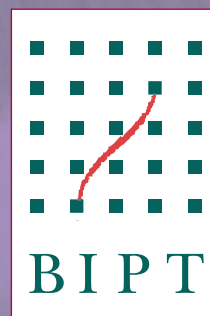


8th ANNUAL REPORT 2001

of the Belgian Institute for Postal services and Telecommunications



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Preface

Once again the year 2001 offered us quite a few challenges in the field of regulation of postal and telecommunications services in Belgium.

In an economically difficult context, marked by major reorganisations of certain telecommunications operators or equipment providers, sector regulation requires a strong regulator, capable of carrying out measures that stimulate the development of a sound competitive market. Important decisions, such as regarding local loop unbundling, the reference offers for bit-stream access and shared use of the infrastructure were thus taken and have certainly led to a significant boost of the offer of broadband internet access, as a result of which Belgium has now taken the lead in Europe in that respect.

Both in the postal and the telecommunications sector the efforts made under the Belgian presidency - in the second half of 2001 - will lead to a significant reinforcement of our competitive position.

In that respect, after a one-year deadlock, Belgium succeeded on 15 October 2001, on my initiative to reach a compromise on the timetable for opening up the postal sector to competition by 2003, 2006 and 2009.

In December 2001, following a month of contacts with the European Parliament, the Commission and the Council, Belgium also managed on my proposal to come to an overall compromise acceptable to all three institutions. That compromise covers the Directives for a new telecommunications

regulatory framework : a Framework Directive, an Authorisation Directive, an Access Directive and a Universal Service Directive, as well as a Radio Spectrum Decision. The last Directive of the "package", concerning data protection, was delayed during the first reading in the European Parliament and did not get further than a common position in first reading under the Belgian presidency.

The new regulatory framework considerably relaxes the rules that apply to the telecommunications sector. It will benefit the taking of initiatives by the private sector and the markets' dynamism, but particularly in the universal service sector, access to a quality service at affordable prices will remain guaranteed for everyone.

The transposition and implementation of that new regulatory framework will impose new tasks on BIPT, especially with respect to market analysis and application of competition rules.

In the course of 2001 some serious reflection took place in order to specify the future role of BIPT in the framework of the reorganisation of the public administrations, involving the creation of a "Federal Public Planning Service Telecommunications" in the framework of the Federal Public Service "Economy, SMEs, Selfemployed and Energy" and the focusing of BIPT's activities on market control and market regulation. A number of legal texts have been published in the meantime, but the practical implementation of the reform will take place in the course of 2002. Once again an appeal will be made to the flexibility of the Institute's staff.



Rik DAEMS
Minister of Telecommunications

Introduction

1. The telecommunications sector in 2001

In a generally weaker economic climate a certain slow-down has occurred in the growth of many ICT companies. This is related among other things with the debt ratio of a number of telecom operators, caused by the high auction costs for third generation mobile telephony, or by big investments they have made (which have not always yielded the expected return on investment), or by major acquisitions by some of them, or by the overcapacity that has been created in some market segments. This should be coupled with the fact that competition has reduced the margins of many products and services and that evidently growth is not infinite.

For their part, technological developments entail an ever increasing complexity in managing certain processes. Examples are local loop unbundling or the uncertainty about the future of UMTS.

The tasks of the supervisory body (BIPT) therefore remain essential to a healthy market development and to the protection of consumer interests.

From this general context it should not be concluded that in Belgium no extremely positive results have been achieved in the telecommunications sector. A number of entrants managed in 2001 to establish themselves strongly on the Belgian market and to offer new services and lower rates to the users. Apart from the spectacular growth of mobile communications, the very rapid growth of broadband internet is most striking. At the moment of publication of this annual report GSM penetration in Belgium is 76 % of the population, whereas there are more than 600,000 broadband internet access connections (ADSL and cable). As a consequence Belgium is markedly among the leaders, world-wide.

As for the supervisory body, the most important elements are elaborated on in this report. We refer to the grant of the three third generation mobile telephone licences, the implementation of unbundled access to Belgacom's local loop, and the elaboration of the framework for bitstream access, so that for broadband too, consumers can benefit from competition. Other important files in which BIPT played a very active role were the preparation of mobile number portability and the supervision of the respect of the radiation standards.

The most important contribution given to the Minister in the preparation of policy was firstly the transposition of the new European Directives finalised under the Belgian presidency, as a result of which the preparation of an adapted Belgian legislation was already anticipated in 2001. Secondly, evidently in close co-operation with the supervising Minister, the preparation of legislation was also started aimed at the reform of BIPT's legal status.

Yet, one should not lose sight of the fact that the rather standard activities of BIPT were continued in the context described above of bigger economic-financial pressure on the sector. Disputes between operators, follow-up of the numbering issue, service provision when developing new products and frequency allocations, definitely considered in their international context, demanded very much attention. The various verifications the Institute had to carry out, often involved important and delicate files.

2. The postal sector in 2001

The postal sector too is in full motion. The progress made under the Belgian presidency in preparation of a new European regulation is remarkable. In the meantime, com-

panies are fully engaged in positioning themselves, nationally and internationally, in preparation of the liberalisation of the sector to be introduced gradually. This has implications on the tasks of the Institute's Postal Directorate : potential problems regarding the observance of the reserved service of La Poste or concerning unauthorised cross-subsidisation, monitoring of the execution of the universal and public service continue to require more and more attention. An important step taken by BIPT as the supervisory body evidently concerns the development of a cost model for La Poste as the universal service provider, in order to make it possible to carry out the legal-financial checks provided for in the law.

Just as in the telecom sector the Institute has to situate a large part of its activities in the international context : the follow-up of the files, both in the regulatory field and in their actual developments, requires an intense co-operation within the European Union, CERP (chaired by Belgium, for that matter) and UPU.

3. Conclusion

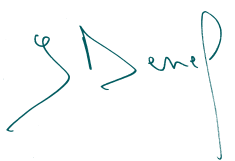
As in the preceding years the Institute has constantly adapted its working methods and procedures in both sectors. An important help was the internal audit management had carried out, from which important proposals followed to optimise the quality of service. Meanwhile, many of these proposals have already been introduced. Among other things they have led to a more planned approach of the activities, with special focus on informing the sector on time and on permanent consultation of the sector, as well as on a better circulation of information. One of the strengths of BIPT, namely the multidisciplinary co-operation at technical, legal and economic level was further improved. Of course, our hope is that both the users and the companies will reap the benefits from this.



Freddy Baert
Administrator



Jean-Luc Dutordoit
Administrator



Georges Deneff
Director-General



Eric Van Heesvelde
General Administrator

II. Telecommunications

II.1 The regulatory framework

II.1.1 At international level

European Union

In the course of 2001 the European Union concentrated on the negotiations regarding the new telecommunications regulatory package.

The Swedish presidency in the first semester of 2001 was able to build on the efforts made by the French presidency preceding it and managed to adopt a common position on the first reading on four Directives and a Decision at the Council of Telecommunications Ministers on 27 June 2001. The texts concerned are the following :

- proposal for a European Parliament and Council Directive on a common regulatory framework for electronic communications networks and services;
- proposal for a European Parliament and Council Directive on access to, and inter-connection of, electronic communications networks and associated facilities;
- proposal for a European Parliament and Council Directive on the authorisation of electronic communications networks and services;
- proposal for a European Parliament and Council Directive on universal service and users' rights relating to electronic communications networks and services;
- proposal for a European Parliament and Council Decision on a regulatory framework for radio spectrum policy in the European Community.

The common position on the proposal for a European Parliament and Council Directive concerning the processing of personal data and the protection of privacy in the elec-

tronic communications sector could not be adopted at the same time, due to a delay in the European Parliament on the first reading.

Thanks to those common positions on the first reading the subsequent Belgian presidency (1 July-31 December 2001) was able to focus its efforts on the negotiations with the European Parliament in order to reach an agreement on the second reading and thus to avoid the conciliation procedure, which would mainly have resulted in the general adoption of the texts being delayed and in not meeting the request of the heads of state and of government, who had repeatedly insisted on adopting the new regulatory telecom package before the end of 2001.

After very numerous working sessions with the representatives of the various institutions, the presidency was able to submit to Parliament a general offer that complied with the amendments made by Parliament on the second reading. That offer of 6 December was approved in its entirety on 12 December 2001 by the plenary session of Parliament and that way constituted the pinnacle of the hard work that had taken six months.

The Directives that are likely to be published in February 2002, will have to be transposed by the member states in order to have them come into effect in May 2003.

Apart from the common position on the regulatory package the Telecommunications Council also managed on 6 December 2001 to arrive at a common position on the first reading concerning the proposal for a European Parliament and Council Directive concerning the processing of personal data and the protection of privacy in the electronic communications sector. Moreover, the same Council adopted a Resolution on network

security that may finally result in a stronger co-operation at European level in the field of computer virus warnings, the CERTs (Computer Emergency Response Teams).

World Trade Organization (WTO)

In the World Trade Organization the new service negotiations only remotely concern the telecommunications sector. The European Union's attitude consists of asking its trading partners for access to their markets equivalent to the access offered by Europe.

International Telecommunication Union (ITU)

BIPT finds that international co-operation is becoming more and more important. In that respect BIPT keeps a close watch on duly protecting the Belgian interests broached on the various international fora.

As an observer BIPT attended the ITU Administrative Council. There the activities were followed up of the Council's special working group tasked with studying ITU's structures and tasks and with proposing reforms. In the course of 2001 the so-called Reform Group published its final report for the 2002 Plenipotentiary Conference. This report especially aims at more involvement from the private sector in ITU as well as more efficient structures and procedures for ITU.

BIPT also took part in the World Telecommunication Policy Forum (WTPF) on VoIP from 7 to 9 March 2001 in Geneva. The international discussion was marked by differences of opinion between the USA, the developing countries and Europe with regard to regulating the Internet.

In preparation BIPT organised a co-ordination meeting with the Belgian ITU members from the private sector.

European Conference of Postal and Telecommunications Administrations (CEPT)

On 20 and 21 September 2001 a CEPT plenary meeting was held in Bergen. During this meeting a number of important policy decisions were taken which finalised the reorganisations of CEPT :

- the structure of CEPT was changed. The highest body now becomes the Assembly, which convenes all European telecom administrations twice a year. A single communications committee was created, called ECC, by merging the current Euro-

pean Telecommunication Committee (ECTRA) and the European Radiocommunications Committee (ERC);

- the European Radio Office (ERO) and the European Telecommunications Office (ETO) were merged to form the European Communications Office (ECO), the permanent CEPT office;
- the presidency was fully re-evaluated and the term was reduced to one year;
- the Assembly drew up a policy agenda setting out the CEPT direction and strategy. The main items include preparation of the 2002 ITU Plenipotentiary Conference, the revision of the Stockholm frequency plan and the 2003 UN summit on the Information Society.

ICP Portugal was elected the next president to succeed the United Kingdom in September 2002.

Organisation for Economic Co-operation and Development (OECD)

From 22 to 23 February 2001 and from 11 to 12 October 2001 BIPT participated in respectively the 39th and 40th session of OECD's Committee for Information, Computer and Communications Policy (ICCP) in Paris. In 2001 the main activities were related to the follow-up of the activities regarding electronic commerce and the OECD study on growth. Liberalisation of the telecom sector has reduced prices. In turn lower prices have led to higher internet penetration for example. There was a sharp, but unequal, rise in investments in the USA, Europe and Asia (the USA, Canada and North Europe had the highest growth in ICT). As to hardware, internet penetration showed big differences in the OECD countries. BIPT pleaded for a detailed and coherent regulatory framework and an independent regulator as an important element for sustained growth.

BIPT also took part in various ICCP working groups, including in TISP, the working party on telecommunications policy.

Independent Regulators Group (IRG)

The co-operation of IRG's 19 European National Regulatory Authorities is increasingly successful. IRG (1) particularly focuses

(1) EU members and EFTA members.

on practical everyday problems occurring during the regulation of the telecommunications sectors. A good example are the "Principles of Implementation and Best Practice", the so-called PIBs. PIBs have been established for "Local Loop Unbundling" (LLU) and the accounting principles regarding "Long Run Incremental Costs" (LRIC). The LLU PIBs were nearly fully applied in the BIPT policy for the introduction of LLU.

In 2001 three plenary meetings were held with the heads of the various regulators. The first meeting was held in Brussels-National on 19 February, the second in Kildare on 25 May, both of which were chaired by the Irish regulator, ODTR, and finally the third in Berlin on 19 October, which was chaired by the German regulator, RegTP.

IRG adopted a common position on the review of the European regulatory framework, the so-called Review 99, which was rounded off in 2001 under the Belgian EU presidency.

BIPT participated intensively, yet selectively in the 12 IRG working groups in order to discuss specific problems such as interconnection, the LLU issue, the exchange of confidential information, accounting rules, market analysis, the analysis of SMP organisations on the telecommunications market and mobile access.

II.1.2 2 At Belgian level

Local loop unbundling and bitstream access

LEGAL OBLIGATIONS REGARDING LOCAL LOOP UNBUNDLING AND BITSTREAM ACCESS

Based on the European Regulation 2887/2000 of 18 December 2000 (2) on unbundled access to the local loop and based on the Royal Decree of 12 December 2000 (3) amending the Royal Decree of 22 June 1998 on the conditions for the establishment and operation of public telecommunications networks, Belgacom was legally obligated to publish before 1 January 2001 a reference offer regarding local loop unbundling and a reference offer regarding bitstream access.

BIPT is under the obligation to publish an opinion on those reference offers. That opinion is binding (4) on Belgacom, which has to adapt its reference offer to that opin-

ion. These legal provisions also explicitly provide for the possibility for BIPT to publish supplementary opinions.

BRUO 2001 AND THE IMPLEMENTATION OF LOCAL LOOP UNBUNDLING

Belgacom published its ULL reference offer (BRUO 2001) on 31 December 2000.

The BIPT opinion on this reference offer (5) was signed by the Minister on 28 February 2001. In accordance with the relevant legal provisions this opinion is binding on Belgacom, which is obligated to adapt the reference offer to the opinion.

Because of the complexity of this matter, but also due to the incompleteness of the information Belgacom was to provide to BIPT, a number of applicable tariffs were missing in the opinion of 28 February 2001. That is why on 13 March 2001 a supplementary opinion was published regarding the raw copper tariffs and another one on 27 April 2001 on the tariffs for shared use. On 31 May 2001 an opinion was published on the tariffs for blocks, Tie Cables and splitters.

In the meantime the implementation by BIPT was accompanied by the creation of two working groups, to which all market players concerned and interested were invited, including Belgacom, namely a spectrum management working group and a working group that discusses practical problems related to the implementation of unbundling and works out solutions during so-called co-ordination meetings (6). Those solutions can be the basis for supplementary opinions.

During these meetings it soon became clear that collocation was the main obstacle to smooth unbundling : indeed, apart from the complexity proper to collocation the cost

(2) OJ 30.12.2000, 336/4 - 336/8

(3) *Moniteur belge* 29.12.2000 (2nd Ed.) pages 43241 and following

(4) Art. 108bis of the Act of 21.3.1991; Articles 6sexies (1), and 6nonies (2) and (3) of the Royal Decree of 22.6.1998.

(5) A complete version of all BIPT opinions on BRUO and BROBA can be found on the BIPT website.

(6) A complete version of the reports of the co-ordination meetings can be found on the BIPT website.

price of the collocation spaces made available by Belgacom in its local exchanges turned out to be very high and the completion was very long in coming, even to such an extent that the development of local loop unbundling was starting to get threatened. Indeed, the alternative operators were running the risk of getting into a situation where the roll-out of their network would get seriously delayed and their competitive position vis-à-vis Belgacom weakened.

That is why BIPT published on 27 July 2001 a supplement to the opinion of 28 February 2001 on co-mingling, i.e. the possibility in the framework of collocation for operators (OLOs) to install their racks in the same space as where the Belgacom equipment is situated, or in any other acceptable space in the local exchange, but definitely without a separate space being created for the purpose of collocation. Co-mingling therefore is a pragmatic solution to speed up the process of collocation and unbundling in the sense that alternative operators are able to get collocation in a short term and at a relatively low cost, as well as proceed to effective unbundling in order to be able to offer their services to end users.

A number of alternative operators had already ordered and paid for collocation in separate collocation rooms in the framework of BRUO before the possibility of co-mingling was introduced. In order to avoid discrimination, a settlement was made in which other alternative operators obtaining physical collocation in the same site in the framework of BRUO, share the costs already borne by the alternative operators already present. Such a settlement was fair and necessary to avoid market distortions.

On 2 October 2001 the Minister signed a supplementary opinion imposing on Belgacom the obligation to make so-called backhaul capacity available to operators already having obtained collocation (in any form). The purpose of backhaul is to provide transmission capacity between a collocated rack of the alternative operator and a location determined by the latter. Backhaul is provided by Belgacom at tariffs fixed by BIPT on a cost-oriented basis.

BROBA 2001 AND THE IMPLEMENTATION OF BITSTREAM ACCESS

In Article 1, 8°, of the Decree mentioned above, the following definition is given of bitstream access :

"8° Bitstream access : a form of special access consisting of the provision of bitstream access as transmission capacity to an end user, where the access provider fixes the technical specifications of the interface at the end user's end, and also the equipment installed in the access provider's premises and directly connected to the copper pair."

Belgacom submitted a first version of its reference offer for bitstream access (BROBA) to the Institute on 16 January 2001. In its opinion of 28 February 2001 the Institute judged this version to be totally inadequate, because it referred to a form of virtual collocation instead of bitstream access.

On 6 April 2001 Belgacom transmitted a second version of the reference offer to the Institute. However, this reference offer was limited to the LEX level (local exchange) and was therefore unacceptable to the Institute, since bitstream access is not limited to the local level.

After having been declared in fault by the Institute, Belgacom submitted a new version of its reference offer for bitstream access to BIPT on 3 July 2001.

This document still contained many shortcomings but unlike the previous version it did make bitstream access possible. The reference offer is the subject of an extensive supplementary opinion of 31 August 2001.

On 2 October 2001 the Minister also signed a binding supplementary opinion imposing the use of backhaul tariffs in the framework of bitstream access for "leased capacity" (BROBA I) and "Access lines" (BROBA II). The purpose was to ensure coherence with the cost-orientation principle.

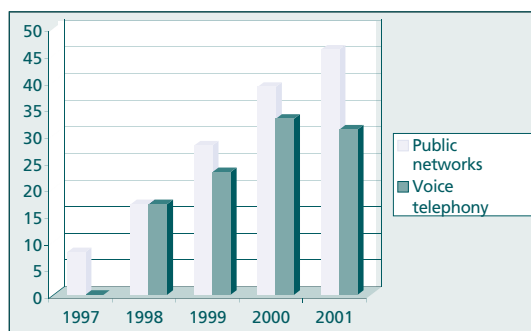
II.2 The telecommunications market

II.2.1 Opening of the market

The market of fixed networks and services

At the end of 2001, a public networks licence had been granted to 46 operators and 31 operators had received a voice telephony

licence, 23 operators of which simultaneously held a public networks and a voice telephony licence.



Belgium also numbers 32 non-public networks, 18 leased line providers and numerous other telecommunication service providers or resellers.

The market of mobile networks and services

MOBILE TELEPHONY

Once again 2001 was marked by a strong growth of the Belgian mobile telephony market based on the GSM standard : the total number of users of all three Belgian operators combined (Proximus, Mobistar, KPN Orange) has risen by approximately 40% in a year's time, thus amounting to about 7.7 million clients (including the "inactive" clients), i.e. a penetration of about 75% of the Belgian population at the end of 2001.

At regulatory level 2001 was mainly marked by the following two issues :

- the conditions regarding interconnection with the GSM network of Belgacom Mobile;
- the installation of the antenna sites needed for the mobile networks.

Interconnection with the GSM network of Belgacom Mobile

Following the SMP designation of Belgacom Mobile on the national interconnection market in October 2000, Bureau van Dijk audited that operator's costs in the course of 2001 at the request of the Institute, in order to impose cost-oriented interconnection charges on that operator.

Two opinions of the Institute, of 2 February 2001 and of 25 July 2001, consequently imposed a double reduction of the intercon-

nection charges on Belgacom Mobile in "peak", which corresponds with a global reduction of more than 20 % of the average level of that operator's terminating costs. A third opinion of the Institute of 17 December 2001 introduced a price cap mechanism, which up to and including 2004 will be applied every year in order to continue a gradual reduction of the level of the interconnection charges of Belgacom Mobile.

Installation of the antenna sites

As to the installation of the numerous antenna sites needed for the radio communications networks, especially for the three networks offering the publicly available mobile telephony service, mainly two activities marked last year :

- the implementation of the new legal provisions regarding shared site use in the framework of the new Article 92quinquies of the Act of 21 March 1991 added by the Programme Law of 2 January 2001;
- the compliance with the standards regarding public exposure to electromagnetic fields in the framework of the Royal Decree of 29 April 2001 prepared by the Ministry of Public Health.

Shared use of the antenna sites

With respect to the new Article 92quinquies of the Act on shared use of antenna sites, the following actions were taken.

- A procedure was established for consulting the 49 operators of public telecommunications networks or mobile communications services, in principle referred to by the Act, in order to lighten the consultation procedure that precedes the introduction of applications for building permits, referred to in Article 92quinquies (5) of the Act : finally, only eight operators showed their interest to be consulted and that result was made public by means of a communication from the Institute of 9 July 2001.
- In close collaboration with the three GSM operators united in GOF (GSM Operator's Forum), all measures were taken to establish the common antenna site data base, provided for in Article 92quinquies (6) of the Act of 21 March 1991, and also to create the non-profit institution that will administer that new system. The putting into operation is planned for the start of 2002.

Standards regarding public exposure to electromagnetic fields

In the framework of the Royal Decree of 29 April 2001 on the standardisation of transmitting antennas for electromagnetic waves between 10 MHz and 10 GHz the Institute participated in a number of meetings at the office of the Minister of Public Health in order to try and unblock the hundreds of applications for a building permit submitted by the GSM operators, by improving co-operation in this delicate area between the federal bodies (Ministers of Public Health and Telecommunications, BIPT) and the regional bodies competent for granting licences for the installation of antenna stations emitting electromagnetic radiation.

In that context several meetings were held with the three operators involved, in order to determine the procedure for submitting applications to and delivery by the Institute of certificates of conformity with the Ministry of Public Health's standard, referred to in the Royal Decree of 21 December 2001, which amended the above-mentioned Royal Decree of 29 April 2001. In particular, a method was established for measuring electromagnetic fields on the spot (in concertation with the NCS Department).

THIRD GENERATION MOBILE COMMUNICATIONS SYSTEMS

At the start of 2001 the Institute assisted the Minister of Telecommunications for the procedure to grant the licences for third generation mobile communication systems, often called UMTS (Universal Mobile Telecommunications Systems). That new technology, which will operate in the vicinity of 2000 MHz using state-of-the-art spread spectrum techniques aims to offer multimedia services in a mobile environment (e.g. Internet access).

Those licences were granted in March 2001 by means of an auction system in the framework of the Royal Decree of 18 January 2001 defining the specifications and procedure for the award of licences for third generation mobile telecommunications systems. Three licences were granted to the companies Belgacom Mobile (licence A), Mobistar (licence D) and KPN Mobile 3G Belgium (licence B), who paid the state respectively 150.2 / 150 / 150 million euro.

MOBILE SATELLITE SERVICES

New publicly available mobile communications systems based on satellite links - providing services such as voice telephony, radio paging and to a lesser extent data transfer - have been placed on the Belgian market since 1998.

Although these systems are being commercially developed to some degree for more specialised applications, such as fleet tracking and security, the public at large has not embraced the hype created by the sector surrounding the coming of these systems.

Télécommunications par Satellites Mobiles (TE.SA.M.), which provides the services of the GLOBALSTAR satellite system, and European Datacomm, which has exclusive distribution rights in the Benelux countries for the services of the ORBCOMM satellite system, were already granted a licence in 2000 based on the Royal Decree of 7 May 1999 on the specifications for the operation of satellite personal mobile communication services.

IRIDIUM Italia S.p.A. quit its activities in 2001 without really ever having launched the service in Belgium. IRIDIUM LLC, which took over the satellite constellation, has announced its plans to offer commercial services through the space segment and has already made the first contact with the administration in preparation of submitting a formal licence application.

The Belgian company SpaceChecker n.v., which focuses on the market of fleet and material tracking, was given a favourable advice by the Institute on 14 June 2001. In accordance with the legal provisions of the Royal Decree of 7 May 1999 SpaceChecker is authorised to offer its services.

PUBLIC TELECOMMUNICATIONS SERVICES OPERATING FIXED WIRELESS ACCESS (OR WIRELESS LOCAL LOOP)

Fixed Wireless Access is considered to be an efficient way of quickly setting up the local loop to the end user. The technologies have now been introduced and are commercially available.

In the telecommunications market mostly terms such as "Fixed Wireless Access", "Wireless Local Loop", "Broadband Wireless Access", ... are used.

The initial enthusiasm of the sector which was shown by a consultation held by the Institute in 1998 dampened considerably in the second and third quarter of 2001. The operators are having major problems to finance such projects. The explanation can be found in several elements : the cost of the right to use the spectrum, the financiers' reserves towards anything related to radio following the baleful experiences with the procedures for granting the licences for third generation mobile systems, the drop in economic growth, ...

Based on the licensing procedure that was started by the announcement on 31 October 2000, four operators were granted a licence on 15 February 2001 to use spectrum available in the bands : 3.4 - 3.6 GHz, 10.15 - 10.65 GHz and 24.5 - 26.5 GHz.

At the sector's request additional spectrum was cleared in the 27.5 - 29.5 GHz band. A second licensing procedure was opened by a call to candidates on 18 August 2001. The two candidates that had applied for this procedure, obtained a licence on 18 December 2001.

At this moment the following companies have a licence : AxessOne, LandTel Belgium, Iparix, Belgacom, Region Wallone – MET and MAC Telecom.

II.2.2 Successful operation of the market

Operators with significant market power (SMP)

Article 105undecies of the Act of 21 March 1991 stipulates that BIPT has the power to designate the telecom operators having significant market power (SMP) on one of the following markets : the market of public mobile telephone networks and services, the market of fixed voice telephony, the leased lines market and the national interconnection market.

In order to determine whether an operator has SMP, BIPT conducts market research. However, since the statistical figures collected every six months give no reason to assume that the operators' positions on the voice telephony market and on the public telephone networks market have changed to such an extent that the historical opera-

tor's SMP designation should be questioned, BIPT focused its attention in 2001 especially on the national interconnection market and on the market of public mobile telephone networks and services. For both markets the results were updated based on the method established in 2000 to determine SMP.

According to Article 7 (2) of the Interconnection Directive 97/33/EC the national market for interconnection constitutes the relevant market for determining the mobile SMP operator who is submitted to cost orientation of his mobile terminating rates. Indeed, a mobile operator having interconnection revenues that exceed 25% of the total national interconnection market is considered to have SMP on that market. Since only the market share of Belgacom Mobile SA exceeds 25%, the SMP designation on the national interconnection market given in 2001 remains valid in 2002.

The SMP status on the national interconnection market specifically aims to contribute to stimulating competition so that maximum economic efficiency is reached, which benefits the end users. Since on the other hand in a heterogenous mobile market such as Belgium interconnection tariffs that are too low may endanger the financial balance of the two other non SMP mobile operators and thus threaten to obstruct the goals of developing competition, the Institute opted in the course of 2001 for a gradual reduction of the SMP operator's mobile terminating rates. That price reduction is derived from the cost model verified by BIPT and used to determine on the basis of a number of hypotheses (the method of determining the technical costs of the network, the way of taking into account the commercial costs and the return on capital investment) a price range in which the mobile SMP operator's interconnection charges should be situated. Concretely, the price reduction takes the form of a price cap mechanism the purpose of which is to achieve a total reduction of RPI-46% corresponding with the difference between the tariff that was valid at the start of 2000 and the bottom limit of the range resulting from the cost model.

On the market for public mobile telephone networks and services the market research resulted in the SMP designation for the year 2002 of the second Belgian mobile operator, called Mobistar. As the market share of

Mobistar in terms of revenue from call termination in the first quarter was very close to the 25 % threshold, the Institute took into account other elements it deemed relevant, in accordance with Article 105 *undecies* of the Act of 21 March 1991. One of these elements is that the market analysis is a dynamic factor and should therefore also take account of the evolution of the terminating costs in the quarters following the first quarter of 2001. Also the control of the connection possibilities, which refers to the market share in terms of subscribers, formed a decisive factor in the SMP designation of Mobistar on the market for public mobile telephone networks and services.

The SMP operator on the market for public mobile telephone networks and services will be submitted to obligations in order to introduce effective competition on the telecommunications market, as a result of which end users will have more choice at affordable prices. Anyway, the non-discrimination obligation of the mobile SMP operator, will contribute to making sure that the same mobile terminating tariff is charged to all parties, regardless whether they are fixed network operators transmitting a call to the mobile network of the mobile SMP operator or a fixed network operator belonging to the same group as the mobile SMP operator and who has a call, collected by means of his carrier selection code, terminate on that network of the mobile SMP operator.

The SMP designation on the mobile market is also an incentive to pushing back the relatively high fixed-to-mobile end user tariffs. Indeed, the SMP designation may result in the mobile SMP operator's having to lower the mobile terminating rate applied in order to conform internally to the non-discrimination obligation, without fundamentally changing the cheap tariffs for on net calls.

As due to the cost orientation obligation the fixed SMP telecom operator is forced to pass on the mobile terminating tariffs (MTRs) directly to the retail prices and thus to differentiate between calls to the various mobile networks in Belgium, a reduction of the MTRs may also entail a reduction of the end user tariffs for fixed calls to the mobile network.

Finally, as for the leased lines market the Institute launched a study at the end of 2001

in an effort to gain more insight into the types of leased lines offered, and into the geographical areas where these leased lines are offered. Such a study meets the requirements of the Leased Lines Directive and notably of Article 2 (3), which stipulates : "[...] an organization shall be presumed to have significant market power when its share of the relevant leased-lines market in a Member State is 25% or more. The relevant leased-lines market shall be assessed on the basis of the type(s) of leased line offered in a particular geographical area. The geographical area may cover the whole or part of the territory of a Member State". As a consequence, this passage prescribes that when evaluating the leased lines market a differentiation needs to be made both on the product level and in geographical terms. Expectations are that BIPT will designate the SMP parties on the leased lines market in the course of 2002.

Interconnection and special access

In the Act interconnection is defined as the linking of telecommunications networks used by the same or different persons in order to allow the users of the services or networks of one person to communicate with the users of the services or networks of the same person or of another person, or to access services provided by another person.

The legal and regulatory interconnection framework is intended to allow market entrants to connect their own infrastructures to those of the SMP operators (especially the historical operators) under conditions that favour the development of competition (obligation to comply with reasonable requests, non-discrimination, cost-orientation). One of the essential tasks of the Institute is to ensure that this legal and regulatory framework is indeed complied with.

Each year the analysis of the Belgacom Reference Interconnect Offer (BRIO) is one of the major items on BIPT's agenda regarding interconnection. The 2002 version of this reference interconnect offer was approved on 19 December 2001 following an opinion from the Institute of 14 November 2001. The following innovations in comparison with the previous reference interconnect offer include :

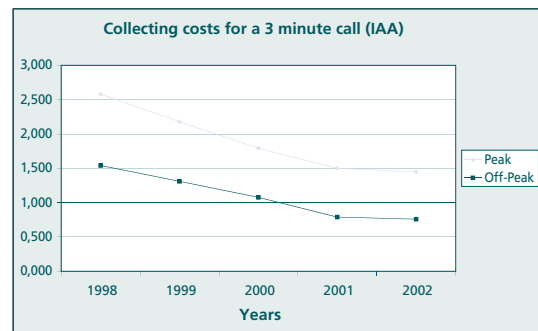
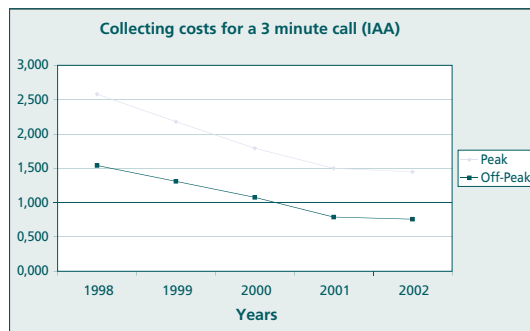
- the possibility to interconnect equipment collocated in Belgacom locations;

- the integration into BRIO of various aspects related to Carrier Preselect (CPS), especially a specific Service Level Agreement;
- the introduction of a collecting model for Internet access;
- the reform of the tariff structure for access to an access point;

- the reform of tariffs for a CPS activation.

Owing to the application of the cost-orientation principle, verified by means of an adapted cost model, the main interconnection tariffs (collecting and terminating) will again be lowered. However, a slow-down is seen in the downward tendency observed in the previous years, as shown in the charts below.

Evolution of interconnection tariffs



Apart from the annual BRIO analyses, BIPT started in 2001 to develop a cost model of the bottom up type, i.e. a model based on various elements forming a network. Indeed, the purpose of this model, developed in consultation with all operators, is to make the interconnection tariffs applied in Belgium more transparent.

Management of the national numbering plan

End users gain access to telecommunications services by means of numbers. That is why the development of an efficient numbering

plan is an important determining factor for the quality and success of the telecommunications services. For telecommunications operators equal access to adequate number series, in terms of both quality and quantity, is of crucial importance to the balanced development of a competitive market. The Institute has to evaluate all requests for numbering capacity made by operators in accordance with the Royal Decree of 10 December 1997 on the management of the numbering plan. In 2001, 35 different entities submitted 90 files. This has resulted in the reservation/allocation of the following types of number series :

Number series	Reservations	Allocations	Annulments
1yxx	5 new 1 renewal	1	7
4pq x 1,000,000 nos	4 new	5	1
70-700 x 10,000 nos	4 new	1	3
77 x 10,000 nos	0	1	2
78	0	4 x 10,000 nos 1 x 1,000 nos	3
79	2 new	0	0
800 x 1,000 nos	1 new	0	2
90A x 1,000 nos 90A x 100 nos	14 new 8 renewals	16	35
IMSI	0	0	0
ISPC	4 new 1 renewal	0	0
NSPC	10 new 1 renewal	11	10
PQYZ x 10,000 nos (geographical)	59 new 1 renewal	29 2 new allocations	53
ADMD	0	1	0
DNIC	1	1	1

The Belgian Institute for Postal services and Telecommunications also has its seat in the Board of Management of DNS Belgium (registration of domain names in Belgium).

NUMBER PORTABILITY

Number portability (NP) is the central point of the telecommunications policy. There are two basic reasons for that. Each change in a call number involves the end user in red tape and entails additional administrative costs and has an important direct negative impact on potential client contacts. Furthermore, the new operators are more and more concerned about being unfairly treated if potential clients would have to change numbers. Research has shown that the lack of number portability seriously limits these newcomers' opportunities. That is why in the legislative field this obligation has been extended to mobile numbers by means of the Programme Law of 19 July 2001. At the same time, the Minister commissioned BIPT to take the necessary measures to put this facility at the end users' disposal on time.

Consequently, a 'Number Portability Task Force for Mobile Numbers' was set up under the chairmanship of the Belgian Institute for Postal services and Telecommunications together with the mobile operators. Important results were achieved in the form of technical and operational specifications. This task force also studied in detail the regulatory and financial aspects regarding mobile NP. In anticipation of the introduction of this facility, the public mobile service operators have to install a system for the announcement of a changed number. For that purpose, after BIPT consultation of the GSM-operators, a Ministerial Order was drawn up.

The 'Number Portability Task Force for Numbers in Fixed Networks', which was set up in 1998, continued its activities this year under the chairmanship of the Institute. The main theme was optimising the operational processes combined with cost-reducing measures. Special attention was paid to upgrading the quality of service. To that end the Minister, on BIPT's proposal and after

having consulted the sector, imposed number portability agreements together with SLAs (Service Level Agreements). The follow-

ing table gives a survey of the total number of telephone lines with ported numbers :



	PSTN/ISDN connections	Non-geographical numbers	Complex installations (PRAs, direct-dialling series, PBX series, ..)
End 2000	42,328	442	455
End 2001	116,677 (176%)	676 (53%)	2,019 (343%)

Between brackets the rate of increase compared to the previous year is also mentioned.

CARRIER PRESELECT

The procedures and the tariffs for introducing the carrier preselect service were thoroughly re-evaluated and adapted. This resulted in an average 28% price reduction for the year 2002 compared to the year 2001 for activating a carrier preselect on a telephone line. In addition, rigid quality standards in the form of an SLA between operators were imposed. At the end of 2000 CPS was available to 114,735 telephone numbers in Belgium, at the end of 2001 that number had grown to 381,566. That is a 234% increase !

MISCELLANEOUS

The Institute notes that the number of infringements on numbering legislation has substantially increased in comparison with last year. Appropriate measures were taken. Thus, a procedure was started against 6 operators for non-observance of the obligation to offer number portability to their clients. The Institute also intervened several

times in conflicts between operators. The Institute also published on its website (www.bipt.be) all available information on numbering which is important to the sector from an operational point of view, such as the database of reserved and allocated numbers. At international level, the Institute participated in various meetings in the framework of ECTRA's Numbering Project Team, ICANN (domain names) and the Internet Informal Group (Commission working group on domain names).

Resolution of disputes between operators

The Institute gives a lot of attention to the permanent follow-up of the market. The operators have the possibility of requesting the Institute's direct intervention as market regulator in case of problems or disputes. They can also turn to the Chamber for Interconnection, Leased Lines, Special Access, Unbundled Access to the Local Loop and Shared Use.

The table below shows the most important interventions of the Institute per theme, done on its own initiative or at the request of operators.

BIPT interventions, on its own initiative or at the request of operators and/or service providers in the course of 2001

Interconnection requests

Request for half-links of the VC3-VC4 type
Migration from leased lines to half-links
Migration of interconnection links

Non-discrimination

Consultation of interconnection agreements concluded by SMP organisations.
Access to ISPs when providing the ADSL-based I-Line service
BudgetLine and application of a surcharge for 0800 numbers

Collocation

Reimbursement of installation costs
Verification of cost-orientation
Costs for internal cabling

Interconnection (various)

"Win back" practices between operators in case of carrier preselection
Financial relations between operators

The public telecommunications service

The public telecommunications service includes :

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

BIPT has submitted a report on the universal telecommunications service regarding 2001 to the Minister for Telecommunications. This report constitutes an evaluation of the level of compliance with the obligations imposed on Belgacom as the universal service provider. One of the things checked by BIPT are the parameters regarding the quality of service and the obligation to offer an affordable price throughout the territory. Besides theoretical checks of the quality of service conducted on the basis of various data collected, series of measurements were carried out directly in the main centres of the historical operator in order to have reference material, on the basis of which the reliability of the results given by the operator, can be verified. Those measures related to the observance of the obligations in terms of supply time for connection and public phone cells.

The principle of universal access guarantees the provision throughout the territory of

certain services in accordance with the technical, commercial and financial conditions defined by the King. These services are the provision of ONP quality leased lines, the data switching service, ISDN access, the telex and telegraph service.

The tasks of general interest are organised by means of a management contract concluded between the federal State and Belgacom. This management contract governs the provision of Internet connections for schools, libraries and hospitals as well as Belgacom's collaboration with civil defence and the Mixed Commission on Telecommunications (Comixtelec). In addition to that management contract concluded with Belgacom, the law now also offers the other operators the possibility to collaborate on the tasks of general interest.

II.2.3 Consultative Committee on Telecommunications

The Belgian Institute for Postal services and Telecommunications provides secretarial duties for the Consultative Committee on Telecommunications, both at plenary Committee level and in the various working groups :

- Rules of conduct for operators towards their clients;

- Statistics;
- European regulation;
- Information Society.

The Consultative Committee on Telecommunications constitutes a forum on which the sector interlocutors have a seat : the social partners (trade unions, employers' organisations and consumer representatives), the sector players (operators, manufacturers, users), and the representatives from the federal, community and regional authorities. Because of its composition the Committee constitutes an observatory that focuses on the evolution and the tendencies of this primordial telecommunications sector.

The reports and opinions prepared by the Consultative Committee on Telecommunications are published in the Committee's annual report. The annual report of the Committee also includes relevant statistics regarding the evolution of the telecommunications market.

II.2.4 E-Security Platform

On the initiative of the Minister of Telecommunications a system of virus warnings was set up in May 2000, after the infamous "I Love You" virus had also struck in Belgium. This E-Security Platform is managed by the Institute and includes apart from the "contact point" that is permanently available, a team of 30 external specialists in the field of network monitoring and analysis of virus warnings. Following a virus warning it can be decided to inform the public by way of the Institute's website, through a press release or by announcements on radio and television. Since the end of 2000 the public can register on a mailing list, in order to be notified automatically when the virus warning page of the Institute's website has been changed following an alert. In the course of 2001 the virus contact point intervened 44

times, which gave cause to 38 adaptations of the website, 4 press releases, 6 interviews with the audiovisual media, 2 interviews with the newspapers and 2 national alerts via the national radio transmitters.

On 4 September 2001 a Memorandum of Understanding was concluded between the Belgian government and the government of Singapore, as a result of which a close co-operation regarding virus warnings was established between BIPT and IDA or Infocomm Development Authority of Singapore.



BIPT

II.3 Operational tasks of the Institute

II.3.1 Networks and services : management of licences and declarations

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

With regard to fixed telecommunications services, a distinction is made between voice telephony (for which an individual licence is required), the leased line service (which is subject to a declaration on the basis of specifications); and voice and data services (which are subject to a declaration), depending on the procedure to be followed.

Fixed telecommunications networks are divided into public telecommunications networks, for which an individual licence is required, and non-public telecommunications networks which are subject to a declaration.

NUMBER OF REGISTRATIONS AND INDIVIDUAL LICENCES	
	Total number of registrations or licences on 31/12/2001
Voice service	109
Voice service provided to one or more closed user groups	19
Data service	114
Data service provided to one or more closed user groups	19
Data service, specifically a service for data switching	30
Data service, specifically Internet access	104
Private telecommunications office	
– in the private field	491
– in the public field	36
Leased line service	26
Individual licence voice telephony service	34
Individual licence public networks	47
Non-public networks	32
TOTAL	1,061

Furthermore, for all parties interested, the Institute has put on its website not only the current legislation and a list of FAQs, but also information including a registration form for any kind of service and for non-public networks.

II.3.2 Granting of licences for private radio communication networks and individual radio stations

Just as in the year 2000 the number of professional radio networks declined in 2001. The reason was already given in the 2000 annual report.

Walkie-talkies used for short-range professional communication, especially PMR equipment, are rather successful since 2,257 ministerial licences have already been granted. They have 8 channels in the 446 MHz band and an effective radiated power of 500 mWatt.

1,394 temporary ministerial licences in categories one and six were issued. 763 of these licences, combined with three collective frequencies, were delivered to clients by way of companies leasing transceivers. This proce-

dure enables the leasing companies, their clients and the Institute to deliver the licences applied for immediately and efficiently.

On 2 February 2001 the Ministerial Order on the establishment and the putting into service of radio stations by radio amateurs was published in the *Moniteur belge*. In the course of 2001 BIPT met with the radio amateur associations in order to test this regulation by practical experience and to make clear arrangements in this matter. The convergence of Directive 1999/5/EC of the European Parliament and of the Council of 9 March 1999, transposed by the Royal Decree of 26 September 2000 on radio and terminal equipment and the recognition of their conformity, and of the Ministerial Order of 2 February 2001 above, required clear information for radio amateurs as regards keeping and using commercial radio amateur equipment.

The Institute finds that enthusiasm for radio amateurism and B27 radio telephones (CB equipment) is dwindling. This may well be caused by the use of Internet and GSM. These forms of communication requiring no or hardly any effort to establish communications, will become even more important.

Therefore, the only persons remaining are those willing to become proficient in radio technology.

The following table shows the total number of ministerial licences granted on 31.12.2001 in the different categories of private radio

communication networks and individual stations, in accordance with the Act of 30 July 1979 on radio communications, the implementing decrees of 15 and 19 October 1979 on private radio communications and the Royal Decree of 16 April 1998 on satellite earth stations.



Total number of private radio communication networks and individual stations		
Category 1	private mobile radio networks	1,387
Category 2	fixed networks	157
Category 3	public administrations	1,549
Category 4	private mobile networks on common frequency 27 MHz	1
Category 5	radio amateurs	5,094
Category 6	fixed and mobile networks within the limits of one property	6,696
Category 7	remote control of scale models	7,516
Category 8	CB – B27 radio telephones	26,765
	PMR 446	2,258
Stations on board :		
	a) aircraft (including portable stations)	2,486
	b) seagoing and fishing vessels	297
	c) barges and river vessels	2,579
	d) yachts	6,854

For all persons interested the Institute has systematically updated its website <http://www.bipt.be>, as regards radio legislation and application forms for ministerial licences. The fees to be paid for 2002 are mentioned in the various sections under "Telecommunications", "Private radio networks", "Professional radio communications".

II.3.3 Frequency management

BIPT is responsible for managing the radio spectrum in Belgium. This task covers both the everyday frequency allocations and co-ordinations and the long-term policy regarding frequency plans and readjustments.

Frequency allocations

Frequencies for landmobile services are allocated under the 1993 Vienna Agreement and constitute one of the department's main activities.

New and altered exclusive frequency allocations	457
Canceled exclusive frequency allocations	135
New and altered common frequency allocations	329
Canceled common frequency allocations	91
Temporary frequency allocations	707

However, the table above does not include the data concerning the following activities :

- allocations and studies for trunking networks;
- temporary frequencies for mass events (e.g. Tour de France, Francorchamps, ...).

Also a new frequency co-ordination agreement was concluded for the mobile service and for the fixed service in the frequency bands 29.7 MHz to 39.5 GHz on 14 September 2001 in Berlin. From now on radio relay links will also be co-ordinated in accordance with this agreement. In 2001 too, the frequency management department made great efforts and contributed considerably

to the development of a new international harmonised calculation method for the purpose of evaluating co-ordination requests.

Other files

Although BIPT is not responsible for planning frequencies for broadcasting, BIPT's Frequency Management Department is in charge of everyday co-ordination requests as well as the application of international agreements (Geneva 1975, Geneva 1984, Stockholm 1961, Wiesbaden 1995, Chester 1997) and the LEGBAC Agreement (compatibility between FM broadcasting and flight navigation).

Types of files	Number
1961 Stockholm Agreement (television broadcasting)	
1997 Chester Agreement (DVB-T)	256
1984 Geneva Agreement (FM band)	1,164
1975 Geneva Agreement (LF and MF audio broadcasting)	8
1993 Vienna Agreement (general details)	107
Earth stations (RR1107), satellites (RR1060), radio relay links	1,112
Miscellaneous (co-ordination, interference, temporary frequencies, information, ...)	283
1995 Wiesbaden Agreement (T-DAB)	294
Comixtelec	180
ITU - Radiocommunications Office and Conferences	220
Satellite organisations (EUTELSAT, INTELSAT, INMARSAT)	62
CEPT - ERO	116
Total	3,802

Some major achievements of the Frequency Management Department are :

- the preparation of a new Royal Decree on private radio communications. Under this new Royal Decree many applications related to the so-called " Short Range Devices" will be exempted from individual licence;
- drawing up an opinion on lowering the annual fees for radio relay links;
- updating the national frequency table in accordance with the harmonisation work at European level. This frequency table is also available on the BIPT website. Moreover, in future the Belgian Table of Frequency Allocations will be accessible by way of the "EFIS" programme of ERO (European Radiocommunication Office);

- in implementation of the RTT&E Directive (99/5/EC) of the EC the radio interfaces for radio relay links were established and submitted to the EC;
- determining the frequency bands in order to designate the additional licences for the "Wireless Local Loop" and the necessary co-ordination with the neighbouring countries;
- following up the issue of IMT-2000/UMTS in the framework of CEPT and ITU-R;
- preparations to the WRC-2003 were started both on national level and on the level of CEPT, ITU-R and NATO;
- participation in numerous meetings of international working groups such as CEPT/FM, CEPT/CPG and CEPT/ECC.

RF Radiation Department

In the second semester BIPT worked out a procedure that concretises the practical implementation of the Royal Decree of 21 April 2001 on the standardisation of transmitting antennas for electromagnetic waves between 10 MHz and 10 GHz (*Moniteur belge* of 22 May 2001). For this purpose the various Minister's offices involved and the operators were consulted. The discussions led to a method to determine radiation around transmitting antennas, in any location where reasonably people can be found.

At the end of 2001 it was decided to adapt the Royal Decree, as a result of which this method will slightly be changed in 2002. All preparations for the creation of a new RF Radiation Department were taken, which has made it possible to start up the department as from January 2002.

In the meantime the first opinions on the general approach of this issue or concerning concrete files have been given to third parties.

II.3.4 Equipment

R&TTE Directive 99/5/EC

The radio and telecommunications terminal equipment has to be placed on the market in accordance with the provisions of European Directive 99/5/EC of the European Parliament and of the Council relating to radio equipment and telecommunications terminal equipment and the mutual recognition of their conformity of 9 March 1999 (OJ L 91 of 7.4.1999). This European Directive is called the R&TTE Directive and harmonises the way in which such equipment is 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 is fully responsible for the conformity of his equipment with all legal provisions. In some cases, however, a (limited) intervention of a notified body is still 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 also has to be printed on the packaging and the accompanying documents. If a licence is needed for the use of the radio equipment or if the equipment makes use of frequencies of which the use is not harmonised in Europe, an obligatory information sign is part of the CE marking: **ⓘ**. This sign indicates that the radio equipment may not be used freely everywhere (in Europe).

The manufacturer or supplier has to supply enough information with the equipment so that the user is informed of the conditions for use and of any restrictions on use (frequencies allowed, necessity for 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 according to the intended purpose. In the case of terminal equipment this implies that he may only connect the apparatus on the network interfaces designated by the manufacturer or supplier. For radio equipment he has to take into account any restrictions, the presence of the alert sign **ⓘ** therefore is highly important to the consumer.

Radio equipment operating in frequency bands whose use is not harmonised throughout Europe (and consequently bearing 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 according to Article 6.4 of the Directive. The manufacturer or his authorised representative has to inform BIPT of its intention no less than four weeks in advance of the start of placing 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 place conforming products on the market, even if he does not get any reaction from BIPT.

In the year 2001 more than 2,100 apparatus were notified. This number is expected to decrease in the future. The Commission has drawn up a list of the radio equipment for which no restriction on the use is applied ("Class 1"). Therefore, these apparatus do not bear the information sign. An example of such apparatus are the GSM apparatus. A working group of radio experts is trying to extend this list of "Class 1" apparatus. This

turns out to be difficult, but it is however expected that because of the (slow) convergence of national frequency allocation plans, some apparatus will end up in the "Class 1" category, this category being favourable to the open market. All apparatus not belonging to "Class 1" and being placed on the Belgian market have to be notified to BIPT. It is advisable to regularly consult the list of "Class 1" apparatus via the Commission's website (<http://europa.eu.int/comm/enterprise/rtte/listeq.htm>).

The former approval system was fully abandoned on 7 April 2001. The trading of this equipment is still permitted as far as they were produced in or imported from a third country before 8 April 2001. The market share of these apparatus is expected to drop quite soon.

The equipment having a licence formerly granted and accepted in Belgium, can continue to be used as far as the former conditions of the approval system remain observed.

The Institute is also active at the European fora (European Commission, TCAM Committee and working groups, ECC, Administrative co-operation (ADCO), ETSI, EMC Working Party, EMC SLIM, ...) in which further European harmonisation is strived for.

Monitoring of terminal and radio equipment

It was found that a fairly large number of apparatus placed on the market still fail to meet or only partially meet the legal requirements. These infringements give cause to unfair competition and penalise manufacturers and importers who do comply with the legal obligations (quicker on the market - less costs). This type of monitoring is therefore in everyone's interest : manufacturers, importers, salesmen, users, public authorities. Market surveillance is considered to be crucial to the successful implementation of the R&TTE Directive. In a number of cases it was deemed necessary to act in a repressive way.

An overview of the results in 2001 :

Equipment seized following checks			
<u>Terminal equipment</u>		<u>Radio equipment</u>	
Modems	809	Wireless doorbells	3,075
ADSL equipment	151	Remote-controlled toys	1,846
Telephones	33	Wireless weather stations	1,774
Answering machines	3	Cordless fittings for PC (mouse, keyboard, ...)	1,034
Other	5	Cordless telephones	971
		Remote control (radio guidance)	568
		CB and PMR446 equipment	351
		Cordless audio & video equipment	183
		Walkie-talkies	81
		Wireless alarms and security equipment	78
		Scanners	45
		RLAN	31
		Wireless intercoms (baby intercom)	23
		Cordless microphones & "in-ear"-systems	11
		Cordless headphones	9
		Equipment for radio amateurs	2
		Other	47
Total	1,001	Total	10,129

Just as in the previous year heavy investments were made in further informing the sector. This is done by publishing explanatory documents on the BIPT website (section "Telecommunications" – "Equipment") and

also via personal contact with firms at all sorts of fairs and exhibitions. Radio equipment is increasingly used as accessory to all kinds of products – from radio guided roll-down shutters to concrete mixers with radio

guided flow control. So it is no surprise that in these cases the radio aspect sometimes leaves much to be desired. Giving information at fairs and exhibitions can remedy this situation in a relatively early phase. Obviously, information was also given during visits of the usual sales outlets, manufacturers, importers and other distributors. In this context more than 600 visits were made.

The number of checks was boosted in 2001. Again it had to be concluded that the regulation was often intentionally or unintentionally violated. For pure terminal equipment, however, the administrative requirements are quite simple. It mainly concerns infractions of the former regulation (apparatus approved for another country, but not for Belgium). Strangely enough, also ADSL equipment was found to be non-conforming. Maybe it is wrongly assumed that this is network equipment. ADSL modems that are freely available on the market, however, have to be regarded as terminal equipment and therefore have to comply with R&TTE Directive obligations.

In the case of radio equipment operating in frequency bands whose use is not harmonised throughout the European Community, and that consequently has to bear the "alert sign" in the marking, it was often found that the countries where this equipment can be used, are not mentioned. This indispensable information should occur both on the packaging and in the instructions. The Institute always takes measures when this information is lacking because a potential buyer of such radio apparatus needs this information to know whether the apparatus may be used or not. The use of such apparatus in an improper place could cause interference with all its consequences.

It was also found that a lot of radio apparatus present on the market not comply with the current legislation nor was brought on the market according to the former approval system. Moreover, part of this radio equipment operates in frequency bands that

are not permitted in Belgium. Also in these cases the Institute unrelentingly takes action.

Violations are always reported and the goods are in most cases confiscated. The violations are then handled by the public prosecutor's office. So there is no point in asking the Institute for information on the outcome of the case. The public prosecutor's office allows in certain cases the regularisation of the situation, if this is possible, or it orders the return of the goods to the manufacturer or it pronounces on the seizure of the goods confiscated. The public prosecutor's office then decides whether legal action is required or not. In 2001, 140 reports were made.

In Belgium a prior ministerial licence had to be obtained for holding and using certain types of radio equipment. The traders in such equipment themselves have to dispose of such a general holder's licence. This general holder's licence is free and available at simple request. Since an individual licence is needed in Belgium for the use of PMR446 apparatus, the traders in such equipment have to dispose of a general holder's licence and they have to make a monthly declaration of their sales. It is, however, found that various sales points did not have the holder's licence required or do not observe the monthly obligation to send a statement of sales. Also in these cases measures were taken to ensure that all market players get access to the market on equal terms.

II.3.5 Examinations for radio users

The Institute organises examinations for people wishing to obtain radio amateur certificates as well as certificates authorising the use of stations on board ships. These examinations are held in Brussels except for the GMDSS examinations, which are organised at the training centres.

In 2001, 41 examinations were organised, divided as follows :

Type	Number of examinations	Number of participants	Number and percentage of passes	Number and percentage of failures
<i>Maritime radio</i>				
VHF	13	1,147	959 (83.6%)	188 (16.4%)
Global GMDSS	1	106	77 (72.6%)	29 (27.4%)
Restricted GMDSS	9	78	57 (73.1%)	21 (26.9%)
Total	35	1,331	1,093 (82.1%)	238 (17.9%)
<i>Radio amateur</i>				
Category A	3	76	63 (82.9%)	13 (17.1%)
Category B	1	52	38 (73.1%)	14 (26.9%)
Category C	1	14	5 (35.7%)	9 (64.3%)
Category B-C (2nd session)	1	34	21 (61.8%)	13 (38.2%)
Total	6	176	127 (72.2%)	49 (27.8%)

The B and C examinations for radio amateurs have been united as from the second session in order to allow a more effective use of the examination rooms and to give the candidates the opportunity to pass both exams and paying only one registration fee.

II.3.6 National Spectrum Monitoring Department (NCS)

NCS is an operational department charged with "supervising the waves" in the broad sense of the word. Apart from the directorate in Brussels NCS includes five control centres located around the country in Anderlecht, Liège, Seneffe, Antwerp and Ghent respectively.

The department's main task is to ensure that radio spectrum users do not experience any radio interference. This function is twofold : preventive checks and treatment of complaints.

Preventive checks of professional radio networks form an important part of the department's work. Most new radio networks are checked by NCS technicians. This makes it possible to verify whether the networks have been installed in accordance with the licence and that the frequencies, power and height of the antennas put into service actually correspond to the plans made by the Frequency Management Department. It also enables the restriction of the use of illegal transceivers. Finally, these preventive checks

reduce the number of interferences, which benefits the users.

Moreover, each citizen has the right to address NCS to report any radio interference of which he is a victim. The NCS technicians, equipped with professional monitoring systems, identify the source of the interference and take the necessary measures to eliminate it. There are several kinds of interference : in professional radio networks, in the reception of television broadcasts, in all kinds of radio communications, ...

NCS also deals with interference on the aviation band and on maritime frequencies.

NCS comes into action during major events attended by a large number of radio users in order to make sure that they comply with their licences and in order to solve any radio interference. One of those events was the Tour de France, three stages of which passed through Belgium in 2001. A lot of work was done on the spot to ensure radio communications that were free of interference to the hundreds of radio communication users. NCS did an identical job during the Grand Prix of Francorchamps, during the bicycle races Liège-Bastogne-Liège and la Flèche Wallonne, at European summit meetings, etc..

In order to perform their general task of supervising the radio waves NCS members have the quality of CID officer and regularly co-operate with the police. In addition, all security services have access to a 24-hour

guard service in case of interference on their radio communications.

In order to perform the activities in the field NCS has twenty fully equipped measurement vehicles at its disposal. Apart from these means NCS started in 1999 the installation of six measuring stations throughout the country which make it possible to monitor the use of the radio frequencies. The design of those stations, more specifically developing the software, was done internally. In 2001 the first measuring station was put into operation in Anderlecht.

Since 2000 NCS has been entrusted with a new task, namely measuring the radiation of base stations in the context of the problems regarding non-ionising radiation. These measurements are performed in an expert's capacity, but the final interpretation of the results concerning the possible effect of electromagnetic fields on people's health is within the competence of the Ministry of Public Health.

In that framework NCS has developed a method to measure the radiation field of GSM base stations accurately and at the request from various bodies this department regularly carries out measurements. In 2001 more than 100 files were treated in connection with radiation measurements.

Also in 2001 NCS developed and defined an automatised measuring method for measuring radiation from cable networks. This was done in anticipation of the creation of a legal framework regulating the allowable radiation levels of those networks, so that cable and radio transmission networks can coexist without any interference.

On the international level NCS has been participating for several years in the working group CEPT/ERC/FM-PT22 (monitoring). In 2001 the working group FM/PT22 created a temporary sub-Project Team FM/PT22-Rad specifically tasked with defining the common methods for measuring radiation from radio transmissions. This fulfils the need for uniformity of the measuring methods applied in the various CEPT countries. NCS also participated in that working group.

On the maritime level NCS follows up the groups CEPT/RR2 and PT/Rainwat. A regional arrangement concerning the radiotelephone service on inland waterways was signed on 6 April 2000 by fifteen countries, including Belgium. Belgium is responsible for the administrative follow-up of that arrangement.

The following table lists the activities carried out in 2001.

NCS interventions	
Number of "interference" files	781
Preventive checks of professional users	1,488
Measurements radiation transmitting sites	114
Events	14
Monitoring on the road	15
Interventions by guard service	37
Total number of files	2,449
Measurements radiation cable networks	720 man-hours
Number of reports prepared	272

II.3.7 Monitoring tasks with regard to the Act of 21 March 1991

The opening up of the telecommunications market introduced by the Act of 21 March 1991 involves numerous compulsory provisions which aim at :

- preventing the market players from abusing a possible dominant position in a sector;
- imposing measures that aim at safeguarding fair competition;
- protecting the users;
- guaranteeing the secrecy of communications and the protection of privacy;

- enforcing universal service criteria;
- suppressing fraud which is likely to spread in a market constantly in motion;
- imposing common rules for providing services and installing infrastructure.

The role of the Telecommunications Networks and Services Department is to exercise permanent control in those fields. It operates either on its own initiative or in response to complaints introduced by operators or service providers or else at the request of other departments within the Institute when they suspect a possible violation in the files treated.

Just as for the Act of 1979 on radio communications, the Act of 21 March 1991 grants some of the Institute's officials the power to act as CID officer in order to see to the observance of the Act and its implementing decrees. These officials can, within the scope of their activities, perform tasks for the public prosecutor's office or co-operate with the federal police services for certain actions.

Last year various fraud files were treated, especially with regard to prepaid phone cards and phone shops. More than eighty checks were made for lack of declaration of service, mainly in Antwerp when action was taken together with other police forces.

Nine complaint files with the Ethical Commission led to examinations and reports, or

even to filing a complaint with the public prosecutor's office concerned.

Various series of test calls were made from all regions in the country in response to complaints concerning interconnection problems or the restriction of access to several services.

Several files on practices regarding competition were opened; 23 hearings were held; 49 sites were visited in the context of expert tasks concerning the shared use of BELGACOM premises with other operators; 7 hearings were held regarding number portability.

As far as telephone directories are concerned, each publication was checked in order to verify whether the legal provisions were met. It should be pointed out that this department also follows the evolution of the legislation in that field, including the management and harmonisation aspects of the databases shared by the different operators as well as access to the information services.

Finally, the department also ensures, within the framework of the tasks confided to the Institute by Article 75 of the Act of 21 March 1991, the collaboration within COMIXTELEC for planning the measures to be taken in the field of telecommunications in exceptional situations, and participates in the activities of the Commission for electromagnetic compatibility.

III. Postal sector

Introduction

In the course of 2001 the activities of the Institute's Postal Sector Directorate were marked by two facts, which in the years to come will have an impact on the activities of the postal sector in Belgium :

- at national level, firstly, two preliminary drafts of Royal Decree were submitted to the supervising Minister finalising the transposal of Directive 97/67/EC of the European Parliament and of the Council of 15 December 1997 on common rules for the development of the internal market of Community postal services and the improvement of quality of service, and secondly, the preliminary draft of the third management contract between La Poste and the Belgian State was examined;
- at international level, the Council of Ministers adopted during the Belgian presidency a common European position on the proposal for a European Parliament and Council Directive amending Directive 97/67/EC with regard to the further opening to competition of Community postal services.

III.1 Regulatory framework

III.1.1 At European level

In 2000 the first discussions started concerning the proposal to amend Directive 97/67/EC.

The year 2001 constituted a decisive step. Indeed, on 26 March the Commission adopted an amended proposal that took account of the position of the European Parliament, of the Economic and Social Committee and of the Committee of the Regions. On 6 December, under the Belgian presi-

dency, the Council of Telecommunications Ministers approved the common position with a view to adopting a European Parliament and Council Directive amending Directive 97/67/EC with regard to the further opening to competition of Community postal services.

The new Directive is aimed at extending the liberalisation of the postal services gradually and in a controlled manner. It should take effect from 1 January 2003 and provide for a future additional market opening.

The proposal to amend the postal Directive 97/67/EC adopted by the Council of the Union's Telecommunications Ministers on 15 October, keeps a balance between on the one hand progression towards completion of the internal market for postal services through a gradual and controlled liberalisation of those services and on the other guaranteeing the postal service, which constitutes an essential part of the Community's assets. All provisions regarding the universal postal service included in the existing postal services Directive are maintained.

Based on the agreement reached in the Council the member states will have to follow the timetable below for opening to competition :

- as from 2003 letters of more than 100 grams (or the postage of which is more than three times the tariff of a standard letter);
- as from 2006 letters of more than 50 grams (or the postage of which is more than two and a half times the tariff of a standard letter);
- as from 2003 all cross-border mail (but member states that need that market segment to guarantee their universal service would be allowed to reserve it).

The decisive step in the full realisation of the internal postal market could be taken in

2009. In the meantime the Commission will conduct a study in order to verify for each member state what impact the full realisation of the internal market in 2009 will have on universal service. In the light of the conclusions of that study the Commission will submit a report, combined with a proposal that either says that the date of 2009 is appropriate for the full realisation of the internal market or that it is advisable to add a further step.

III.1.2 At Belgian level

The major events in 2001 were the submission by the Board of Directors of La Poste of the draft of the third management contract to be concluded between the Belgian State and La Poste, and the transmission to the Minister's office of two preliminary drafts of Royal Decree implementing title IV of the Act of 21 March 1991.

The following four items marked the BIPT agenda in 2001 :

Firstly, the preliminary draft of Royal Decree implementing title IV (Reform of the Postal Administration) of the Act of 21 March 1991 on the reform of some economic public companies.

The Royal Decree of 9 June 1999 transposing the obligations resulting from Directive 97/67/EC of the European Parliament and of the Council of 15 December 1997 on common rules for the development of the internal market of Community postal services and the improvement of quality of service was published in the *Moniteur belge* on 18 August 1999. That Royal Decree, which was integrated into the Act of 21 March 1991 on the reform of some economic public companies, stipulated that a number of issues had to be laid down by Royal Decree deliberated in the Council of Ministers.

The preliminary draft mainly concerns the following elements :

- the procedure and the conditions regarding the grant, refusal and withdrawal of the individual licence to operate non-reserved postal services that are part of the universal postal service, and the duration and terms of transfer of that licence;
- the internal analytical accounts and the cost accounting of the universal postal service provided by the designated universal postal service provider;

- the procedure for approving tariff increases;
- the content of and the requirements with respect to the universal postal service;
- the determination of the exact number of addressees required in order to qualify a communication as "direct mail";
- the compensation fund of the universal postal service.

Secondly, the preliminary draft of the Royal Decree laying down the practical rules governing the introduction of a licence system for the providers of non-reserved services that are part of the universal service and the specification of obligations regarding declaration and transfer of postal services that are not part of the universal service.

Thirdly, BIPT contributed as an expert to the negotiations about the preliminary draft of the third management contract.

Fourthly, BIPT followed up the activities in connection with the WTO negotiations (World Trade Organisation). In particular its role was to be the link between the various parties involved (La Poste and the private operators) and to prepare a survey of the Belgian postal sector (offensive and defensive measures) that will be brought into line with the subsectors adopted at European level and serving as the reference for the next round of negotiations.

III.2 Postal market

III.2.1 Global economic context

The volume of mail remains important in the whole world. However, its future growth should be questioned, especially since the foreseen decline of correspondence related to transactions would not be compensated by an increase of other types of mail. Moreover, the revenues from postal items would decrease as a result of the evolution of the composition of mail on the one hand and on the other competition in a market that is gradually opening up to other operators than the universal service providers.

In a world where changes occur in all areas of human activity, the events of 11 Septem-

ber 2001 are putting extra pressure on the postal operators. From now on, apart from globalisation, liberalisation, privatisation, competition and technology, account has to be taken of the threat of conflicts and their impact on traditional letter post.

In Europe the hunger for takeovers of most postal operators seems to be strongly diminished. However, there were still a number of takeovers by the major European postal operators in countries where they were not active yet or where they wanted to strengthen their presence in certain market segments. Despite the difficult economic climate the financial results of the two historical postal operators quoted on the stock exchange, namely Deutsche Post and TPG, were satisfactory and exceeded the expectations of the financial analysts.

2001 was the year of the European co-operation agreements. In the course of June the world-wide joint venture for cross-border mail between TPG, Consignia and Singapore Post was given the green light by the Commission and this joint venture became effectively operational. Furthermore, the Dutch company TPG started to work together with the Portuguese company CTT Correios in the field of express services. A similar co-operation agreement was concluded between the French and the Italian Post. Also the co-operation between the two daughter companies of Deutsche Post, namely DHL and Global Mail, was reinforced.

Also worth mentioning in 2001 is the decision by the German authorities to extend the current postal monopoly to 2007. Furthermore, the Dutch State decided to cut back its share in TPG, so that at present the Dutch State only possesses a third of the shares. In March the UK Post Offices were transformed into a limited company, all the shares of which are held by the state and the name was changed into "Consignia".

III.2.2 Belgian economic context

In 2001 La Poste started to implement its new strategic plan. At the end of last year management and the unions of La Poste signed a social framework agreement for the period 2001-2004. This social agreement was based on the strategic plan that had to prepare La Poste for the further opening of the postal market. The purpose of the strategic plan was

to transform La Poste into a modern and energetic company, by improving service, increasing commercial power, developing new activities and adapting the cost structure. With these measures La Poste aims to grow into a modern communication company that is able to take on competition in a liberalised European postal market.

In order to pursue that strategy a number of modernisation and computerisation projects were set up, such as Poststation, iPromis, Georoute.

As part of its diversification and expansion strategy Belgian Post Group (BPG), incorporating La Poste, also created a number of new subsidiaries or extended existing subsidiaries in the course of 2001, especially in the sectors of e-business, direct marketing and paper delivery.

Just like at international level, also in Belgium a growth recession can be seen for courier and express companies as a consequence of the economic regression. Yet, Belgium keeps on playing an important role in the activities of the four international integrators (DHL, FEDEX, TNT, UPS), which directly employ almost 6,000 people. TNT considerably extended its Belgian activities in 2001 in Melsbroek and Liège. In the cargo airport Brucargo TNT is building a new distribution centre, representing a price tag of 22.5 million euro. Furthermore, TNT also intended to considerably extend its international hub of its airline activities in the Liège/Bierset airport by flying cargo of the Dutch airline company KLM to European destinations.

Apart from these large integrators a number of smaller national courier companies are also active on the Belgian market but there are also numerous local courier companies and one-man businesses offering similar services.

III.3 Operational tasks of the Institute

III.3.1. At national level

Quality control

In accordance with the provisions of Article 4 (2) of the second management contract concluded between the State and La Poste, the

Institute carries out a monitoring task with regard to the observance of the quality criteria in correspondence.

The quality criteria to be observed by La Poste in terms of postal time limits are defined in Article 4 (1) of the management contract. Herein La Poste undertakes to deliver at least 90 % within a time limit of D + 1 and at least 97 % by D + 2 of domestic mail, assessed using the end-to-end method.

Following a new European open invitation to tender this study was assigned to "Ipsos Insight" in 2001.

Applying the end-to-end method "Ipsos Insight" based its results on three quality controls carried out during one week in the months of September, October and December 2001.

The results show that 74.9 % of standard letters reach their destination on D + 1, taking into account a statistical error of 0.79 %, which is a 15.1 % difference from the goal of 90 %, so that the criterion of D + 1 aimed at, was not met by La Poste in 2001. Neither was criterion D + 2 met by La Poste since 96.6 % of standard letters reached their destination on D + 2, taking into account a statistical error of 0.36 %, which is 0.4 % less than the 97 % goal.

Cost model

Following a European open invitation to tender BIPT chose Bureau van Dijk to follow up a study on setting up a cost model to calculate the cost of the universal service provided by the designated universal service provider. The BIPT cost model has been developed as a result of the Royal Decree of 9 June 1999 transposing the obligations resulting from Directive 97/67/EC. Article 144 septies especially stipulates that BIPT is to ensure that La Poste keeps separate accounts within its internal analytical accounting system for reserved universal services, non-reserved universal services and non-universal services. In implementation of Article 144 undecies the Institute calculates each year the cost of the universal service. This study was finished at the end of 2001.

Control

The BIPT officials also fulfilled their CID officer tasks. BIPT took action in the investigation of fraud originating from West African countries. The cases involved attempted fraud : in a single investigation 20,900 items were seized.

III.3.2. At international level

European Committee for Postal Regulation (CERP)

In 2001 Belgium continued its CERP chairmanship and continued to encourage all CERP working groups, namely :

– **Working group "UPU Issues"**

In 2001 the following subjects were discussed :

- the continuation of the various studies about UPU's future evolution;
- the creation of an Advisory Group;
- the revision of the Acts of the UPU.

– **Working group "Regulatory Issues"**

This working group specifically addressed European regulatory issues :

- analysis of the follow-up of the implementation of European Directive 97/67/EC in the various European countries and also in the pre-accession countries;
- analysis of the proposal for a new Directive amending Directive 97/67/EC.

Within this working group the "Definitions" Project Team was tasked with a study on the definition of "postal service" and "universal service". The main purpose of the Project Team is clarifying these terms when used by institutions such as UPU, EU and WTO/GATS. To that end the existing definitions were compared and analysed with a view to identifying common elements.

– **Working group "Economic Issues":**

The subjects discussed included :

- the UPU terminal dues studies, which should be completed before the Congress in 2004;
- analysis of the various European Commission decisions on competition in the postal sector, and of the judgements of the European Court of Justice relating to postal matters;

- the issue of analytical accounting and the link with the general accounting;
- the issue of price regulation;
- the issue concerning the dimension of the postal office network.

Within this working group the "Accounting" Project Team was created in order to arrive at a CERP recommendation on internal analytical accounting rules, based on best practice solutions.

- **Working group "Standardisation":**

In the framework of the European directive this working group discusses and analyses the standardisation activities of the European Committee for Standardisation (CEN/ TC 331 Postal Services). This year CEN is preparing a standard on the loss of ordinary mail at the request of and stimulated by CERP.

Moreover, the CERP chairmanship encouraged the creation of a Pre-accession Committee within the European Union.

Lastly, at the plenary meeting in Slovenia in November 2001, a Forum was held to which several speakers were invited. The theme was liberalisation of postal services and its impact on users and consumers. This was a première within CERP.

CEN TC 331 Postal Services

CEN/TC 331 Postal Services harmonises the quality standards and technical specifications at European level. This technical standardisation is necessary to foster interoperability between national networks and an efficient universal service.

BIPT partially follows up the European standardisation activities and especially the quality standards developed by CEN (European Committee for Standardisation) for the European Commission. At the end of 2001 nearly all quality standards reached their final stage.

Universal Postal Union (UPU)

As mentioned before BIPT actively represented Belgium and CERP in the UPU bodies.

Building on the work done the preceding year, BIPT focused its legal contribution on :

- the questions regarding liability of postal administrations (possibilities to amend the Acts of the UPU, determination of the period on the basis of which an item can be considered to be lost and laying down the guidelines to inform the postal operator about damage).
- the revision of the Acts of the UPU because it is aware of its importance. In that respect BIPT contributed extensively to the research into the legal nature of the UPU code (Convention and Regulations).

Furthermore, BIPT actively participates in the "Universal service" Project Team of the Council of Administration where Belgium was the author of the "Memorandum on Universal Postal Service obligations and standards", destined to implement the universal service in the various member states of the Union.

Moreover, BIPT chairs the "Multilingual vocabulary" Project Team, whose task it is to review the usual postal terminology in the light of the developments in the postal sector.

IV. The Belgian Institute for Postal services and Telecommunications

IV.1 Organisation

Board of Directors	Directorates' competence
<p>Chief Administrator and Senior Civil Servant <i>Eric Van Heesvelde</i></p>	<p>Directorate I – Telecommunications General policy National Spectrum Monitoring Department Interconnection Chamber Conciliation procedures and administrative decisions</p>
<p>Director-General <i>Georges Deneff</i></p>	<p>Directorate II – Telecommunications Strategic policy Regulatory framework and legal matters Administration of public networks and services: licences and declarations International relations Numbering Statistics Consultative Committee on Telecommunications Monitoring in respect of the Act of 21 March 1991</p>
<p>Administrator <i>Freddy Baert</i></p>	<p>Directorate III – Telecommunications Licences for private radio networks Market surveillance for radio and terminal equipment Notifications radio equipment Frequency management Examinations for radio users</p>
<p>Administrator <i>Jean-Luc Dutordoit</i></p>	<p>Directorate IV – Postal sector Strategic policy and regulatory matters International relations Consultative Committee on Postal Services</p>
	<p>Directorate V – Logistic and financial support Human resources Training Finance Purchasing Organisation Information technology Translation</p>

IV.2 Personnel

At the end of 2001 the BIPT staff included 193 statutory agents, consisting of 54 level 1, 122 level 2 and 17 level 3 agents.

By way of compensation for the total or partial unavailability of certain staff members (career break, voluntary four-day week, ...) and in order to perform tasks requiring a certain expertise or a high level of experience, or to meet the legal obligation to recruit young people in the context of the "Rosetta Plan", this statutory personnel was supplemented by a number of contractual agents, 14 of whom were still in service at the end of 2001.

Moreover, in the course of 2001 the Council of Ministers approved an extension of the establishment that should enable the Institute to duly carry out the tasks and missions it is entrusted with in the quickly evolving telecommunications and postal sectors. 22 units were added to the budgetary BIPT establishment, thus bringing it to 218 units. A number of these additional positions have already been filled by promotion or recruitment. For other vacancies selection and promotion procedures were started.

Partly because these procedures are not yet finalised, partly because a number of positions need to be filled due to the retirement, pre-pension or voluntary resignation of statutory agents, twenty-five positions are still vacant.

On the other hand 2001 was the year in which some existing legislative provisions, such as the administrative status and the pecuniary status, were actualised. As to the latter, this includes, among other things, transposing all wage scales, compensations and allowances into euro.

With regard to staff training, the efforts to provide various technical, language and computer courses were continued.

IV.3 Logistic and financial support

The logistic support of BIPT puts special emphasis on five aspects :

- correct installation and equipment of the staff;
- management and maintenance of buildings and material;
- centralisation of all purchases and external consultancy;
- overall financial management, both of receipts and outgoings; this especially concerns accounting, budgeting and budget control;
- support when concluding contracts for other services.

In the concrete, in 2001 the centre in Anderlecht was newly equipped, the installation of an antenna mast per centre and on the Astro tower were finalised.

For the benefit of the now almost completed establishment another half floor was hired, BIPT now occupying five floors in the Astro tower. That half floor was fully equipped. Moreover, the departments were internally rearranged. This whole internal move was co-ordinated, and as much as possible even carried out by own personnel, so as to have the whole operation go smoothly.

Management of the separate Mediation Service for Telecommunications works out well from a logistic and accounting viewpoint. The logistics departments play a supportive role in this field, also for the Mediation Service.

In 2001 BIPT took care of the logistic support of the UMTS file and its financial completion. It was seen to it that both the financial procedure and the procedure as regards content were followed correctly.

In 2001 major investments were also made in the technical equipment required for BIPT to duly carry out its monitoring operations: BEF 24.19 million on purely technical measurement equipment, in particular the gradual construction of a complete measuring station for each centre – an operation that already had started in 2000 – and systematic vehicle equipment, BEF 10.05 million on computer material and BEF 2.25 million to purchase vehicles used to perform monitoring operations.

The main investments in information technology were :

- partial and systematic renewal of computer material;

- additional cabling in the Astro tower;
- sophistication of the frequency management programme;
- realisation of the technical link between the licence data base and the Accounting Department.

Financial policy is characterised by strict budgetary control and a sound approach with regard to obtaining the best market conditions.

The tables below show the accomplishments in 2001 of BIPT regulator and – separately – of the Mediation Service for Telecommunications.

IV.4 Budget

IV.4.1 BIPT - regulator for postal services and telecommunications

Receipts 2001 (in BEF millions)		Outgoings 2001 (in BEF millions)	
Repayments	3.65	Staff	385.74
Licence and monitoring fees for private radio communications	1,232.57	Operation	160.39
Public licence fees	31.68	Investment expenditures	39.16
Approval fees for terminal equipment	2.34	Co-ordination organisations	66.18
La Poste	0.00	Treasury	400.00
Depreciations	-0.70	CF/RT (*)	58.54
Miscellaneous	0.50	UMTS	-23.42
Total	1,270.04	Total	1,068.59

(*) Radio and television licence fees service : part of the costs taken on by BIPT for paying and managing the personnel.

IV.4.2 Mediation Service for Telecommunications

Receipts 2001 (in BEF millions)		Outgoings 2001 (in BEF millions)	
Repayments	0.00	Staff	28.00
Services on behalf of third parties (contribution from the sector)	49.83	Operation	13.38
		Investment expenditures	2.84
Total	49.83	Total	44.22

Annex I :

References to legal texts prepared by BIPT and published in 2001

Promulgation date	Publication date in Moniteur belge	Title
09/01/01	02/02/01	Ministerial Order on the establishment and the putting into service of radio stations by radio amateurs
18/01/01	20/01/01	Royal Decree fixing the specifications and the procedure for the grant of individual licences for third generation mobile telecommunications systems
18/01/01	20/01/01	Ministerial Order implementing the Articles 33 (1), 1° and 34 (1) of the Royal Decree fixing the specifications and the procedure for the grant of individual licences for third generation mobile telecommunications systems
18/01/01	20/01/01	Circular on the structure of the application file for obtaining a licence referred to in the Royal Decree of 18 January 2001 fixing the specifications and the procedure for the grant of individual licences for third generation mobile telecommunications systems
19/02/01	17/03/01	Ministerial Order fixing the cost of number portability for the year 2000
13/03/01	12/04/01	Royal Decree granting three licences for third generation mobile telecommunications systems
13/03/01	24/04/01	Royal Decree amending the Royal Decree of 4 October 1999 organising the procedure before the Chamber of interconnection, leased lines, special access and shared use, as well as its functioning.
29/04/01	22/05/01	Royal Decree on the standardisation of transmitting antennas for electromagnetic waves between 10 MHz and 10 GHz
16/07/01	02/08/01	Royal Decree approving the amendments to the articles of association of the public limited company Belgacom.

Promulgation date	Publication date in Moniteur belge	Title
16/07/01	14/08/01	Royal Decree amending the Royal Decree of 22 June 1998 on the conditions for the establishment and operation of public telecommunications networks
05/09/01	05/10/01	Royal Decree amending the Royal Decree of 22 June 1998 fixing the specifications applicable to the voice telephony service and the procedure for issuing individual licences to Directive 97/66/EC concerning the processing of personal data and the protection of privacy in the telecommunications sector
05/09/01	06/10/01	Royal Decree adapting some provisions of the Act of 21 March 1991 on the reform of some economic public companies to Directive 97/66/EC concerning the processing of personal data and the protection of privacy in the telecommunications sector
14/11/01	04/12/01	Royal Decree on the granting of an allowance to the personnel of the Belgian Institute for Postal services and Telecommunications for using the English language or other foreign languages.
14/11/01	12/12/01	Royal Decree amending various regulations applicable to the officials of the Belgian Institute for Postal services and Telecommunications.
14/11/01	15/12/01	Royal Decree on the granting of an allowance to the personnel of the Belgian Institute for Postal services and Telecommunications that is designated as a secretary to the members of the Board of Directors.
04/12/01	21/12/01	Royal Decree amending various civil service provisions falling within the jurisdiction of the Ministry of Transport and Infrastructure, in view of the changeover to the euro
21/12/01	29/12/01	Royal Decree amending the Royal Decree of 29 April 2001 on the standardisation of transmitting antennas for electromagnetic waves between 10 MHz and 10 GHz

The complete list of texts published by BIPT is available on www.bipt.be.

Annex 2 :

List of abbreviations used

3G	Third generation
AAP	Alternative Approval Process
ADCO	Administrative Co-operation
ADMD	Administration Management Domain Name
BCA	Belgian Courier Association
BEF	Belgian Franc
BEMILCOM	Belgian Military Communications
BIPT	Belgian Institute for Postal services and Telecommunications
BPG	Belgian Post Group
BRIO	Belgacom Reference Interconnect Offer
CB	Citizen Band
CEN	European Committee for Standardization
CEPT	European Conference on Postal and Telecommunications Administrations
CERP	European Committee on Postal Regulation
COMIXTELEC	Commission mixte des télécommunications
CPS	Carrier Preselect System
DECT	Digital Enhanced Cordless Telecommunications
DHL	Dalsey, Hillblom & Lynn
DNIC	Data Network Identification Code
DVB-T	Digital Video Broadcasting - Terrestrial
EC	European Commission
EC	European Community
ECTRA	European Committee for Telecom Regulatory Affairs
EEA	European Express Association
EFTA	European Free Trade Association
EMC	Electromagnetic compatibility
ERC	European Radiocommunications Committee
ERMES	European Radio Messaging System
ERO	European Radiocommunication Office
ETO	European Telecommunication Office
ETSI	European Telecommunications Standards Institute
EUTELSAT	European Telecommunications Satellite Organization
FAQs	Frequently asked questions
FedEx	Federal Express
FM	Frequency Modulation
GHz	Gigahertz
GMDSS	Global Maritime Distress and Safety System

GSM	Global System for Mobile communications
ICCP	Information, Computer and Communication Policy
IMSI	International Mobile Subscriber Identity
IMT 2000	International Mobile Telecommunications 2000
INMARSAT	International Maritime Satellite Organization
INTELSAT	International Telecommunications Satellite Organization
IRG	Independent Regulators Group
ISDN	Integrated Services Digital Network
ISPC	International Signalling Point Code
ITU	International Telecommunication Union
KPN	Koninklijke Post Nederland
LEGBAC	Limited Exploratory Group on Broadcasting to Aeronautic Compatibility
MHz	Megahertz
NCS	National Spectrum Monitoring Department
NSPC	National Signalling Point Code
OECD	Organisation for Economic Co-operation and Development
OJ	Official Journal of the European Communities
ONP	Open Network Provision
PMR	Private Mobile Radio
PSTN	Public Switched Telephone Network
PT22	Project Team - Monitoring
R&TTE	Radio & Telecommunication Terminal Equipment
SA	Société anonyme [Limited Company]
SLA	Service Level Agreement
SMP	Significant Market Power
SNCB	Société Nationale des Chemins de fer Belges
TCAM	Telecommunication Conformity Assessment and Market Surveillance Committee
T-DAB	Terrestrial Digital Audio Broadcasting
TE.SA.M	Télécommunications par Satellites Mobiles
TISP	Telecommunications and Information Services Policies
TNT	Thomas Nationwide Transport
UMTS	Universal Mobile Telecommunications System
UPU	Universal Postal Union
VHF	Very High Frequencies
WRC	World Radiocommunications Conference
WTSA	World Telecommunication Standardization Assembly

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