subject to consultation in the industry, inspired by the concern to safeguard real and fair competition on the telephony market. This approach consists in accepting the normal use of this equipment by users and end users, but banning its use by operators on a network to reroute traffic on a large scale. The Institute also proposes banning the installation and use of these GSM gateways in 'phone shops', given the impossibility of fulfilling the legal obligations with respect to registration and storage of the caller's call data and ID details in the event of emergency calls.

BASE asked the Institute to acknowledge the reasonable character of the request to amend its interconnection agreements with other operators so as to change and extend the peak times for the billing of its call termination service (from 8am-7pm to 10am-10pm). On 29 August 2003 BIPT acknowledged the reasonable character of this request, primarily based on the specific nature of the distribution of BASE's traffic, and authorised BASE to apply the new system on 1 October 2003.

At the request of BASE and after consultation with the other two mobile telephony operators, on 4 July 2003 the Institute decided to grant BASE supplementary frequencies in the E-GSM band on 900 MHz so as to remove the handicap suffered by BASE as a result of the use of higher frequencies (on 1800 MHz) initially granted to it in 1997. The Institute also decided to compensate Belgacom Mobile and Mobistar for the supplementary spectrum granted to BASE by widening the allocation of frequencies to these two operators in the 1800 MHz band. That means that these three operators will continue to benefit from a rigorously identical number of radio channels reserved for them.

#### **UMTS**

With respect to third generation mobile communication systems, also known as UMTS, the Institute set up an evaluation of obligations to ensure a commercially open market in accordance with the licences granted. This evaluation took place between 25 September 2003 and 8 October 2003. In BIPT's assessment the three operators were observing their obligations to ensure a commercially open market according to the minister's 19 December 2002 letter to the three mobile operators.

#### **Mobile Satellite Services**

The new consumer mobile communication systems based on satellite links that were announced amid quite some publicity in 1998 have failed to be as successful as expected in its target market. The only notable growth has been posted in the data transfer.

#### **New Technological Advancements**

The new Bluetooth technology is a European standard for wireless communication developed by several companies, including Ericsson, Nokia, Intel and Microsoft. The technology's purpose is to connect technical devices (mobile phones, PDAs, computers and peripherals) in the immediate vicinity without cables. To do so, Bluetooth uses the same free 2.4 GHz spectrum as microwave ovens. The theoretical transmission speed is one Megabit per second. Bluetooth can cross only short distances, about ten metres, without a cable, although wide-range products are available in the stores. The most popular Bluetooth applications continue to be headsets to establish a wireless connection with a mobile phone. GPS solutions and Bluetooth computer keyboards and mice are becoming more and more popular.

#### **Wi-Fi**

Wi-Fi offers wireless Internet access via hotspots, but Wi-Fi does not offer an alternative connection between mobile phones and PCs. Belgacom, Telenet (alone and then through the acquisition of Sinfilo) and Swisscom (through Megabeam) have entered this market. There were around 300 hotspots in Belgium at the end of 2003.

### **Shared use of antenna sites**

The regulatory framework provides for the possibility of shared antenna sites and BIPT has scheduled the development of a collective database on antenna sites.

The ASBL RISS (Radio Infrastructure Site Sharing) has integrated all the sites of the three mobile phone operators and is preparing the integration of the remaining sites of other operators. The database contains information on more than 7000 antenna sites through Belgium.

## **2.3.2. MARKET ANALYSES**

To respond to the obligations laid down in the new European regulatory framework governing market analyses, in 2003 BIPT developed surveys to be sent to operators active on the relevant markets aimed at gathering economic and technology data to analyse the markets.

In March and May the Institute organised consultations that enabled interested parties to present their recommendations on the survey projects and on the projects to define the relevant markets.

## **2.4. THE TECHNOLOGIES**

### **2.4.1. THE LICENCES**

The Institute handles all the requests regarding the operation of the fixed telecommunications networks and the services offered on them.

In accordance with the new European regulatory framework governing market analyses, in July 2003 BIPT withdrew the system of licences applicable to public voice telephony services and public networks. The principle of declarations was introduced generally for all types of network and service. The licence system is now limited to networks that use frequencies.

#### **2.4.1.1. LICENCES FOR THE PRIVATE RADIO COMMUNICATIONS NETWORKS AND INDIVIDUAL STATIONS**

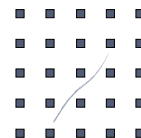
During last year, a number of police networks were switched to ASTRID<sup>13</sup>. More and more people are also using mobile phones. These two phenomena explain the fall in the number of licences for private mobile networks. In the same way, many users are opting for DECT telephone exchanges.

A Royal Decree amending the Royal Decree of 15 October 1979 on private radio communications was published in 2003. The main amendments are the withdrawal of the licensing exemption for PMR 446<sup>14</sup> devices and remote controls for reduced models.

In addition to the prevailing legislation and a FAQ list, the Institute offers a brochure for every type of service and for the non-public networks, together with a registration form, on its Internet site.

<sup>13</sup> • ASTRID is a joint-stock company under public law established by the federal state with the support of the Municipalities to offer a unique radiocommunication tool to the Belgian emergency and security services based on the European TETRA (TErrestrial Trunked RAdio) standard.

<sup>14</sup> • PMR: Private Mobile Radio



## 2.4.1.2. RF RADIATION DEPARTMENT

The licence-granting process also involves an investigation of the potential radiation of stations to be installed by the network operators. The Institute examines the technical data with respect to the installation of these stations. Half of the files were introduced by Belgacom Mobile SA, a third by the other GSM operators, one in ten by ASTRID and the rest by VRT, RTBF, local radio stations and radio amateurs. Of the files handled, 2,414 files were in French and 1,338 in Dutch. Another 53 files in German were completed. Eighty-four attestations of conformity were issued, based on the measures taken by the owner. The levels in these files were so low that no measure was considered necessary.

## 2.4.2. THE FREQUENCIES

### 2.4.2.1. MANAGEMENT

BIPT is responsible for managing the electromagnetic spectrum in Belgium. This mission covers both daily management of frequency allocations and coordination and the long-term policy on frequency and readjustment plans.

The allocation of frequencies for the land mobile services occurs within the framework of the Vienna/Berlin Agreements and constitutes one of the service's main activities.

	2002	2003
Number of new frequency allocation files	751	1,251
Number of altered frequency allocation files	671	653
Number of cancelled frequency allocation files	692	1,015
Number of internationally co-ordinated frequency allocations	492	177
Number of temporary frequency allocations	731	1,183

While BIPT is not responsible for planning broadcasting frequencies, its frequency management department does handle day-to-day coordination requests and the application of international agreements that distribute the frequencies at international level, as well as the LEGBAC Agreement (compatibility between radio and FM and aerial navigation).

This service is responsible also for coordinating frequencies for satellite links (earth stations, networks, etc) and radio relay links and correspondence with the ITU Radiocommunications Office. In 2003 the Institute handled 3,420 international frequency coordination files.

Selected important achievements of the frequency management department:

- updating the national frequency table in accordance with harmonisation activities at European level. This frequency table can be consulted online at the BIPT website. In addition, in future the Belgian Table of Frequency Allocations will be available on the Office's website through the European Radiocommunication Office's EFIS programme<sup>15</sup>;
- monitoring problems with respect to IMT-2000/UMTS within the framework of CEPT/ECC/PT1;
- participating in the ITU's WRC 2003; WRC 2003 took some major decisions on the global frequency harmonisation plan for the local radio loop in the 5 GHz band, the harmonisation of frequencies for PPDR (Public Protection Disaster Relief) and Galileo (the European satellite navigation system);
- participation in many international meetings such as CEPT/ECC, CEPT/FM, CEPT/CPG and their working groups, the Vienna Agreement, NATO-NARFA<sup>16</sup>, etc;
- participation at European level in meetings of RSC (Radio Spectrum Committee) and the RSPG

<sup>15</sup> • ERO Frequency Information System: <http://www.efis.dk>

<sup>16</sup> • National Allied Radio Frequency Agency. NARFA is responsible for the national management of military band frequencies. NARFA is the point of contact for all problems related to the allocation and coordination of frequencies of the Belgian armed services. NARFA's representatives also participate in NATO meetings, where problems are tackled with the NATO framework.

(Radio Spectrum Policy Group) in the European Commission;

- implementation of an IT system for radio relay links integrating the allocation of frequencies, the grant of licences and accounting. The development of a similar system for mobile networks has been started;
- the conclusion of a new Vienna/Berlin Agreement dividing the existing agreement into a part for mobile services and a part for fixed services;
- a public consultation of the sector that has led to a reorganisation of frequencies for the public mobile operators (including the allocation of supplementary frequencies to BASE on 900 MHz);
- the establishment of a frequency policy on the introduction of CDMA<sup>17</sup> systems for PAMR (Public Access Mobile Radio).

#### 2.4.2.2. EXAMINATIONS

The Institute organises examinations for radio amateur certificates and for certificates for the use of stations on board vessels. Thirty-eight examinations were organised in 2003: 35 for maritime radio services (1,149 participants, 82% passes) and 3 for radio amateurs (132 participants, 77% passes).

#### 2.4.3. THE NUMBERING SYSTEM

##### 2.4.3.1. THE NATIONAL NUMBER PLAN

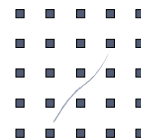
Numbers are essential if services are to be offered through the telecommunications infrastructure. They are the key to providing access to those services to end users and providers alike. BIPT works constantly to ensure that the numbers are available in sufficient quantities to allow the proper development of the market. For telecommunications operators, equal access to adequate number series, in terms of quality and quantity, is crucial to balanced growth on a competitive market. To ensure this, BIPT draws up the number plans by means of explanatory notes fixing the intended use of specific numbers.

The regulations on routing numbers for the implementation of the European telephone numbering space (ETNS) were published on 11 March 2003. A wide market consultation on the 090X and 077 number series, under which the infokiosk services are offered, was also organised.

The Institute also conducts number management tasks itself, including allocation, reservation and cancellation of numbers, and supervision of their use.

All available information on the national number plan, including the lists of reserved and allocated numbers, are published on the website ([www.bipt.be](http://www.bipt.be)).

The role of numbers in the telephone network may be compared to that of domain names on Internet. The Internet Corporation for Assigned Names and Numbers (ICANN) is an international non-profit organisation with responsibility for co-ordination on a worldwide scale of the system of unique 'Internet Identifiers' such as Internet domain names, IP addresses and other technical parameters. In addition, the co-ordination and operation of the DNS root-name-server system is also part of this organisation's remit. Within ICANN, the GAC (Governmental Advisory Committee) operates as an important advisory body, in which the representatives of governments are brought together. One of the most important objectives of the Internet Informal working group (IIG) of the European Commission is the co-ordination of the various points of view held by the national governments within the GAC. The Institute represents Belgium in both organisations. Besides the international follow-up of the domain name problem, the Institute has also formulated a number of policy proposals to guarantee the stability and security of the first-level ".be" national domain.



### 2.4.3.2. NUMBER PORTABILITY

Number portability is a core component in telecommunications policy. This is due to two basic reasons. Every time end users are forced to change their phone numbers they are confronted with a lot of red tape and extra costs and there is a direct negative impact on potential customer relations. There is also increasing concern among new operators that they are treated unfairly when potential customers have to change their phone numbers. A study has shown that the lack of number portability seriously limits the opportunities these newcomers have.

Introduced on 1 October 2002, number portability for mobile numbers has entered a stable phase. The Number Portability Task Force for Mobile Numbers, the co-ordination platform made up of mobile operators under the chairmanship of BIPT, has continued its activities. At regulation level, on 16 September 2003 the Council set the establishment costs for each mobile number ported for the period 1 October 2002-1 October 2005 on the basis of a cost model.

The Number Portability Task Force for Fixed Networks set up in 1998 continued its activities in 2003 under the chairmanship of the Institute. The prices for geographic and non-geographic number portability were established on the basis of a theoretical model established in execution of the Royal Decree of 16 March 2000 on the portability of numbers of subscribers to telecommunications services. In accordance with Article 14 of the same Royal Decree, the quality parameters for the service were re-examined and adapted to the new market circumstances.

To increase tariff transparency for the calling party, a website was launched at the following addresses [www.1299.be](http://www.1299.be) (Dutch), [www.1399.be](http://www.1399.be) (French), [www.1499.be](http://www.1499.be) (German) and [www.1450.be](http://www.1450.be) (English), where the interested party can gain information about the network to which the call number belongs simply by keying in that number. This website recorded approximately 330,000 hits in the period 1 October 2002-1 January 2003. A number of complaints were also examined and an in-depth legal analysis conducted of a number of practices of operators that refuse to port numbers before the outstanding bills of these customers have been settled.

In accordance with the provisions of the regulatory framework, the Belgian Institute for postal services and telecommunications monitored the activities of ASBL "Portabilité des numéros", which manages the central reference database.

The net growth in the number of connections with active ported numbers for the fixed networks and the number of ported numbers for the mobile networks is shown in the tables below. The increase since the previous year is given between brackets.

	PSTN/ISDN connections	Non-geographical numbers	Complex installations (PRA's, direct-dialling series, PBX series)
1 <sup>st</sup> January 2001	42,328	442	455
1 <sup>st</sup> January 2002	116,677 (176 %)	676 (53 %)	2,019 (343 %)
1 <sup>st</sup> January 2003	142,156 (21.8 %)	1,224 (81 %)	4,168 (106 %)
1 <sup>st</sup> January 2004	197,459 (38.9 %)	1,772 (44.8 %)	6,713 (61 %)

	Number of ported mobile numbers
1 <sup>st</sup> November 2002	18,734
1 <sup>st</sup> December 2002	35,092
1 <sup>st</sup> January 2003	58,364
1 <sup>st</sup> January 2004	253,186

### 2.4.3.3. CARRIER PRESELECT

The activation procedure for the carrier preselect service was comprehensively evaluated and adapted in consultation with the sector. Special measures were introduced to more easily detect slamming practices<sup>18</sup> and to impose sanctions on any operators found to be involved. The net growth in the number of carrier preselect activations is shown below.

	Numbers with carrier preselect	Increase
1 <sup>st</sup> January 2001	114,735	
1 <sup>st</sup> January 2002	381,566	232.5 %
1 <sup>st</sup> January 2003	595,627	56.1 %
1 <sup>st</sup> January 2004	850,384	42.8 %

### 2.4.4. EQUIPMENT

Radio and telecommunications terminal equipment must be placed on the market in accordance with the R&TTE<sup>19</sup> Directive, which harmonises the way in which this type of equipment must be placed on the European market.

In order to be allowed to place equipment on the (European) market, according to this Directive, the equipment not only has to comply with a number of technical essential requirements, but also with the other - more administrative - relevant provisions. The manufacturer bears full responsibility for the conformity of his equipment with all legal provisions. In some cases however, a (limited) intervention by a notified body is required.

According to the provisions of the R&TTE Directive, radio equipment and telecommunications terminal equipment has to bear the appropriate CE marking (at least **CE**). This marking has to be printed on the packaging and accompanying documents. If a licence is needed for the use of the radio equipment or if the equipment uses frequencies whose use is not harmonised in Europe, a mandatory information sign in the form of **ⓘ** is included as part of the CE marking. This sign indicates that the radio equipment may not be used everywhere (in Europe) or not everywhere 'freely' (a licence is necessary).

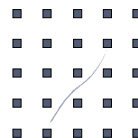
The manufacturer or supplier has to supply sufficient information together with the equipment to inform the user of the conditions of and any restrictions on use (frequencies allowed, the necessity of having a licence). For radio equipment it has to be clearly indicated on the packaging where the radio equipment may be used. The user has to use the equipment in accordance with the intended purpose. In the case of terminal equipment, this means that it may only be connected to the network interfaces designated by the manufacturer or supplier. In the case of radio equipment, any restrictions must be complied with. That means that the presence of the **ⓘ** information sign is very important to the consumer.

Radio equipment operating in frequency bands whose use is not harmonised in Europe (and which consequently bears the information sign in the marking) has to be notified to the member state in which it is placed on the market. This is the so-called obligation of notification in accordance with Article 6.4 of the Directive. The manufacturer or his authorised representative has to inform BIPT of his intention no less than four weeks before he intends to place the product on the Belgian market. He also has to specify the exact brand and type and a number of radio parameters. This notification does not relieve him of the responsibility to bring conforming products on the market, even if he does not receive a reply from BIPT.

In 2003, more than 2,349 pieces of equipment were declared. This is more than the year before, in spite of the fact that the Commission has extended the list of Class 1 equipment to include radio equipment whose use is unrestricted. This equipment does not now need to bear the information sign. An exam-

<sup>18</sup> • Practice according to which some operators register customers without them having signed a contract in due form.

<sup>19</sup> • Directive 1999/5/EC of the European Parliament and the Council of 9 March 1999 on radio equipment and telecommunications terminal equipment and the mutual recognition of their conformity (OJ L91 of 7 April 1999).



ple of such equipment is common GSM devices. A working group of radio experts has the task of extending the list of Class 1 equipment even further. All equipment sold on the Belgian market that does not belong to Class 1 must be declared to BIPT. It is advisable to consult the list of Class 1 equipment regularly. This list used to be published on the European Commission's R&TTE website (<http://europa.eu.int/comm/enterprise/rtte/>). It can now be accessed directly at <http://www.ero.dk/rtte>, part of the website maintained by the European Radiocommunications Office. The technical parameters that this radio communications equipment has to fulfil are also found on this website and are linked to the reference number of the sub-class to which they belong.

The former approval system was completely abandoned on 7 April 2001. Trading in this equipment is still permitted if it was manufactured before 8 April 2001 or imported from a third country. This type of equipment is still found, but numbers are falling.

Equipment holding a licence granted and approved in Belgium in the past may continue to be used as long as the former conditions of the approval system continue to be observed.

The Institute is also active in the European forums (European Commission, TCAM Committee<sup>20</sup> and working groups, the ECC<sup>21</sup>, Administrative co-operation<sup>22</sup> (ADCO), ETSI<sup>23</sup>, EMC Working Party<sup>24</sup>, EMC SLIM<sup>25</sup> etc) in which further European harmonisation is aimed at. It has also participated in negotiations in the Council of the European Union within the framework of the EMC Directive (Directive 89/336/EEC).

## 2.5. USER PROTECTION

It goes without saying that BIPT does not intend to encroach on the Mediation service's area of competence. However, the legislation gives the regulator responsibilities in the field of user protection. Based on the reports from the Mediation service and on the input obtained from its consultations with the Consultative Committee on Telecommunications, Beltug, Test-Achats, etc., BIPT will formulate a certain number of recommendations and opinions in order to improve the quality of service provision. It can also intervene for a number of specific matters, such as for number transparency (e.g. infokiosk services), procedures concerning Service Level Agreements (SLA's) in interconnection offers, unbundling and bitstream offers, terminating rates, etc.

It cannot be denied that competition not only takes place in service provision and the quality thereof, but also at tariff level. As a consequence, the end user is faced with a lack of tariff transparency. This is also a concern for BIPT, which does not prevent the fact that a regulator should take account in that respect of market evolutions and therefore cannot always afford to intervene in order to counter the tendency for tariff differentiation.

20 • The permanent TCAM (Telecommunications Conformity Assessment and Market Surveillance Committee) assists the European Commission in the management of Directive 99/5/EC.

21 • ECC (Electronic Communications Committee) is a body dependent on CEPT (European Conference of Postal and Telecommunications Administrations).

22 • Groups established by the European Commission in which the experts responsible for monitoring the national markets can meet and collaborate on practical aspects.

23 • ETSI (European Telecommunications Standards Institute) is a non-governmental organisation tasked with establishing standards for telecommunications in Europe. Applicable on a strictly voluntary basis, the ETSI standards often serve as a technical basis for the elaboration of directives and regulations at European level.

24 • EMC Working Party: group established by the European Commission that is responsible for monitoring the application of the directive on electromagnetic compatibility (EMC).

25 • Group established by the European Commission that is responsible for monitoring the application of the directive on electromagnetic compatibility (EMC).

## 2.5.1. NATIONAL SPECTRUM MONITORING DEPARTMENT (NCS)

The National Spectrum Monitoring Department is an operational department responsible for 'supervising the radio waves' in the broad sense of the word. As well as the directorate in Brussels, the NCS has five control centres throughout the country, in Anderlecht, Liège, Senefte, Antwerp and Ghent.

The NCS tasks can be divided into four categories:

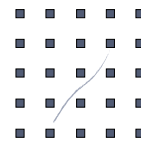
- *Dealing with radio interference*  
Every citizen and every body is entitled to report any radio interference to the NCS of which he/it would be a victim. The NCS technicians are equipped with professional monitoring equipment to track down the source of the interference and take the necessary measures to eliminate it. Interference can come in many guises, affecting professional radio networks, television reception, the aeronautical band, maritime frequencies and all the different kinds of radio communications.
- *Preventive monitoring of professional radio networks*  
Most new radio networks are monitored by the NCS technicians. As a result, it is possible to ensure that networks are established according to licence and that the frequency, capacity and height of antenna are in accordance with the plans of the Frequency Management Department. That means that the use of illegal transceivers can also be limited. Finally, preventive monitoring reduces the number of interferences, which benefits the users.
- *Expertise tasks*  
NCS has a particular expertise in the field of radio communications, specifically relating to the electromagnetic field.  
Given that expertise, the responsibility for monitoring compliance with the standards governing public exposure to non-ionising radiation was given to BIPT in 2001 (in the framework of the health issue).  
NCS conducts regular measurements of the electromagnetic field in the vicinity of antenna sites (GSM base stations and others). Those measurements are expertly conducted for the Ministry of Public Health. The ultimate interpretation of the results as regards any effect of electromagnetic fields on public health is part of that ministry's remit. The results of those measurements are available on the BIPT website.
- *Monitoring during major events*  
NCS is present at various events attended by a great number of radio frequency users, in order to monitor compliance with the licences and to solve cases of interference. With the years those tasks are becoming increasingly important within the department.

In order to perform their general task of monitoring the radio waves, the NCS members hold the position of CID officer and regularly join forces with the police services. All security services have 24/7 access to an NCS guard service in the event of interference to their radio communications.

NCS has twenty fully equipped measurement vehicles, enabling it to conduct its activities in the field. In addition, six fixed measuring stations are under construction, aimed at enabling automatic monitoring of radio frequency use.

A great number of purchases was made in 2003 in order to modernise the NCS equipment, particularly spectrum analysers, power measuring devices and various types of antennas.

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The table below reviews the activities in 2003.

<b>NCS interventions</b>	<b>2002</b>	<b>2003</b>
'Interference' files	895	845
Preventive monitoring of professional users	1,355	1,620
Radiation measurements at transmitting sites	83	94
Monitoring of events	39	88
Interventions by guard service	90	50
Total number of files	2,504	2,697
Number of reports prepared	234	368

### 2.5.2. STANDARDS GOVERNING THE EXPOSURE OF THE PUBLIC TO ELECTROMAGNETIC FIELDS

In terms of possible health risks as a consequence of exposure to electromagnetic fields, the Institute played an active role during the second half of the year in the activities of the follow-up committee co-ordinated by the office of the Minister of Public Health with respect to the governmental communication plan intended to inform the country's population in an objective way about the various aspects related to the use of GSM (leaflet and website at [www.infogsm.be](http://www.infogsm.be)).

The number of sites analysed for which computer simulations were made reached 3,805 in 2003, thus totalling 6,500 sites that were evaluated between the beginning of 2002 and the end of 2003.

A further integration of the data from the database for the shared use of antenna sites is being prepared.

### 2.5.3. CONSULTATIVE COMMITTEE ON TELECOMMUNICATIONS

The Consultative Commission on Telecommunications is important because it serves as a forum, which enables BIPT to get a better idea of the real situation in the field. Its tasks, composition and method of working are currently being revised. The latter two aspects have to be laid down in a Royal Decree. Text proposals have been prepared by the Institute and submitted to the Minister, who has asked the Consultative Committee on Telecommunications itself for its opinion.

As in the years before BIPT has provided secretarial duties for the Committee, which implies organising plenary meetings and drawing up reports, animating and chairing working groups, as well as drawing up draft opinions of the Committee. The Consultative Committee's annual report can be consulted on the BIPT website ([www.bipt.be](http://www.bipt.be)).

#### 2.5.4. E-SECURITY PLATFORM

In May 2000, following the spread of the " I love you " virus, the Institute created an internal cell tasked with warning the public at large of computer virus threats on the Internet. A 24/7 guard service is ensured by two officials and a member of the directorate of the Institute. When the risk of a computer virus spread is detected, the members of that specialised team evaluate the seriousness of that risk and warn the public by adapting the " virus " page on the Institute's website. An alert message is also sent to the persons mentioned on a list that is kept by Belnet. More than 30,000 persons are currently mentioned on the " BIPT virus " list. In 2003 13 alarms were handled, entailing as many adaptations of the virus page on the website of the Institute. There were three press releases and an interview was published in the newspapers.

Ensuring optimal security of electronic communications networks is a key element in the development of the information society. BIPT therefore intends to continue to play its role in that field and to be the point of contact with other comparable structures that are being established in other European countries.

Indeed, several transnational initiatives have been taken. One of those was starting the CASES project (Cyberworld Awareness and Security Enhancement Structure) the tasks of which specifically include "sounding the alarm" when a virus is spreading, technical analysis of the risk or drawing up codes of good practice for the public at large. This project has not produced any results yet, due to lack of financing. Several countries (the Netherlands, Luxemburg and Belgium) are going to strengthen the structures for the exchange of information on the spread of computer viruses.

At European level the European Council and Parliament concluded an agreement on 20 November 2003 to create the European Network and Information Security Agency (ENISA). This is an observation body, not an intervention body. Its main role will be to support the internal market by facilitating and furthering a reinforcement of the co-operation and exchange of information about matters of network and information security, and to assist the Commission and the Member states for matters related to networks and information security.

#### 2.5.5. EMERGENCY SERVICES

##### **Legislative changes**

In order to enable the emergency services to identify the persons that call them, two draft Royal Decrees have been prepared, for which the Institute received the opinion of the Commission for the protection of privacy at the end of June 2003; following that opinion the two Royal Decrees were merged into one. This new draft was examined together with the emergency services and was transmitted to the competent Minister for further legislative treatment.

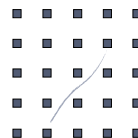
##### **Identification of prepaid cards and prior measures**

Likewise measures are under consideration to facilitate the identification of calls coming from prepaid cards and thus to fight against certain abuses that are made possible by the anonymous character of those cards. As soon as the Royal Decrees mentioned above will have been adopted the legislative provisions can be taken.

##### **Co-ordination cell Justice of the operators – co-ordinating role of the Institute**

In accordance with Article 2, § 3 of the Royal Decree of 9 January 2003 implementing the "Act on tapping phone calls" of 10 June 1998 the Institute manages the list of persons-resources designated by the telecommunications operators and service providers to serve as the point of contact with the legal authorities. That Royal Decree entered fully into force on 11 November 2003.

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### 2.5.6. INSPECTIONS IN THE FIELD

The increase in the number of networks and services on the market entails not only a strengthening of the rules, but also efficient monitoring of their application. Within the Institute there is a specialised department whose task is permanent monitoring of compliance with the various provisions laid down in the prevailing legislation. That department decides its own agenda or follows up complaints from operators or service providers, or even reacts to requests from other departments of the Institute when they have reason to believe that the files they handle may contain violations.

It is thanks to its actions that the Institute is able to:

- monitor compliance with universal service obligations;
- safeguard fair competition;
- prevent the market players from misusing any market power they may have in a specific sector;
- check compliance with the common rules imposed on the provision of services and the construction of infrastructure.

In their capacity of CID officer, the department's officers are also authorised to track down and investigate all crime within the framework of telecommunications legislation. Very often, they undertake a number of actions in collaboration with the police services and the public prosecutor's offices to:

- curb fraud against operators, service providers and consumers, which tends to increase on a market in permanent evolution;
- monitor respect for the confidentiality of the communication and the protection of privacy.

Based on experience acquired in the field, the department also contributes to the Institute's thinking on measures that need to be taken to realise effective regulation of the market and it also makes its expertise available in various committees, such as the Consultative Committee on Telecommunications.

A brief review of activities in 2003 is given below.

- as to monitoring the activities of the operators and service providers several complaints were investigated, seven of which have led to reports of questioning within the framework of the misuse of market power, compliance with fair competition and number portability problems;
- series of test calls were conducted from all regions of the country to check interconnection criteria;
- one violation was uncovered for non-compliance with a legal provision imposing the obligation to activate a service that enables callers to know, based on the number called, to which network a geographical or non-geographical number belongs; that service has to be at least available in French, Dutch, German and English;
- 231 private telecommunications offices were checked, the majority in co-operation with the police services, especially in Antwerp, Mons, La Louvière, Liège, Courtrai, Ghent and Brussels. Those checks resulted in 47 official reports, which means that violations were uncovered in over 20% of cases. This shows a rather considerable decrease compared to the violations uncovered in 2002;
- as specifically regards universal service, besides theoretical monitoring of the quality of the services provided based on various statistical data, at the main exchanges of the operator responsible for the universal service, monitoring series were also conducted during a period of eleven consecutive working days. Those measurements serve as a random test, providing comparative data that can be used to check the reliability of the results announced by the operator relating to connection supply time;
- of the public telephone booths operated by the operator responsible for the universal service, 190 were inspected on site;
- each edition of a telephone directory is checked to ensure that the legal provisions are

being complied with. It can be noted that the department also follows the whole evolution of the relevant legislation, including the aspects relating to management and harmonisation of the databases between the various operators, as well as access to the information services.

Finally, within the framework of the tasks entrusted to the Institute by Article 75 of the Act, the department is also responsible for collaboration within Comixtelec for planning the measures relating to telecommunications in exceptional situations, and takes part in the activities of the Commission for electromagnetic compatibility.

### 2.5.7. MONITORING OF TERMINAL AND RADIO EQUIPMENT

It was noted that a fairly large quantity of equipment are still being placed on the market that comply only partially or not at all with legal requirements. These infringements lead to unfair competition and disadvantage those manufacturers and importers who do comply with legal requirements (quicker on the market, lower costs). This type of monitoring is consequently in everyone's interest, from manufacturers, importers and sellers to users and public authorities. Market surveillance is considered to be one of the keys to the successful implementation of the R&TTE Directive. In certain cases it was felt necessary to take repressive action. The inspections carried out in 2003 have led to the seizure of 558 terminal equipment and 4653 radio communications equipment.

BIPT continues to apply itself to informing the sector. This is realised on the one hand through the publication of explanatory documents on the BIPT website (in the 'Equipment' section under 'Telecommunications') and also through personal contacts with firms at fairs and exhibitions. Radio equipment is increasingly used as an accessory to a variety of products, from remote controlled roll-down shutters to concrete mixers with remote controlled flow control. So it is no surprise that the radio aspect sometimes leaves something to be desired here. Providing information at fairs and exhibitions can remedy this at a relatively early stage. Naturally, information was also provided during visits to regular sales outlets, manufacturers, importers and other distributors.

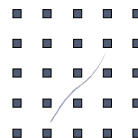
Once again it was noted that regulations are often violated consciously and unconsciously. Nevertheless, the administrative requirements for purely terminal equipment are fairly straightforward. Yet it was discovered that really cheap devices, which do not meet any of the administrative requirements are offered for sale. Of course measures are taken in such cases.

In the case of radio equipment operating in frequency bands whose use is not harmonised within the European Community, and that consequently has to bear the 'alert sign' in the marking, it was often noted that there is no mention of the countries in which such equipment may be used. BIPT is of the opinion that this information should always be given. This indispensable information has to be mentioned on the packaging and in the instructions for use. The Institute always takes measures when this information is lacking as a potential buyer of such equipment needs this information to know whether the equipment may or may not be used. The use of such equipment in an unauthorised place may cause interference with all its consequences.

It was also noted that a great quantity of radio equipment that does not comply with prevailing legislation or was not put on the market in accordance with the former approval system continues to be sold. Moreover, some of this radio equipment operates in frequency bands that are not permitted in Belgium. In these cases too, the Institute unrelentingly takes action. This can probably be explained by the fact that teleshopping is becoming easier (Internet) and by the often aggressive way in which all kinds of cheaper radio equipment are being advertised (spams). In this case the responsibility therefore lies with the European buyer.

Violations are always reported and the goods are in most cases confiscated. The violations are then processed by the public prosecutor's office. That means that there is no point approaching

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the Institute for information about any case. In certain cases, the public prosecutor's office allows the regularisation of the situation, orders the return of the goods to the manufacturer or pronounces on the seizure of the confiscated goods. The public prosecutor's office then decides whether legal action is needed. In 2003, 85 reports were made.

In Belgium a ministerial licence (commonly called a licence) has to be obtained before certain types of radio equipment can be kept and used. Traders in such equipment have to have a general holder's licence. This general holder's licence is free of charge and available on simple request. The sale of such equipment is not permitted to persons who do not have an individual licence. A monthly statement of sales has to be submitted to BIPT. This statement has to contain the details of the buyer's identity.

## 2.5.8. THE PUBLIC TELECOMMUNICATIONS SERVICE

The public telecommunications service comprises:

- the universal telecommunications service;
- the mandatory telecommunications services with a view to providing universal access;
- the tasks of general interest in the telecommunications sector.

### 2.5.8.1. THE UNIVERSAL TELECOMMUNICATIONS SERVICE

The universal telecommunications service consists of the provision across the whole territory of a package of services of a specific quality at an affordable price. The services comprise access to the network and to the basic voice telephony service, the making of emergency calls free of charge, the availability of a help service and an information service to subscribers, the provision of public telephone booths across the whole territory, the publication of a universal telephone directory and the provision of social tariffs and special measures in the event of non-payment of the telephone bill. Belgacom is the operator responsible for the universal service.

The first task of the Institute in that respect consists of monitoring compliance with the obligations imposed on Belgacom as the universal service provider. BIPT is thereby obliged to submit an annual report on the universal telecommunications service to the competent minister. That report constitutes an evaluation of the level of compliance with the obligations that have been imposed on Belgacom as the universal service provider. BIPT monitors, among other things, the parameters governing the quality of service and the obligation to apply an affordable price across the whole territory. In addition to theoretical monitoring of the quality of the service, which is based on various collected data, series of measurements are also conducted at the headquarters of the operator in order to generate comparable material. This is used to check the reliability of the results submitted by the operator.

BIPT has submitted the 2002 report to the Minister of Economy, Energy, Foreign Trade and Science Policy and to the Minister of the Environment, Consumer Protection and Sustainable Development.

Another task of the Institute related to the universal service consists of verifying and approving the calculation of the net costs of the universal service. In its opinion to the Minister of Telecommunications of 26 November 2002 BIPT verified and approved with some reserves, the provisional evaluation of the estimated net costs for the year 2003. As it was the first exercise of that kind and specifically taking into account the international benchmarks, BIPT re-examined the methodology used with the aid of a consultant in 2003.

As for the universal service the Institute also exercises its advisory competence. As such, its annual report on the universal service contains a series of recommendations to the competent minister on the evolution of the contents of the universal service. That report can be consulted on the BIPT website ([www.bipt.be](http://www.bipt.be)).

In 2003 the Institute took the initiative to create an ad hoc working group of the Consultative Committee on Telecommunications concerning the evolution of the scope of the universal service.

### 2.5.8.2. UNIVERSAL ACCESS

The principle of universal access consists of the guarantee that specific services are supplied across the whole territory in accordance with technical, commercial and financial conditions as defined by the King. Those services are the provision of ONP quality leased lines, the data switching service, access to ISDN and the telex and telegraph service.

BIPT handles any complaints in this area; in 2003 an inspection was carried out concerning the delivery time of certain ONP quality leased lines.

### 2.5.8.3. TASKS OF GENERAL INTEREST

Tasks of general interest are regulated by a management contract between the federal state and Belgacom. That management contract provides for the provision of Internet connections to schools, libraries and hospitals and regulates the co-operation of Belgacom in civil protection and in the Mixed Committee on Telecommunications. In addition to the management contract concluded with Belgacom, the law also offers the other operators the opportunity to co-operate on tasks of general interest.

As part of its activities the Institute too co-operates actively with Comixtelec; in that context it followed the work done within NATO's Senior Civil Emergency Planning Committee (SCEPC) and participated in a number of meetings of the CPND<sup>26</sup>, as well as in those of the Ecosoc cell of the state crisis centre.

## 2.6. INTERNATIONAL ACTIVITIES

BIPT participates in numerous working groups within international organisations and bodies.

### **International Telecommunication Union (ITU)**

BIPT attended the World Radiocommunication Conference (WRC-03) in Geneva from 9 June to 4 July. The Institute actively participated in developing the Belgian position in the World Summit on the Information Society (WSIS), which also took place in Geneva from 10 to 12 December 2003. The Institute's contribution specifically focused on matters related to networks, services, interoperability, universal service and international management of the internet.

### **European Conference of Postal and Telecommunications Administrations (CEPT)**

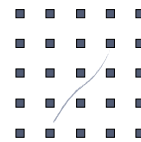
Within CEPT BIPT mainly followed the Electronic Communications Committee (ECC), which had two meetings, namely in Maastricht (the Netherlands) from 10 to 14 March and in Bornholm (Denmark) from 13 to 17 October, the working groups of that Committee (Frequency Management, Regulatory Affairs, Conference Preparatory Group, Spectrum Engineering) and its subgroups. BIPT was designated to chair the NNA WG (Numbering Naming and Addressing Working Group) within the ECC (Electronic Communications Committee). The main remit of this Working Group of European regulatory bodies is to exchange information and knowledge about numbering problems and to harmonise the numbering plans at European level.

For its part NCS participates in the working group CEPT/ERC/FM-PT22 (monitoring), CEPT/RA11 (enforcement), CEPT/RR2 (maritime) and PT/Rainwat<sup>27</sup> (maritime). In the framework of the Rainwat agreement NCS created a website, which comprises the data of the ships that belong to the 16 contracting countries.

The Institute also participates in the international activities concerning frequencies; these are described in detail in section 2.4.2.1.

<sup>26</sup> • Commission for national defence issues.

<sup>27</sup> • Regional Arrangement concerning the radiotelephone service on Inland Waterways.



### **Independent Regulators Group (IRG)**

BIPT took part in the IRG plenary meetings in Vienna (9-10 July), Brussels (22 September) and Budapest (21 November). Experts from the Institute also participated in meetings of the working groups Mobile Access, Fixed Networks, Regulatory Accounting, SMP, Implementation, Market Analysis and End user as well as those of the Contact Network. The activities offered the opportunity to exchange know-how between European regulators and to draw up common principles regarding the implementation of regulation.

### **European Regulators Group (ERG)**

BIPT attended the ERG meetings of 22 September (Brussels) and 21 November (Budapest). The chairman of the BIPT Council was vice-chairman of the IRG and the ERG from July 2003 in preparation for the chairmanship of those two groups during 2004. Those bodies are bound to play a crucial role in the implementation of the new European directives and in setting up a harmonised European telecommunications market. As such the ERG and the IRG have co-operated notably to prepare a working programme and to draw up a Remedies Paper.

### **The telecommunications group of the European Union**

BIPT takes part in the preparatory activities of the Council of the European Union concerning telecommunications and the information society services.

### **The Communications Committee (COCOM)**

In order to assist it in drawing up and implementing measures aimed at co-ordinating the application of the new regulatory framework, the European Commission has a certain number of bodies composed of representatives from the Member States, one of which is the Communications Committee (COCOM). The Institute has participated in the COCOM meetings and in those of the working groups concerning the ".eu" domain name on the one hand and the inclusion of handicapped people in the information society on the other.

### **Radio Spectrum Policy Group (RSPG)**

Created by the European Commission with a view to bringing together high-level experts, the high-level group on frequency policy prospectively and strategically examines all aspects related to spectrum planning and frequency allocation. The Institute closely follows the RSPG's activities. This committee met twice in the course of the year.

### **Radio Spectrum Committee (RSC)**

This Committee was established by Decision 2002/676/EC of the European Parliament and of the Council of 7 March 2002 on a regulatory framework for radio spectrum policy in the European Community (Radio Spectrum Decision). This committee met four times in the course of last year.

### **"eEurope steering group"**

The Institute is a member of the high-level group responsible for following the implementation of the Lisbon strategy regarding the information society. Issues such as internet accessibility and internet use or the roll-out of high speed networks are frequently addressed.

# 3

## The postal sector



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## 3.1. CURRENT ACTIVITIES

Activities that are taking place in various areas are likely to affect the situation of the Belgian postal sector in the short or medium term.

### 3.1.1. AT INTERNATIONAL LEVEL

#### 3.1.1.1. GATS NEGOTIATIONS

In 2003 the Institute attended the meetings of the Interministerial Economic Commission (IEC) on the GATS<sup>28</sup> negotiations.

The preparation and finalisation of the offer of the European Community and its Member States as to the services, especially the postal services, were closely followed by the Institute. As such BIPT formulated an opinion on the offer proposed by the Commission regarding postal services.

The European Commission's initial offer was submitted to the WTO<sup>29</sup> in April 2003. As to the postal and courier services the offer enables foreign operators to develop their activities in the EU in the framework of the liberalisation provided for by the 1997/67 Directive. This specifically means that a foreign operator is allowed to distribute parcels in the EU, for example.

#### 3.1.1.2. AT EUROPEAN LEVEL

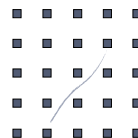
##### Directive 2002/39

With the passing of Directive 2002/39 of the European Parliament and of the Council amending Directive 1997/67/EC with regard to the further opening to competition of Community postal services, the postal market is gradually liberalised:

<b>Domestic letter post</b>	<ol style="list-style-type: none"> <li>From 01/01/03 domestic letter post, whether by accelerated delivery or not, with a maximum weight of 100 grams and a price less than three times the public tariff for letter post in the lowest weight class of the fastest category can be reserved to the extent necessary to ensure the prolongation of the universal service.</li> <li>From 01/01/06: 50 grams and 2.5 times the tariff.</li> </ol>
<b>Direct mail</b>	To the extent necessary to ensure universal service provision, direct mail can continue to be reserved within the above-mentioned limits.
<b>Incoming cross-border mail</b>	Incoming cross-border mail can continue to be reserved within the above-mentioned weight and price limits (recital 21 refers to the danger of misuse in the event of full liberalisation).
<b>Outgoing cross-border mail</b>	If it proves necessary to guarantee the universal service provision, outgoing cross-border mail can continue to be reserved within the above-mentioned limits.

28 • General Agreement on Trade in Services.

29 • World Trade Organization.



At the end of 2003 the 2002/39/EC Directive had been transposed in all European countries, except for France.

As mentioned above, there was a possibility not to fully liberalise outgoing cross-border mail. Greece, Spain, Italy, Luxemburg and Portugal have not completely liberalised outgoing cross-border mail, unlike other European countries, including Belgium, where the option has been taken to completely open up the market of outgoing intra-Community cross-border mail.

### **Proposal for a Council directive amending Directive 1977/388/EEC as regards value added tax on services provided in the postal sector**

This proposal for a Directive is the response to the increasing liberalisation of the postal sector, because the VAT exemption that currently applies to the public postal sector entails distortion of competition.

Concerning this distortion of competition the Commission proposes to submit postal services to VAT from now on. The easiest solution from an organisational point of view, i.e. submitting all postal services to the normal VAT rate, might, however, entail a substantial price increase for private customers. That is why the Commission has chosen in its draft text to offer the Member States the possibility of introducing a reduced VAT rate for certain postal services. As it is impossible for practical reasons to introduce a reduced rate only for private customers, the Commission proposes the possibility to introduce a reduced rate for standard postal services – addressed envelopes and parcels with a maximum weight of 2 kg per item. BIPT has examined the impact of the proposed measure on the Belgian postal sector.

## 3.1.2. AT BELGIAN LEVEL

### 3.1.2.1. THIRD MANAGEMENT CONTRACT

In accordance with the management contract BIPT has conducted together with La Poste a study on the conditions stipulated by Articles 14 and 15 of the Royal Decree of 12 January 1970 on the recognition of newspapers and periodicals. The criteria for the recognition of the periodicals have been revised. The reduced rate for periodicals applies among other things to publications from non-profit organisations and to other non-commercial publications, the purpose of which is to favour the spread of information and the multiplicity of opinions.

The Institute has co-operated with La Poste on a survey to measure satisfaction among the customers of La Poste. The survey covered the following elements:

- sending and receiving letters;
- sending and receiving parcels;
- newspapers and periodicals;
- registered items;
- customer information;
- postal offices and their infrastructure;
- quality of service offered in the postal offices.

The survey showed great customer satisfaction as regards mail. On the other hand things to improve were quality of service and information given in the offices.

In the framework of the tripartite convention concluded between the newspaper editors, La Poste and the State (which determines the rates, quality standards and terms of distribution) BIPT was tasked with monitoring the real time of distribution of the newspapers.

### 3.1.2.2. TRANSPOSITION OF DIRECTIVES 1997/67 AND 2002/39

Both Directives have already been transposed into Belgian law. Directive 1997/67 was transposed on 9 June 1999 by the Royal Decree transposing the obligations resulting from Directive 1997/67/EC of the European Parliament and of the Council of 15 December on common rules for the development of the internal market of Community postal services and the improvement of quality of service.

This Royal Decree established BIPT as the regulatory body for the postal sector. However, the European Commission was of the opinion that the relevant provisions did not guarantee a proper functional separation between the regulatory body and La Poste, which led to the Belgian State being held in default in September 2000. Since the publication and coming into force of the Act of 17 January 2003 on the status of the regulator of the Belgian postal and telecommunications sectors that conformity problem has been resolved.

Transposition of Directive 2002/39 occurred by Royal Decree of 7 October 2002 transposing Article 1, 1 and Article 1, 2 of Directive 2002/39/EC of the European Parliament and of the Council amending Directive 1997/67/EC with regard to the further opening to competition of Community postal services.

### 3.1.2.3. SECONDARY LEGISLATION

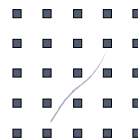
The Act of 21 March 1991 on the reform of some economic public companies lays down that some aspects relating to the regulation of the postal market have to be regulated by Royal Decree. In particular, these are the practical implementation of the licensing regime for non-reserved postal services that are part of the universal postal service, internal analytical accounting and the calculation of the cost price of the universal service, the evolution of the tariffs of the universal service, the content and requirements with respect to the universal service, the determination of the precise number of addressees necessary to qualify as 'direct mail', the compensation fund for the universal postal service, the obligations with respect to declarations and transfers of postal services that are not part of the universal service, etc.

BIPT has assisted the Government in preparing the draft texts of the two Royal Decrees concerned.

The draft Royal Decree implementing title IV (Reform of the Régie des Postes) of the Act of 21 March 1991 on the reform of some economic public companies was submitted to the Council of State and adopted by the Council of Ministers on 4 November 2003.

The draft Royal Decree laying down the terms of declaration and transfer of postal services that are not part of the universal service and implementing Articles 144 quater, §3, 148sexies, §1,1° and 148 septies of the Act of 21 March 1991 on the reform of some economic public companies was also submitted to the Council of State, which made a number of comments on 9 July 2003. The draft was revised based on the comments made by the Council of State and transmitted to the competent Minister.

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#### 3.1.2.4. FRAMEWORK ACT

The Institute advised the office of the Minister of Economy, Energy, Foreign Trade and Science Policy when drawing up the draft Framework Act regarding postal matters. As regards the postal sector the negotiations focused on the one hand on the revision deadline for the publication of the final participation of the contributors in the compensation fund for the universal postal service, and on the other hand on the possible measures the Institute is allowed to take in case of constant violation of the social and/or fiscal legislation that strongly interferes with the operators' universal service.

## 3.2. POSTAL SERVICES MARKET

### 3.2.1. EUROPEAN ECONOMIC CONTEXT

In Europe the postal sector employs some 1,7 million people, to which 440,000 employees in the postal sector should now be added in the accession countries and the countries that are candidate to enter the EU.

The trends that started in 2000 continue: traditional letters suffer from the competition from other means of communication. An 8% decline of physical mail is expected for 2005. The new trend of electronic billing, which has only started but which might cause an important loss to the turnover of traditional mail in the long run is coming on top of the expansion of Internet and emails.

Most of the historical postal operators are diversifying their products: financial services, logistics, document processing and insurance are now among the products offered by the Posts. In 2003 European posts had to face increased competition, due for the most part to the reduction in their reserved area. Some posts responded by increasing their tariffs, others by diversifying even more their range of products like direct and non-addressed mail. Another trend initiated in the past few years is the closing of post offices, which are replaced by other forms of sales offices, with subcontracting, for example.

### 3.2.2. BELGIAN ECONOMIC CONTEXT

#### 3.2.2.1. LA POSTE

In Belgium the historical postal operator is La Poste, a limited liability company under public law responsible for the universal service under the terms of the third management contract concluded with the State on 28 June 2002.

The entities of La Poste are divided as follows:

- Domestic Mail: Handling of domestic mail (+/- 70% of turnover)
- Belgian Post International: (+/- 13% of turnover)
- Retail: Management of sales outlets and their products and services (+/- 2.9% of turnover)
- Taxipost: Express Delivery (+/- 5.2% of turnover)
- Philately: (+/- 2% of turnover)
- Financial Post: (+/- 5% of turnover)

La Poste also offers the following services through its subsidiaries:

- Document processing (Exbo) ;
- Digital printing (Asterion-Speos) ;
- Direct marketing (Vicindo) ;
- Delivery of newspapers and non-addressed mail (Deltamedia) ;
- Full solutions with respect to secure communication of electronic documents on Internet (Certipost).

La Poste employs 40,000 full-time staff and performs its activities through a network of 1,338 post offices. In 2002 its turnover was €1,865 billion with a net loss of €64 million. In 2003 the total mail volume fell by 3%, chiefly in the full-price of the regular mail category. La Poste has decided to do everything possible to realise a balanced budget in 2004 with measures to grow its direct mail activities and new services to be rolled out by its subsidiaries. A new policy to tackle absenteeism and limit recruitment has also been introduced to control costs.

### 3.2.2.2. OTHER POSTAL OPERATORS ACTIVE IN BELGIUM

The express delivery market has been fully liberalised.

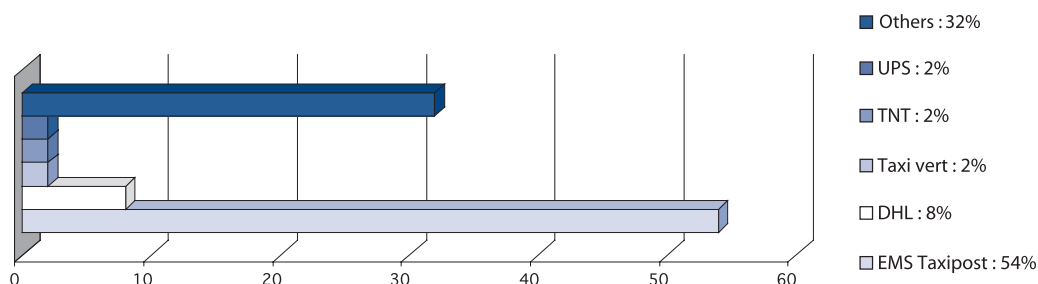
Next to La Poste (EMS, Taxipost), the four major international integrators (DHL, FEDEX, TNT, UPS) have a major share in the express delivery market. Otherwise, the other players in the postal sector are small companies and self-employed persons that maintain intensive mutual relationships of mail subcontracting offering express mail services.

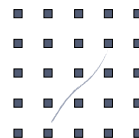
The turnover of all express courier firms – which employ 9500 people – is estimated at €1,8 billion.

Other express mail and specialised logistics companies are also active on the market. These firms offer targeted services such as the delivery of spare parts and teleshopping orders.

#### Share of the market of express delivery companies

(Delivery in D + 0)





### 3.3. OPERATIONAL TASKS OF THE INSTITUTE

#### 3.3.1. AT INTERNATIONAL LEVEL

##### 3.3.1.1. EUROPEAN COMMITTEE FOR POSTAL REGULATION (CERP)

BIPT administrator Jean-Luc Dutordoit continued his work as chairman of CERP. The Institute continued its active participation in the activities within the four CERP working groups. The following subjects were on the agenda in 2003:

#### **'UPU Issues' working group**

2003 was a year in which the studies initiated in 2000 right after the Beijing Congress were completed. The group paid special attention to the definition of the concept of postal administration, which would apply to all UPU Acts. It will propose resolutions at the next Congress on such themes as ETOE's<sup>30</sup>, the establishment of the Consultative committee and the restructuring of the UPU bodies.

All proposals from the Member States of CERP and PostEurop<sup>31</sup> have been passed on to the members so that they can form an opinion. The aim is to defend common European positions at the next Congress.

#### **"Regulatory Issues" working group**

In 2003 the 'Regulatory Issues' working group continued the examination of regulatory issues. The transposition of the postal directive in the participant countries is still going on. Particular attention has also been paid to the WTO's classification of postal services and the postal aspects of the Green Book on the services of general interest. The 'Cross-border' project group was also established. The aim of this working group is to detect problems caused, on the one hand, by the various legal systems governing cross-border mail flows and, on the other, by the fact that these items are handled by various operators who are often difficult to identify. An attempt to formulate potential solutions will be made in the second phase.

#### **"Economic issues" working group**

In 2003 this working group renewed its initial objective, which is to monitor UPU activities with respect to terminal dues, which are expected to result in a new UPU terminal dues system (by which a postal administration in one country pays compensation to another country for the distribution of its correspondence destined for that country). A new issue examined since 2003 by this working group is the access to the postal network. In light of further opening, it will be a crucial element in the discussions on how to achieve full liberalisation. An 'Accounting' project team was set up under the 'Economic Issues' working group to formulate a possible CERP recommendation on analytical accounting rules based on best practice solutions. Incorporating the experiences of a number of national regulatory bodies, including Belgium, a supplement to the 'CERP Recommendation on Best Practices for Cost Accounting Rules' was drawn up in 2003.

#### **"Standardisation" working group**

This working group discusses and analyses standardisation activities of the European Committee for Standardisation (CEN/TC 331 Postal Services) within the framework of the European Directive. 2003 was a year of transition for the standardisation activities, given the conclusion of the European Commission's old (M/240) mandate and the selection of new project and expert teams to accomplish the European Commission's new (M/312) mandate.

<sup>30</sup> • Post offices established by a postal administration on the territory of another country in order to compete on site with the country's own postal administration.

<sup>31</sup> • Association of European Public Postal Operators.

### 3.3.1.2. CEN/TC 331 “POSTAL SERVICES”

CEN/TC 331 Postal Services harmonises the quality standards and technical specifications at European level. This technical standardisation is indispensable to the promotion of interoperability of the various national networks and an efficient universal service in the Union. BIPT follows the European standardisation activities and in particular the quality standards developed by CEN (European Committee for Standardisation) for the European Commission. Several service quality standards (complaints, lost property, waiting times, etc) were adopted in 2003.

### 3.3.1.3. UNIVERSAL POSTAL UNION (UPU)

2003 was the finalisation's year of the UPU activities before the next Congress to be hosted by Bucharest in September 2004.

Partly basing its position on the legal studies conducted by BIPT in that regard, the UPU's Council of Administration prepared proposals to amend the Acts of the UPU to specify various concepts and clarify procedures. UPU also studied how it can restructure its organisation, its collaboration with the Consultative Committee, etc. It introduced a moratorium on the installation of the new ETOE's until the Congress of Bucharest in 2004 and continued its thinking on the restructuring of UPU bodies, which must aim at raising their performance and become more open to the private sector. This will have to be a gradual, controlled process however. As part of the separation of 'operators' and 'regulators' and the recognition of UPU as an intergovernmental body, BIPT finalised the preparation of proposals to guarantee improved political control of the Postal Operations Council, which brings together the operators through the Council of Administration.

## 3.3.2. AT NATIONAL LEVEL

### 3.3.2.1. QUALITY CONTROLS

In the third management contract between La Poste and the State (Art. 18), La Poste undertakes to deliver as many as possible priority items, that is mail franked as letters, on the first working day (excluding Saturdays) upon their deposit before the last post box collection; or after their deposit at the post office or their collection on site.

La Poste is committed to the following delivery times:

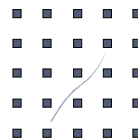
- at least 91% of domestic mail within D+1;
- at least 97% of domestic mail within D+2.

Those times must be measured under the supervision of BIPT.

After the tender, the contract to measure the delivery times was granted to the company ASPEMAR. The results are measured in accordance with European standards.

The study on priority items was conducted on every day of 2003. The results of the study show that 85.1% of domestic mail was delivered to the addressee on D+1, compared with the 92% target. Neither does La Poste achieve the second criterion, as 95.8% of domestic mail was delivered to the addressee on D+2, compared with the 97% target in the management contract.

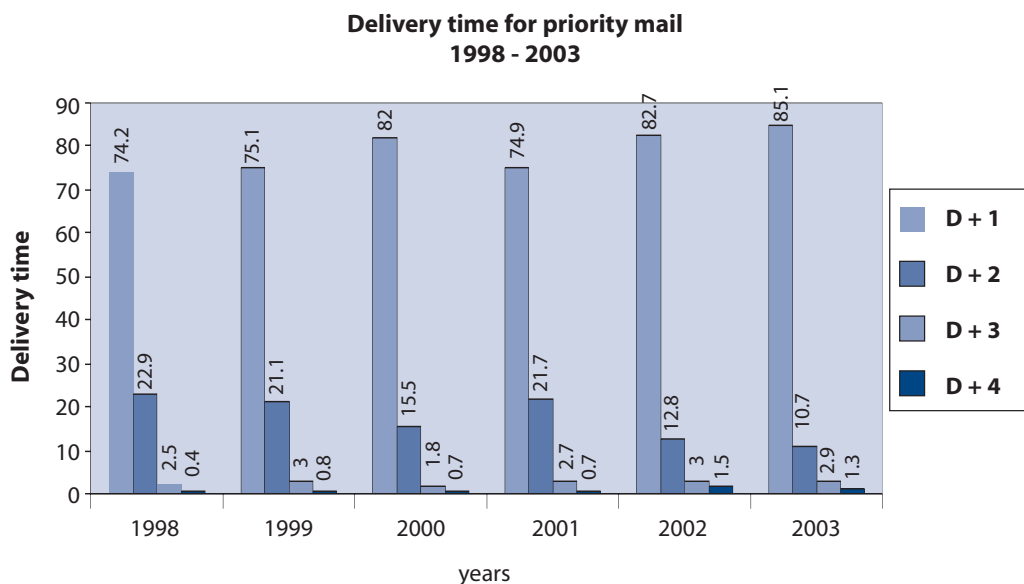
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An improvement was observed with respect to D+1, with 82.7% in 2002 compared with 85.1% in 2003, i.e. an increase by nearly 3 %. For D+2 mail, the 2003 result was in line with the 2002 result, with 95.5% in 2002 compared with 95.8% in 2003. The graph below shows the results of BIPT's monitoring since 1998. It shows that the 2003 result is the best since BIPT started taking independent measurements six years ago.

The results for individual non-priority items are good, however, with 94.9% for D+3 and 98.4% for D+4.

Since 1 January 2004 the European Commission has obliged the designated universal service providers to use this measuring method to achieve results that can be compared at European level. La Poste uses the BELEX measuring system, as well as a management tool to improve its organisation and adapt it as needed.



This publication falls within the scope of the legal publication obligation in accordance with article 18 of the third management contract, which stipulates that the results of quality control criteria must be published every year.

Based on these results, BIPT will set up a dialogue with La Poste to discuss the results of the study on the control of the quality criterion of letter post. This dialogue will take place in accordance with Article 29 of the third management contract on sanctions in the event of non-compliance with the management contract.

In conclusion, the BIPT Council is positive with respect to the quality improvement realised. BIPT has observed a strong improvement in quality since September 2003, with 89% for D+1 in September 2003, 88.7% for D+1 in October 2003, 91.1% for D+1 in November 2003 and 85.2% for D+1 in December 2003. However up to now these results are not complying with the legal obligations laid down in the third management contract. BIPT now also demands that La Poste complies with the targets agreed in the third management as soon as possible. BIPT continues to monitor this situation closely.

### 3.3.2.2. CALCULATING THE COST OF THE UNIVERSAL SERVICE

Pursuant to Article 144 septies and undecies of the Act of 21 March 1991 BIPT has calculated the cost of the universal service for 2002. This calculation is based on La Poste's own cost accounting. This accounting establishes separate accounts for the various services, including:

- Services reserved for La Poste – letter post items with a price of less than three times the public tariff for letter post in the first weight category, items of 0-100 grams and registered items for public administration ends;
- The non-reserved universal service – domestic post items of 100 gram-2 kilos, postal parcels up to 10 kilos, incoming postal parcels up to 20 kilos;
- Competitive services not part of the universal service – etc.

The purpose of calculating the cost of the universal service is to establish that the obligation of the universal service does not constitute an unfair burden for La Poste, taking in account the services reserved to it.

After applying the cost model based on the Fully Distributed Cost method, BIPT concluded that there was no unfair burden for La Poste in 2002.

### 3.3.2.3. MONITORING ACTIVITIES

Following a series of complaints by La Poste about breaches of the postal monopoly, BIPT assessed that it was necessary to clearly define for the sector the precise content of services not sufficiently distinct from the reserved universal postal service, which cannot accordingly be reserved. In a draft communication draft based on the notion of the universal postal service the Institute endeavoured to set cumulative criteria of which the presence leads to the conclusion that the postal service in question is not part of the universal service and cannot consequently be reserved. This draft communication project was submitted to the sector for consultation in July 2003. The final version of this communication is available on the BIPT website ([www.bipt.be](http://www.bipt.be)).

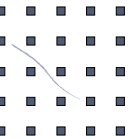
The Institute also received several requests for advice, chiefly on the compatibility of the implementation of a postal service with the legal postal monopoly. This resulted among other things in a communication by the Institute with respect to compound mail, which is available on its website.

### 3.3.2.4. STUDIES CONDUCTED BY BIPT

BIPT's tasks also include conducting research and studies relating to the postal services. In 2003 BIPT continued its activities on the notion of the postal address<sup>32</sup> and on the specifications applicable to private letterboxes<sup>33</sup>.

32 • It is important to know the elements that make up an address in order to classify the mail categories as advertising, addressed advertising and regular mail, because the applicable prices or rates are different.

33 • The maximum distance from the street, the distance from the ground, the minimal dimensions, etc.



# 4

## The functioning of BIPT



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BIPT organises special procedures to monitor the quality of its functioning. An internal audit was already conducted in the past and has been updated. Moreover, procedures for making the functioning more efficient and transparent have also been introduced. Many are oriented to the more advanced computerisation of services, the modernisation of the Internet site and the interactivity of electronic communications with the outside world and the users of BIPT services.

### 4.1. STAFF

#### 4.1.1. STAFF

First of all it must be noted that the sui generis status given to BIPT by the Act of 17 January 2003 does not change the legal personality of the Institute or the statutory link with its staff.

The competency for managing the Institution was transferred to the Council. This management body, comprising a Chairman and three other members, has its own administrative status and budget, laid down in the Royal Decree of 23 May 2003 and as such is not part of the BIPT hierarchy and is not included in the table below detailing the Institute's workforce in 2003.

	Grade	Managers (1)	Workforce (2)		Vacant functions (4)	Absentees (5)
			BIPT	Mediation Service (3)		
<b>Rank 1</b>						
	Administrators	4	2	-	-	2
	Engineer-advisers	14	14	-	-	-
	Advisers (6)	38	32	2	-	4
	Translators-revisers	4	4	-	-	-
	<b>Total rank 1</b>	<b>60</b>	<b>52</b>	<b>2</b>	<b>-</b>	<b>6</b>
<b>Rank 2</b>						
Audit	Chief controllers	2	1	-	-	1
	Controllers	8	7		1	
Administration	Admin. Heads of Dept.	14	12	2	-	
	Controllers	50	45	2	2	1
Technical services	Tech. Heads of Dept.	14	14	-	-	-
	Technicians	48	47	1	-	-
	<b>Total rank 2</b>	<b>136</b>	<b>126</b>	<b>5</b>	<b>3</b>	<b>2</b>
<b>Rank 3</b>						
	Deputy Correspondent Clerks	22	14	2	5	1
	<b>Total rank 3</b>	<b>22</b>	<b>14</b>	<b>2</b>	<b>5</b>	<b>1</b>
	<b>Final Total</b>	<b>218</b>	<b>192</b>	<b>9</b>	<b>8</b>	<b>9</b>

(1) = number of statutory posts provided for by Royal Decree in each grade

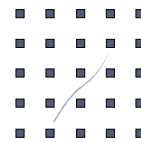
(2) = number of agents in each grade

(3) = number of BIPT agents put at the disposal of the Mediation Service for telecommunications

(4) = to be conferred by recruitment or promotion to the grade

(5) = BIPT agents put at the disposal of minister's offices and trades union organisations or full-time absentees

(6) = to be divided among 13 jurists, 11 economists, 2 computer specialists, 4 industrial engineers and 8 other groups



To compensate the total or partial unavailability of a number of staff members (agents put at disposal and absentees on sabbaticals, voluntary four-day week, etc) or to fulfil the legal obligation to recruit young people laid down in the Rosetta Plan, this statutory workforce was supplemented by a number of contractual agents, 11 of whom were still in service at the end of 2003.

The tasks and targets of BIPT must be realised by a very limited number of staff bearing in mind the size and heterogeneity of these tasks. This contrasts radically with the resources made available to other regulators in Europe. A staff extension in 2004 is indispensable, given the fact that the Royal Decree of 4 April 2003 obliges the Institute to put 10 members of staff at the disposal of the Mediation Service and that supplementary tasks will be entrusted to the Institute as part of new European directives.

Following the change to the sui generis status, the resulting adjustments to the organisational structure and an ever growing workload, a file is being prepared at the request of the staff and the trade unions to adapt the status of staff inspired by the Copernicus reforms.

#### 4.1.2. TRAINING

Within the framework of its human resources management policy, the Institute is committed to giving everyone the opportunity to further their career development, assure their employability, work with some autonomy and learn the skills and knowledge they need to carry out their work. It is for these reasons that the Institute attaches great importance to permanent training of its staff.

As a consequence the Institute organises various training courses. Recently recruited technical agents and administrative agents employed in the Spectrum Monitoring Department (NCS) have followed a course module on radio communications and another on GSM written and given by the Institute's engineers. These engineers have the opportunity to follow courses at the Ecole nationale supérieure des télécommunications in Paris.

A course on 'Competition Law in the Electronic Communications Sector' was organised for rank 1 officials. With the prospect of their registration for the next promotion examinations for administrative section heads, interested agents have the opportunity to register for a course on administrative law and constitutional law at the Institut de Formation de l'Administration fédérale (IFA).

In terms of language training, the English course continues to attract the most participants. However, this year in particular we did take the opportunity afforded us by the changes in the language examinations organised by Selor to encourage staff to study the country's second official language. Agents interested in studying the second official language or German are registered for IFA courses. IFA was also appealed to for IT courses. The Institute also used the services of a private company during the change to an internal messaging program, accompanied by the taking into service of new user-friendly functions. IT training represented 178 course days this year.

#### 4.1.3. EQUIPMENT

The IT department supervised the realisation of many projects:

- Progressive replacement of IT equipment, especially workstations and mobile equipment (laptops, PDAs, etc);
- Migration of the entire IT fleet to Microsoft Windows XP and Office XP;
- IT equipment in all NCS measuring stations and measuring vehicles;

- Continued development of accounting and frequency management programmes;
- Launch of digital management of NCS files;
- Introduction of a translation memory and terminology tool for the translation service.

## 4.2. FINANCES

Since its establishment BIPT has always realised a profit, which is paid into the Treasury. This is due to economical management and to the correct recovery of user fees for frequency licences, numbering plans, voice telephony and network operation licences, as well as declarations of operation of other services.

### Regulator for postal services and telecommunications

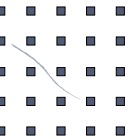
RECEIPTS 2003		OUTGOINGS 2003	
Repayments	63,502	Staff	11,509,130
Licence and monitoring fees for private radio communications	15,957,942	Operation	4,408,795
Public licence fees	16,027,885	Investment expenditures	1,128,076
Approval fees for terminal equipment	-		
La Poste	-	National and international organisations (ITU/UPU/CCRM)	1,657,357
Depreciations	-408,403	Treasury operations	3,000,000
Miscellaneous	97,986	CF/RT <sup>34</sup>	7,081,814
<b>Total<sup>35</sup></b>	<b>31,738,972</b>	<b>Total</b>	<b>28,758,172</b>

### The Mediation Service for Telecommunications

RECEIPTS 2003		OUTGOINGS 2003	
Repayments	117,954	Staff	730,934
Services on behalf of third parties (sector contribution)	1,268,342	Operation	452,010
		Investment expenditures	25,161
		Co-ordination organisations	-
<b>Total</b>	<b>1,386,296</b>	<b>Total</b>	<b>1,208,105</b>

<sup>34</sup> • Wages entirely paid by BIPT of the staff at the radio/television licence fees collection department.

<sup>35</sup> • The receipts include the reserves necessary to all sound management and the ongoing staff extension.





## ANNEX : REFERENCES TO LEGAL TEXTS PREPARED BY BIPT AND PUBLISHED IN 2003

Promulgation date	Publication date in Moniteur belge	Title
09/01/03	10/02/2003	Royal Decree on the execution of Articles 46 bis, §2, first paragraph, 88 bis, §2, first and third paragraph, and 90 quater, §2, third paragraph of the Code of Criminal Procedure, as well as Article 109 ter, E, §2 of the Act of 21 March 1991 on the reform of some public economic companies
17/01/03	24/01/2003	Act on the status of the regulator of the Belgian postal and telecommunications sectors.
17/01/03	24/01/2003	Act on the right of recourse and handling of disputes on the occasion of the Act of 17 January 2003 on the status of the regulator of the Belgian postal and telecommunications sectors
17/01/03	04/06/2003	Act on the status of the regulator of the Belgian postal and telecommunications sectors - Errata
28/02/03	28/03/2003	Royal Decree seconding members of staff of the Belgian Institute for postal services and telecommunications to the Federal Public Service for Social Security
19/03/03	07/04/2003	Royal Decree transposing Articles 7.5 and 9.3 of Directive 97/33/EC of the European Parliament and the Council of 30 June 1997 on interconnection in the telecommunications sector to guarantee a universal service and interoperability by the application of principles of provision of an open network
19/03/03	07/04/2003	Royal Decree amending the Royal Decree of 10 December 1997 on the management of the numbering plan and the Royal Decree of 20 April 1999 establishing the details and general principles governing the commercial negotiations conducted to conclude interconnection agreements and the modalities of publication of the reference interconnection offer and establishing the conditions to be laid down in the interconnection agreement
04/04/03	23/04/2003	Royal Decree seconding human resources of the Belgian Institute for postal services and telecommunications to the Mediation Service
08/04/03	17/04/2003	Programme Law (Article 147)
11/05/03	03/06/2003	Royal Decree establishing the status, the remuneration and the duties of the chairman of the Council of the Belgian Institute for postal services and telecommunications to the Mediation Service
11/07/03	02/09/2003	Royal Decree amending the Royal Decree of 18 March 1993 establishing the financial status of staff of the Belgian Institute for postal services and telecommunications
22/12/03	31/12/2003	Programme Law (Articles 441-444)