



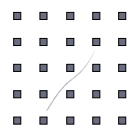
BELGIAN INSTITUTE  
FOR POSTAL SERVICES  
AND TELECOMMUNICATIONS



**BIPT**



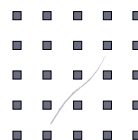
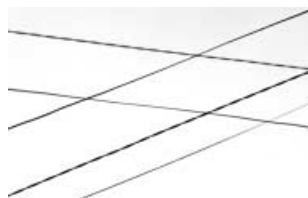
BELGIAN INSTITUTE  
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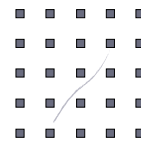
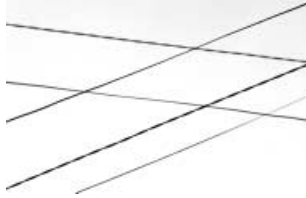
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## PREFACE

Despite the slowdown experienced in 2002, the telecommunications sector remains dynamic. It even achieved a growth of 5% to 7%<sup>1</sup> in Europe, compared with an increase in European gross national product of only around 1 percent.

In our policy we have always striven to take into account what is actually happening in the sector. That is why in view of the general economic slowdown, it appeared appropriate to me to grant the request of the mobile operators to put the development of the UMTS network on hold for a brief time, given that the equipment manufacturers were experiencing difficulties in supplying the terminals within the scheduled terms.

That said, it is my opinion that third generation mobile telephony has a bright future. At European level I have frequently advocated that we take common positions to encourage the provision of services according to a coherent European schedule.

UMTS will allow mobile broadband access to Internet, among other things. I have no doubt that it will be successful in our country, given that a large percentage of Belgian Internet users are already conversant with the advantages of broadband. The number of Internet connections using broadband technologies (such as cable modems and ADSL) is one of the highest in the world. Although work still needs to be done to provide an even larger share of the population with access to these technologies, I do believe that we are in a position to build a foundation that will enable the realisation of many more positive advancements.

2002 was also an important year in terms of regulations.

After the approval of the new European framework for telecommunications at the end of 2001, the next step was its adaptation into Belgian law. This is a significant undertaking due for completion in 2003. It entails a new regulatory approach in the sector of electronic communication, which will demand an even finer analysis by BIPT in its regulation of the market.

To assist BIPT in its future tasks, we decided to amend the status of the Institute to increase its independence and to provide it with the tools it needs to operate efficiently on the telecommunications and postal services market. In that way, BIPT strives to contribute to the development of a harmonious market, which will benefit consumers and companies alike.

There are also major challenges in the field of the postal sector. The European Directive for the liberalisation of the sector has been adapted in time and will come into effect in 2003. BIPT continues to monitor compliance by La Poste of the management contract with the State and the development of the whole postal sector in Belgium.

The coming years will be difficult ones, but I do not doubt that BIPT is fully committed to successfully completing the work it has already started, for the good of the market and of society in general.

Rik DAEMS  
Minister of Telecommunications

## INTRODUCTION

### Telecoms

For the telecommunications sector 2002 can be best described as a pivotal year.

Firstly, there was the economic evolution in the sector, secondly, the preparations for the introduction of the new European Directives. The sector felt the impact of the general economic situation, which was unfavourable due to a number of factors. The sector also experienced a number of worrying developments, although it did continue to grow as a whole. The sector has to cope with over-investment, a certain degree of growth saturation, specific services that are close to reaching full penetration, financing problems, company failures, divestment, etc. This trend may lead to general consolidation in the sector, as a consequence of ongoing restructuring.

This obviously has consequences for BIPT's activities. More than ever, the Institute must ensure through close monitoring that competitive conditions are guaranteed for all market players in a balanced manner. It scarcely needs saying that this is the main task within the framework of realising the socio-economic objectives and, above all, of optimising user interests.

In this context, the supervisor has to make many delicate decisions, always within the framework of its legal task. The most striking are aimed at preventing misuse of market power, of price squeeze and dumping prices, while at the same time, ensuring the continued existence of the requisite investment incentives.

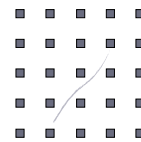
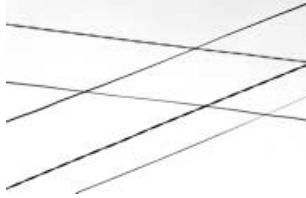
The past year was also the one in which the transposition of the new European Directives had to be prepared on two levels. On the one hand, there was the preparation of the legislative framework, which will be ready for handling by Parliament in the next few months, and on the other, the introduction of specific procedures, in the field and in BIPT activities, which fulfil the supervisory obligations. At European level, supervisors must pursue an approach characterised by a higher degree of harmony, which means that consultation in the European Regulatory Group becomes an essential part of the tasks. In addition, there is also consultation with the national market players, to arrive at a correct market definition, to analyse the presence or otherwise of serious competition on that market, and to provide where necessary an *ex ante* regulation. This is an enormous undertaking, which will be labour-intensive and which has accordingly been thoroughly prepared these past twelve months. International co-operation certainly brings some benefits, including harmonisation and sharing of experiences between the various supervisors. These supervisors will also be confronted with more time-consuming procedures, and with the risk that too great a European harmonisation could compromise the necessary development of specific regulations in the member states to take account of the peculiarities of each national market.

This has failed to stop BIPT from carrying out its regular activities under the existing Directives. This annual report mentions some notable examples, but that should not stop us here from citing the innovative approach in the regulation of local loop unbundling and bitstream access, the continued improvement of interconnection conditions, a number of essential adaptations in number portability, naturally the introduction of mobile number portability, amendments to the regulations governing the mobile sector, the development of pragmatic solutions with respect to radiation standards for radio antennas and with respect to the acquisition of certificates for building licences for these antennas, the follow-up on the universal service, fundamental decisions on termination tariffs, frequency management, monitoring of the markets (equipment, spectrum and operators/service providers). The list goes on.

### Post

In this sector too, the general economic context cannot be ignored. The impact on postal activities has been negative. The sector is also threatened by substitute phenomena such as email. That makes the supervisory role of BIPT ever more important. One must never lose sight of the fact that the postal sector has major tasks that are vital to society as part of the universal and the public service. Appropriate supervision is indispensable, while at the same time the development of the market segments that have been opened up to competition by European and Belgian legislation must continue to be guaranteed.

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As such BIPT has prepared secondary legislation in this sector, supplementing the body of postal law proper to create a transparent and stable legal framework. Quality controls for the public service and cost controls on the execution of the universal service were also important tasks and they will continue to be so in the future.

The licence and declaration regime for activities in the sector will probably be ready for implementation in 2003. In a number of cases we will be confronted with interpretative issues relating to the correct application of the principle of the reserved service for La Poste. Here, a transparent, well-balanced and stable framework must be ensured, providing legal certainty for every company on the market, while also guaranteeing the integrity of the postal monopoly. So regular market consultations will constitute an important part of BIPT's activities in order to access sufficient information for the proper execution of its tasks.

Just as in telecoms, problems remain in the postal sector, including cross-subsidisation and unfair competition, which must be dealt with in association with the competition authorities.

### **BIPT organisation**

Within the framework of the advancements in the two sectors that fall under BIPT's remit, mention has already been made of the revision of BIPT's internal and external procedures to meet the new supervisory tasks. This annual report briefly outlines the various steps taken here.

The Institute must guarantee permanent training for all its agents and develop new management tools, utilising the measures that the Public Service generally takes for non-departmental public bodies.

It is naturally important that the Institute keeps pace with e-government advancements. The internal back office was refitted to meet that need. Thanks to our first-rate IT team, many of our services are now offered on-line. The website contains as much information as possible, presented as transparently as possible. Otherwise, all BIPT departments have been fully computerised.

### **Conclusion**

BIPT continues to strive to be a tool that provides access to the network society. It aspires to realise the best and cheapest access, where competition guarantees renewal and growth, in the provision of a wide range of products that meet the growing need for high-speed networks and bandwidth. In the postal sector the Institute will continue to invest efforts in a healthy development founded on law, for the good of the postal companies and, above all, for the good of those who use these services.

Freddy Baert  
Administrator

Jean-Luc Dutordoit  
Administrator

Georges Deneff  
Director General

Eric Van Heesvelde  
General Administrator

## 1.1. REGULATORY FRAMEWORK

### 1.1.1. AT INTERNATIONAL LEVEL

# 1

## Telecommunications sector



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### European Union

The beginning of 2002 was devoted to the final linguistic tasks before the publication on 24 April 2002 of the Directives that were adopted during the Belgian presidency and that constitute the new regulatory framework for telecommunications. Those Directives include the general framework, the rules governing access and interconnection, the conditions that may govern licences, the stipulations with respect to the universal service and consumer rights. They were completed by the Directive concerning the processing of personal data and the protection of privacy in the electronic communications sector, published in July 2002.

The essence of that new framework should be transposed by 24 July 2003 at the latest.

The European activities were not restricted to the regulatory framework proper. They also addressed a number of action plans and programmes due to come to an end that must be reassessed and extended. Decisions were taken in the field of information sharing between administrations (IDA programme), the pan-European networks (TEN Telecom programme), more secure use of Internet, etc.

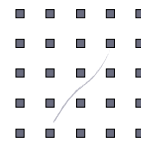
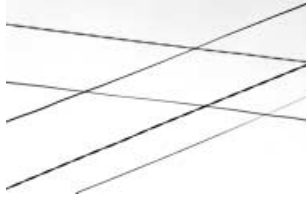
Important work was also done with respect to the information society. The Spanish presidency of the first quarter of 2002 desired a continuation of the positive consequences of the eEurope 2002 action plan, aimed at realising Europe's entry to the knowledge society by 2005. This is to be achieved through an action plan whose primary domains are the improvement of Internet connections, progress in the development of public services on-line (e-government), on-line public health (e-health) and on-line education (e-learning), the improvement of network security and the development of broadband. Indicators were defined to allow comparison between performances across the European Union in order to evaluate the progress made by the member states.

Europe was also occupied with Internet issues. It was decided to create a European domain name (.eu). Great efforts were made to reform Internet management at international level and more attention was given to the public interest in this management.

The security of networks and the information they contain is an essential part of the operation of Internet. The European bodies continued to address this issue this year and underscore the necessity of improving European co-operation in this context.

To ensure that more and more content is made available on various networks, the European Commission proposed a draft Directive to facilitate the reuse of documents drawn up by the public sector. The text is expected to be ready in 2003.

BIPT participated in working groups that directly prepare the European Councils of Telecommunication Ministers and in meetings of the various committees responsible for the execution of European measures. The Communications Committee (COCOM) launched its activities on 10 July 2002, while the Radio Spectrum Committee held its first meeting on 25 October. Other committees, including the committee for following up the TEN Telecom programme (now called e-Ten), also continued their activities. Informal committees on Internet and international relations of the European Union with respect to electronic communications met



frequently, with the active participation of BIPT.

Finally, in November the Commission presented its eighth report on the implementation of telecommunications legislation, in which, in the tradition of previous years, it examines the successes and the problems of each of the fifteen member states in the application of prevailing regulations governing electronic communications.

### **World Trade Organization (WTO)**

The negotiations started in Doha within the framework of the World Trade Organization's General Agreement on Trade in Services has only a remote bearing on the telecommunications sector. Since 1997 the European Union has opened up access to its market fairly comprehensively, so it adopts an aggressive attitude in the sector and attempts to secure access to the market from its partners comparable to the access it itself offers. As a result, telecommunications is not under any pressure in ongoing negotiations.

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

BIPT's activities in 2002 were oriented to the preparations for and participation in the Plenipotentiary Conference from 21 September to 18 October in Marrakech. The Belgian delegation comprised four members from BIPT.

BIPT organised a co-ordination meeting ahead of the start of the Conference in September, to which the Belgian ITU sector members were invited. All proposals were discussed at this meeting. Comments from the sector were incorporated into the Belgian standpoints.

The European countries worked out and submitted 25 joint European proposals aimed at the comprehensive reform of the ITU. Belgium acted as a co-ordinator for one of the proposals to restructure the role of top management at the ITU. The Conference was only a partial success for the European countries. Many reform proposals were put on hold for study by working groups to be created by the ITU's Council.

Elections were also held, as the Conference elected the Secretary General, the Deputy Secretary General, the Standardization Director, the Radio Director and finally the Development Director.

In principle, Belgium showed a preference for EU countries, the competency and commitment of the candidates and countries with which Belgium maintains special relations.

Finally, the ITU also had to establish its financial policy for the next few years. The ITU is embroiled in a serious financial crisis. Belgium declared that it would maintain its current contribution at the Conference.

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

BIPT participated in the CEPT working groups responsible for the co-ordinated European preparations ahead of the ITU Plenipotentiary Conference.

On 5 and 6 March the first CEPT Assembly (the highest body of CEPT) was held in Brighton under the British presidency. On 10 and 11 September the second CEPT Assembly was held in Cardiff.

The most important items on the agenda included approval of a 'rolling policy agenda' and the co-ordination of the European positions for the 2002 ITU Plenipotentiary Conference.

BIPT also took part in the activities of CEPT's Electronic Communications Committee (ECC). There were three meetings in 2002. The most important items on the agenda included a review and approval of the activities of the working groups, revision of the ECC's structure and the operation of the European Telecommunication Office and the European Radio Office.

## Independent Regulators Group (IRG)

The co-operation of the IRG's 19 National Regulatory Authorities (EU members plus EFTA members<sup>2</sup>) harvested increasing success. In the work programme for 2002, the IRG concentrated on the implementation of the European regulatory framework approved at the end of 2001 by the European institutions. The IRG focuses on tackling daily practical problems that will arise after the coming into effect of the new framework. The IRG cannot impose imperative rules, but does endeavour to agree 'Common Positions' and 'Principles of Implementation and Best Practice' (PIBs).

In 2002 the presidency was held first by the French regulator ART and then by the Finnish regulator FICORA. Four plenary meetings were held. One of the most important subjects of discussion throughout the year was the establishment, composition and operation of the European Regulators Group (ERG). The ERG held its first meeting on 25 October.

The last meeting of the IRG in November voted to enlarge the IRG by 10 members, namely the accession countries that will join the EU in 2004. The meeting also chose BIPT to hold the IRG presidency in 2004.

BIPT also participated in the various IRG working groups, including Significant Market Power (SMP), Fixed Networks (unbundled access to the local loop), Mobile Access, Accounting Rules, Market Analysis and Legal Aspects.

## Radio Spectrum Committee

To assist the Commission, the Radio Spectrum Committee was established on 18 December 2002 to study the best way to achieve efficient use of the radio spectrum and guarantee the availability of the frequencies for future European policy.

### 1.1.2. AT BELGIAN LEVEL

#### New status for BIPT

Based on the opinion of the European Commission submitted on 5 March 2002 and the opinion of the Legislation Department of the Council of State submitted on 5 June 2002, the Minister of Telecommunications introduced a bill into the office of the Chamber of Representatives on 11 July 2002 on the status of the regulator of the Belgian post and telecommunications sector.

Discussions in the committee took place from 2 October to 5 December 2002. The amended text was approved in plenary session of the Chamber on 13 December 2002. For legal reasons the original bill was split into two separate bills in the process and the first of these retained the original title. The second<sup>3</sup> one concerns the legal remedies and the conciliation of differences. Both were passed by the Senate on 23 December 2002.

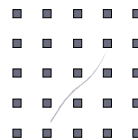
As a consequence of the new status, BIPT becomes autonomous and independent of the minister responsible for post and telecommunications. The tasks of the Institute will focus on regulation of the markets and monitoring compliance with the regulations. The Competition Council will take over the conciliation of differences, which was the responsibility of the now defunct Interconnection Chamber. The new status will only come into effect after the appointment of the members of the new Council, which will head BIPT.

In a parallel development, the organisation of regulation and supervision in the post and telecommunications sectors felt the first repercussions of the Copernicus plan, which aims to reform the federal public office. The Federal Public Service Economy, SMEs, Self-employed and Energy was established on 25 February 2002. At a later date, yet to be fixed by the Minister, this Federal Public Service will take over BIPT's tasks relating to the preparation, elaboration and evaluation of telecommunication and postal services policy, which also comprises the preparation of legislation and regulations. The Programme Act of 24 December 2002 also extended the possibility to transfer BIPT personnel to the Federal Public Service Economy by Royal Decree until 30 June 2003.

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<sup>2</sup>Iceland, Liechtenstein, Norway and Switzerland.

<sup>3</sup>Act on the legal remedies and the conciliation of differences with reference to the Act of 17 January 2003 on the status of the regulator of the Belgian Postal and Telecommunications Sector.



## 1.2. TELECOMMUNICATIONS MARKET

### 1.2.1. OPENING OF THE MARKET

#### The market for fixed networks and services

At the end of 2002 a public networks licence had been granted to 49 operators and 30 operators had a voice telephony licence. 23 operators had licences for both public networks and voice telephony.

Belgium also has 39 non-public networks, 30 leased line providers and many other telecommunication service providers and resellers.

#### LOCAL LOOP UNBUNDLING AND BITSTREAM ACCESS

##### Legal provisions regarding local loop unbundling and bitstream access

Based on European Regulation 2887/2000 of 18 December 2000<sup>4</sup> on unbundled access to the local loop and based on the Royal Decree of 12 December 2000<sup>5</sup> amending the Royal Decree of 22 June 1998 on the conditions for the establishment and operation of public telecommunications networks, Belgacom was legally obliged to publish before 1 January 2001 a reference offer regarding local loop unbundling and a reference offer regarding bitstream access for the year 2001. For 2002 Belgacom was legally obliged to make a reference offer for local loop unbundling on 15 September 2001 and on 30 September 2001 a reference offer regarding bitstream access.

BIPT must publish an opinion on those reference offers. That opinion is binding<sup>6</sup> on Belgacom, which must adapt its reference offer to that opinion. These legal provisions also explicitly provide the possibility for BIPT to publish supplementary opinions.

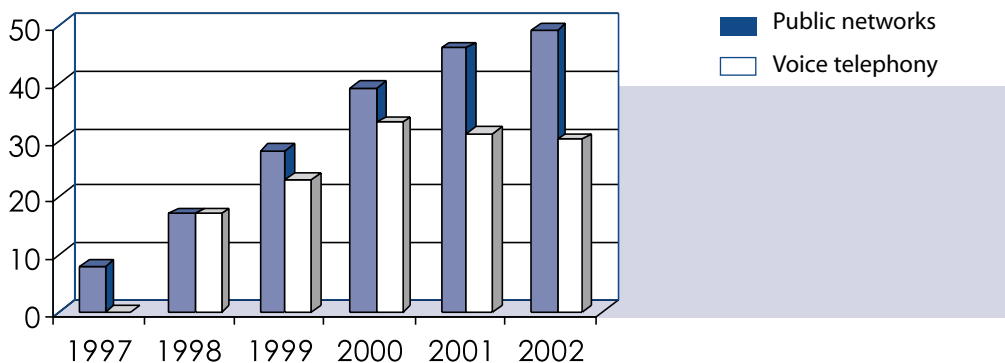
##### BRUO 2002 and the implementation of unbundled local loop access

Belgacom submitted its reference offer for unbundled local loop access (BRUO 2002) in successive documents on 27 September, 15 October and 27 November 2001. BIPT's opinion on this reference offer<sup>7</sup> was signed by the Minister on 12 December 2001.

Belgacom's adapted offer was approved by BIPT in February 2002.

The implementation by BIPT was accompanied by the establishment of two working groups, in which all involved and interested market parties were invited to participate, including Belgacom, specifically a working group for spectrum management and a working group that discusses practical problems connected to the implementation of the unbundling process and studies solutions to them during the co-ordination meetings<sup>8</sup>. Those solutions may form the basis for supplementary opinions, aimed at clarifying or adapting specific aspects of the reference offer.

On 6 February 2002 the Minister signed a supplementary opinion to clarify and adapt specific aspects discussed in the co-ordination meetings.



4-Official Journal L 30 December 2000, 336/4 - 336/8

5-Moniteur belge, 29 December 2000 (2nd Ed.) pp. 43241 and following.

6-Art. 108 bis of the Act of 21 March 1991; Articles 6 sexies, § 1, and 6 nonies, §§ 2 and 3 of the Royal Decree of 22 June 1998.

7-All opinions of BIPT with respect to BRUO and BROBA are available in full on the BIPT website.

8-The reports of the co-ordination meetings are available in full on the BIPT website.

That led to the signing by the Minister of a supplementary opinion on 6 February 2002 that obliges Belgacom to make backhaul capacity available to operators that have been granted collocation (in whatever shape or form). The purpose of backhaul is to provide transmission capacity between an alternative operator's collocated rack and a location specified by this alternative operator. Backhaul is offered by Belgacom at tariffs fixed by BIPT on a cost oriented basis.

During 2002 two other important aspects of the reference offer were the subjects of intensive and constructive discussions. The result was two supplementary opinions. On 26 November 2002 the Minister signed a supplementary opinion on the application of Improved Service Level Agreements. Its aim is to make possible fair competition within the framework of service provision to professional customers. On 26 November 2002 the Minister also signed the supplementary opinion on the application of migrations. Its aim is to allow the customer to realise a commercially acceptable migration from a service provided by one operator to another service (based on local loop unbundling) provided by a second, or even the same operator.

In 2002, the framework of the unbundling of the sub loop (and collocation at LDC<sup>9</sup> level) was clarified in detail and subsequently formally laid down in the draft 2003 reference offer.

### **BROBA 2002 and the implementation of bitstream access**

Article 1, 8° of the abovementioned Decree defines bitstream access as follows:

'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 at the access provider's premises and directly connected to the copper pair.'

On 30 September 2002 Belgacom submitted its reference offer for bitstream access (BROBA 2002), which was supplemented on 4 October 2002. The Minister signed BIPT's opinion on the quality aspects of the reference offer on 16 January 2002. In accordance with the relevant legal stipulations, that opinion is binding on Belgacom, which must adapt its reference offer in accordance with that opinion. Belgacom's adapted offer was approved by BIPT on 8 March 2002.

On 6 February 2002 the Minister signed a binding supplementary opinion imposing the tariffs for BROBA 2002, as well as the application of backhaul tariffs within the framework of bitstream access for 'Leased Capacity' (BROBA I) and 'Access Lines' (BROBA II), to realise coherency with the cost-orientation principle.

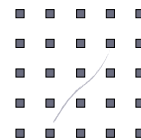
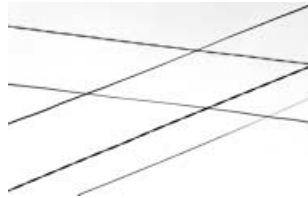
In 2002, two supplementary opinions defined two more important aspects of the reference offer. On 26 November 2002 the Minister signed a supplementary opinion on the application of migrations. Its aim is to make it possible for the end user to realise a commercially acceptable migration from a service provided by one operator (as part of a 'Wholesale' agreement with Belgacom, for example) to another service (based on the reference offer concerning bitstream access) provided by a second, or even the same operator. On 27 November 2002 the Minister signed a supplementary opinion on g.Shdsl aspects and other clarifications (CDVT<sup>10</sup>, VP<sup>11</sup> invoicing principles). Its aim is to expand the reference offer concerning bitstream access to achieve competition within the SDSL framework and clarify relevant aspects whose purpose is to guarantee fair competition.

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*9-Local Distribution Center*

*10-Cell Delay Variation Tolerated*

*11-Virtual Path*



## THE MARKET FOR RADIO NETWORKS AND SERVICES

### Mobile telephony

A gradual saturation of the Belgian market for GSM standard<sup>12</sup> mobile telephony epitomised 2002. The total number of users of the three Belgian networks combined (Proximus, Mobistar and Base (formerly KPN Orange)) has stabilised around seven million active customers, which represents a penetration of around 70% of the Belgian population at the end of 2002. It does need to be noted that these figures now take account of the percentage of inactive customers<sup>13</sup>, which may explain certain differing interpretations with respect to figures published in the past.

At regulatory level, 2002 was primarily characterised by the following issues:

- Tariffs and conditions for interconnection between GSM networks;
- Belgacom's 'F2M'<sup>14</sup> tariffs for calls from fixed to mobile;
- Problems of theft of GSM terminal equipment;
- Installation and shared use of antenna sites needed by the mobile networks;
- Exposure of the public to electromagnetic fields;
- Changes in licences for mobile communication networks and services;
- Third-generation mobile communication system (UMTS<sup>15</sup>).

### Tariffs and interconnection with GSM networks

Since the end of 2001 Belgacom Mobile has the status of operator with significant market power (SMP), both on the markets for networks and services for public mobile telephony and on the national interconnection market: a significant aspect of the latter is that it carries the obligation to gear interconnection tariffs to costs. In accordance with the opinion of the Institute of 17 December 2001, in which a price cap mechanism was fixed, a third reduction in Belgacom Mobile's MTR<sup>16</sup> interconnection tariffs came into force in August 2002, after the two reductions implemented in the course of 2001.

Additionally, in accordance with the Institute's opinion<sup>17</sup> of 6 February 2002 Mobistar also earned the status of SMP operator on the market for networks and services for public mobile telephony. The Institute has requested a number of tariff corrections by both operators with the status of SMP operator on the mobile telephony market (Belgacom Mobile and Mobistar) to better fulfil the non-discrimination principle they are subject to. Finally, at the request of the Institute, Mobistar adjusted its own MTR tariffs in October 2002, to maintain a certain reciprocity in the terminating costs between the two biggest operators in Belgium.

### Belgacom's 'F2M'<sup>18</sup> tariffs for calls from fixed to mobile

At the end of 2001 KPN Orange (now restyled Base) changed the structure of its MTR interconnection tariffs as a result of which Belgacom adjusted its retail tariffs for F2M calls to that GSM network on 1 January 2002. The way in which Belgacom introduced that tariff adjustment was judged to be inadequate by the Institute, which obliged Belgacom to comply strictly with the non-discriminatory character of its retention costs vis-à-vis the various Belgian mobile networks. Consequently, Belgacom introduced a second adjustment by order of the Institute on 15 April 2002.

### Problems of theft of GSM terminal equipment

The Royal Decree of 10 October 2002 amended the three Royal Decrees<sup>19</sup> on mobile telephony services to grant the Minister of Telecommunications the power to oblige the operators in question to introduce suitable anti-theft and anti-fraud systems. That Royal Decree was the underpinning for the imposition of the international EIR<sup>20</sup> system for the identification of stolen terminal equipment, also on Mobistar, which had not applied it until then. Mobistar's EIR system became operational at the end of 2002.

12-Global System for Mobile communications

13-According to the definition commonly used in the sector, these are customers who have not made or received any calls in the past three months.

14-Fixed T(w)o Mobile

15-Universal Mobile Telecommunications Systems

16-Mobile Termination Rate

17-BIPT opinion on the designation of operators with significant market power on the national market for interconnection and on the market for public mobile telephony networks.

18-Fixed T(w)o Mobile

19-Royal Decrees of 7/3/1995 (GSM on 900 MHz), of 24/10/1997 (GSM on 1800 MHz) and of 18/1/2001 (IMT-2000 / UMTS).

20-Equipment Identity Register: this is a database for the storage of IMEI (International Mobile Equipment Identity) numbers of mobile equipment reported as stolen.

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

Within the framework of the provisions of the Act of 21 March 1991 added by the Programme Act of 2 January 2001 on shared use of the antenna sites (Article 92 *quinquies*) the Institute took all necessary steps in close co-operation with the three GSM operators, which have now come together in GOF<sup>21</sup>, to set up a joint database of antenna sites, as provided for by Article 92 *quinquies*, § 6 of the Act. The non-profit organisation RISS<sup>22</sup> was established by the three GSM operators on 15 March 2002 to utilise the database, which is now fully operational and includes almost 7000 antenna sites across the country.

On 22 April 2002 the Institute published an announcement on its website providing all relevant operators with the latest information on the tool's existence. It can therefore be said that the design and launch of this important antenna site database project has been carried through to a satisfactory conclusion.

### **Standards governing the exposure of the public to electromagnetic fields**

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

### **Licences for mobile communication networks and services**

Various mobile licences were changed and new licences applied for in 2002:

- Acquisition of the activities of KPN RAM Mobile Data Belgium by KPN Orange Belgium (now called Base);
- Name change of KPN Orange Belgium to Base;
- Granting of a TETRA<sup>23</sup> licence to Entropia Networks;
- Liquidation of Dolphin Telecom, whose TETRA licence was transferred, with the approval of the receiver, to the company under Dutch law MIREM B.V., a subsidiary of UK firm INQUAM Ltd.

### **Third generation mobile communication systems**

The third generation mobile communication systems, often called UMTS, will operate around 2000 MHz, using state-of-the-art spread spectrum techniques and are oriented to providing multimedia services in a mobile environment (including Internet access).

In March 2001, three licences were auctioned<sup>24</sup> to Belgacom Mobile, Mobistar and KPN Mobile 3G Belgium. Bearing in mind the delay in availability of the new technology and the sombre atmosphere prevalent throughout the (international) telecommunications sector, the three operators twice asked for the timetable for opening up the services and the rollout of the relevant networks to be revised. The timetable was subsequently adjusted by Ministerial Orders of 13 March 2002 and of 19 December 2002.

Finally, the UMTS licence granted to KPN Mobile 3G Belgium in 2001 was transferred to Base on 18 December 2002. Both companies are wholly owned by the Dutch KPN group.

### **Mobile satellite services**

Accessible to the public and based on satellite connections, the new mobile communications systems announced with much ado in 1998, have failed to catch on among the general public. The only noticeable growth is in the niche market for data transfer.

Télécommunications par Satellites Mobiles (TE.SA.M.), which commercialises the services of the GLOBALSTAR satellite system, was granted a licence in 2000, but ceased activities in 2002.

European Datacomm, which is the exclusive distributor of the services of the data transfer oriented ORBCOMM satellite system, more specifically for fleet tracking and security, was also granted a licence in 2000.

Belgium's SpaceChecker n.v., whose market orientation is fleet and material tracking, received a

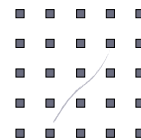
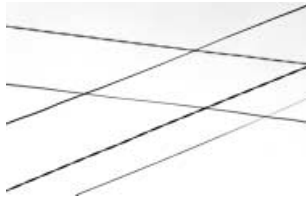
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<sup>21</sup>-GSM Operator's Forum

<sup>22</sup>-Radio Infrastructure Site Sharing

<sup>23</sup>-Trans-European Trunked Radiocommunications

<sup>24</sup>-Royal Decree of 18 January 2001 fixing the specifications and the procedure for the granting of individual licences for third generation mobile telecommunications systems.



favourable opinion from the Institute on 14 June 2001. In accordance with the legal provisions of the Royal Decree of 7 May 1999, the licence was granted to SpaceChecker in 2002.

IRIDIUM Italia S.p.A. ceased its activities in 2001 without ever really having launched its service in Belgium. IRIDIUM LLC, which acquired the satellite constellation, has announced its intention to offer commercial services through its space segment. The Thuraya system also started to offer services commercially. The services of these two systems have yet to be granted a licence for Belgian territory.

### **Services utilising Fixed Wireless Access**

Wireless access is seen as an efficient way of realising fast local access (local loop) to end users. The sector's early enthusiasm, showed by a consultation held by the Institute in 1998, did not result in operational, commercial systems however.

Pursuant to two licensing rounds held in 2001, five licences were allocated for spectrum available in the bands: 3.4-3.6 GHz, 10.15-10.65 GHz, 24.5-26.5 GHz and 27.5-29.5 GHz.

The market situation and various acquisitions reduced the number of licensed operators to five, but strictly speaking it may be said that the market experienced limited growth only at the end of 2002.

WLANs (Wireless Local Area Networks) are a new kind of network using the 2.4 and 5 GHz bands.

Originally mainly used for local computer networks, this technology is now used to offer wireless telecommunication services, first and foremost Internet access, to end users at 'hot spots' – locations with a limited surface area that nevertheless attract a large number of people, such as stations, conference facilities and the like.

2002 saw the arrival of Megabeam and Sinfilo, both of which were granted a licence for a public telecommunications network.

### **Emergency services**

The Programme Act of 30 December 2001 added Article 125 to the Act of 21 March 1991 on the reform of some public economic companies. That Article is the legal foundation for the obligation of operators and service providers to co-operate with the emergency services; an obligation that was formerly fragmented and incompletely stated in the Act.

A first implementing Decree by virtue of that Article is the Royal Decree of 9 October 2002 to determine the emergency services in accordance with Article 125 of the Act of 21 March 1991 on the reform of some public economic companies.

Two draft Royal Decrees for the execution of that same Article 125 were submitted to the office of the Minister for Telecommunications. Those three Royal Decrees confirm the status quo of the emergency services situation as was prevalent before 1 January 1998.

In the same vein and also by virtue of Article 109<sup>ter</sup>E of the Act, work is ongoing on a Decree that will make compulsory the registration of prepaid cards on the mobile telephone networks.

### **Satellite communication**

At the request of the Ministry of Foreign Affairs, the Institute drew up the whole file needed to set in motion the procedure for Belgian ratification of the amendments to the INTELSAT<sup>25</sup> intergovernmental treaty. That significant amendment to the INTELSAT agreements involves the transfer of the assets (primarily the communication satellites) of that former intergovernmental organisation, that was established as early as the 1960s, to a company under private law, which will continue to be subject to limited regulation by an intergovernmental organisation with responsibility for monitoring compliance by that private company with a number of principles.

<sup>25</sup>-International TELEcommunications SATellite

## 1.2.2. PROPER OPERATION OF THE MARKET

### **Operators with significant market power**

BIPT designates the organisations that can be considered to have significant market power on the market in question by virtue of Article 105 *undecies* of the Act of 21 March 1991. In 2002 it was decided to maintain that designation for Belgacom Mobile NV on the market for fixed public telephone networks and the market for voice telephony services in 2003, given that there was no feeling that the opposite was so.

BIPT conducted a comprehensive analysis on the leased line market in 2002, aimed at adapting that market if need be to changing competitive positions. A change in the market definition is necessary when a certain sub-segment of the leased line market (in terms of products or geographical area) displays different competitive conditions. This avoids the need for *ex ante* obligations to be imposed on that part of the market that may be labelled competitive.

The conclusions of the studies are found in two documents published on the BIPT website: a communication of 24 June 2002 and the opinion of 6 December 2002.

Any differentiation in the relevant geographic market was disregarded by BIPT after a study, by capacity, of the competition at the level of the municipalities between which the leased lines were installed. Although the study showed stronger competition in the biggest Belgian cities, Belgium was considered as one relevant geographical market, as the borderline between competitive and less competitive areas is faint and BIPT did not wish to threaten properly functioning competition across the whole Belgian territory. In addition, market definitions that are too narrow also carry the risk of too great a diversity of regulations in a small territory like Belgium.

There is differentiation in terms of products. That product differentiation is especially based on the conclusion that a significant competitive difference exists between the categories  $< 2$  Mbit/s, 2 Mbit/s and  $> 2$  Mbit/s.

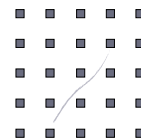
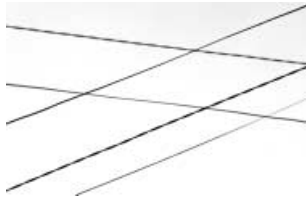
BIPT calls leased line providers SMP operators on the defined relevant markets when they have a 25% market share. In the application of the 25% rule, BIPT calculates the market share normally using turnover as a measure. Given that the first analysis showed the market share of Belgacom SA in terms of volume was invariably above the 25% threshold for the categories  $< 2$  Mbit/s and 2 Mbit/s, Belgacom SA could be considered to be an SMP operator on these relevant product markets after the first phase of the study of the leased line market.

The SMP status of Belgacom SA on the market for leased lines with a capacity of  $> 2$  Mbit/s did require analysis in terms of revenues, given the largest offer of leased lines with a capacity of  $> 2$  Mbit/s is not automatically reflected in the largest turnover. Based on the revenue study, Belgacom SA should also have been given the status of SMP operator for the segment of leased lines with a capacity of  $> 2$  Mbit/s. An analysis of the supplementary criteria considered relevant by BIPT (control of the means of access to end users, the company's turnover compared to the market's turnover, the experience or the capacity to influence market conditions and access to financial resources) supported the notion of market power arising from the revenues analysis.

For the national market for interconnection and the market of the mobile public telephone networks, in the second half of 2002 BIPT again launched the survey used for these purposes since the SMP designation in 2001.

In this survey, the market power of the operators on the national market for interconnection is derived from the share of the operator in question in the total revenues from traffic dependent and independent recurrent payments for the use of the interconnection services for call termination, revenues from collocation and revenues from the interconnection of leased lines.

The results of the survey on the national market for interconnection led to the extension of the SMP status of Belgacom Mobile NV for 2003 and to the new status of Mobistar SA as SMP operator. This SMP status means that two mobile operators now have to fulfil the principle of cost orientation of mobile terminating tariffs on the Belgian market.



The SMP study on the market of mobile public telephone networks also confirmed the 2002 situation. Both Belgacom Mobile NV and Mobistar SA could be given the status of SMP operator, by virtue of the share of the mobile operator in question in the total revenues of the mobile operators for terminating calls on their networks.

### **Market analysis and SMP designation: the new regulatory framework**

In the course of 2002 the European Parliament (EP) and the Council issued 5 new Directives that combine to make up the new regulatory framework:

- Directive 2002/21/EC of the EP and of the Council on a common regulatory framework for electronic communications networks and services (Framework Directive);
- Directive 2002/20/EC of the EP and of the Council on the authorisation of electronic communications networks and services (Authorisation Directive);
- Directive 2002/19/EC of the EP and of the Council on access to, and interconnection of, electronic communications networks and associated facilities (Access Directive);
- Directive 2002/22/EC of the EP and of the Council on universal service and users' rights relating to electronic communications networks and services (Universal Service Directive);
- Directive 2002/58/EC of the EP and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector (Directive on Privacy and Electronic Communications).

That new regulatory framework is expected to create an *ex ante* regulation that can flexibly anticipate the market developments and can be repealed once the market has become competitive. It is also expected to ensure an open homogenous European market, thanks to rules being applied in the same way in all member states by reciprocal co-ordination.

The member states were given fifteen months to transpose those Directives into national legislation.

In July 2002 the European Commission (EC) published the Guidelines on market analysis and the assessment of significant market power under the Community regulatory framework for electronic communications networks and services, in which the new principles that the market analyses and the SMP designation must comply with are explained. Competition rules are given greater importance in the establishment of the *ex ante* regulation. For example, the markets are no longer defined by specific Directives, but rather by rules contained in the Guidelines. Initially that is the responsibility of the EC, which draws up a list of relevant markets and publishes it in a Recommendation. The member states are allowed to deviate from the list provided they follow a procedure, as laid down in Article 7 of the Framework Directive. The central position of market share in the assessment of significant market power has also been questioned and other criteria also have to be considered from now on. A third change relates to the measures: in the future the national regulatory authorities can opt to impose only some of the possible measures rather than all of them. The results of the analyses must be submitted to the other National Regulatory Authorities (NRAs) and the EC.

Staff at BIPT were given training on this new regulatory framework, participated in the hearings organised by the EC on the Guidelines and the Recommendation, and took part in IRG-organised working groups together with other NRAs to discuss all aspects of the organisation of new market analyses.

November 2002 saw the start of the market analyses project. The analyses were conducted according to a programme that roughly breaks down into four stages: preparation, market research, consultation and final opinion. Some preparations were made in 2002 as the activities were scheduled and the 18 relevant markets identified by the EC were divided into 7 clusters, each one designated to one of the 7 specially created teams.

## Interconnection and special access

The legal definition of interconnection is the linking of telecommunication 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 aims to offer market entrants the opportunity to connect their own infrastructure to that of the operators with significant market power (the historical operators especially), under conditions that promote the development of competition (obligation to grant reasonable requests, non-discrimination, cost-orientation). One of the core tasks of the Institute is to ensure that this legal and regulatory framework is actually complied with.

In 2002 BIPT published various opinions and communications that impact the execution of the regulatory framework governing interconnection. Notably:

- the communication on the interconnection requests outside the scope of a reference offer;
- the opinion on the access to the network of Belgacom Mobile from the collocation rooms;
- the communication regarding the availability of the interconnection agreements concluded with SMP operators;
- the opinion on the follow-up of BRIO 2002 (relating to access to 070 numbers from abroad and the conditions governing the main migration cases among other things);
- the communication on the definition of Half Links (which ends restrictions on the use of Half Links for one's own ends).

With the assistance of an external consultant and in consultation with the market, BIPT also continued to work on the development of a bottom-up LRIC cost model for calculating interconnection tariffs.

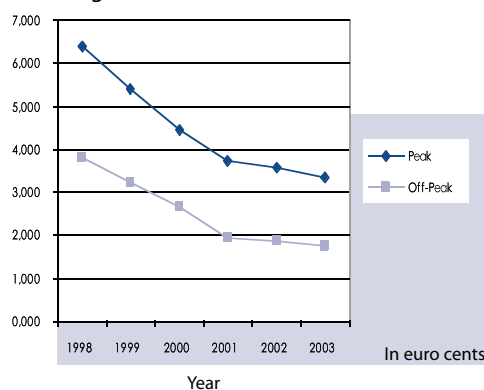
The study of the reference interconnection offer of Belgacom SA (BRIO) is one of the most important items on the BIPT agenda every year in the domain of interconnection. Version 2003 of that reference interconnection offer was approved on 10 January 2003 pursuant to an opinion issued by the Institute on 12 December 2002. There are a number of new points compared to the last reference offer, including:

- the establishment in some areas of a load-sharing mechanism when an operator is not connected to two access points in an interconnection zone;
- the change in the procedure for activating a CPS;
- the change in the provisions for financial guarantees;
- the introduction of transit services in BRIO;
- the fixing of new tariffs for interconnection links based on the BIPT cost model.

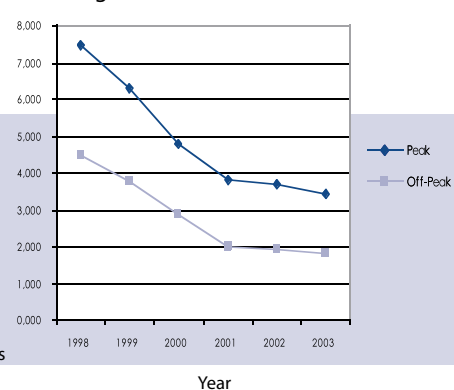
The application of the cost-orientation principle, verified by an adequate cost model led to another lowering of the main interconnection tariffs (collecting and terminating) on 1 January 2003.

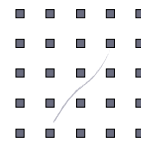
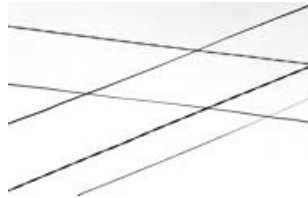
## EVOLUTION OF THE MAIN INTERCONNECTION TARIFFS

Terminating costs for a 3-minute call (IAA)



Collecting costs for a 3-minute call (IAA)





Besides terminating and collecting, tariffs for services for transit, for access to an access point and for interconnection links were also lowered, in some cases considerably.

### Management of the national numbering plan

Numbers are essential if services are to be offered through the telecommunications infrastructure. They are the key to providing access to those services to end users and providers alike. BIPT works constantly to ensure that the numbers are available in sufficient quantities to allow the proper development of the market. For telecommunications operators, equal access to adequate number series, in terms of quality and quantity, is crucial to balanced growth on a competitive market. To ensure this, BIPT draws up the number plans by means of explanatory notes fixing the intended use of specific numbers. Those plans were revised again in 2002 and adapted to meet new market demands. The Institute provisionally decided to postpone the implementation of the second phase of the number plan reform. This is due to the fact that the number of allocations of new number series to telecommunications operators has fallen by almost 95% since 1998. That evolution has a lot to do with the recession that the telecommunications sector is currently experiencing and the extensive savings that operators are pushing through, which result in the immediate cancelling of unused number series.

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

Numbers series type	Reservations	Allocations	Cancellations
<b>1yxx</b> Access communication codes (including carrier select)	8 (n) 1 (e)	1	5
<b>4pq</b> x 1,000,000 nos Mobile numbers	0	1	0
<b>70-700</b> x 10,000 nos Non-geographical numbers with special tariffs	1 (n)	2	2
<b>77</b> x 10,000 nos Infokiosk numbers	2 (n)	0	1
<b>78</b> Non-geographical numbers with special tariffs	0	1 x 10,000 nos	2 x 10,000 nos 1 x 1,000 nos
<b>79</b> Non-geographical numbers with special tariffs	1 (n)	1	0
<b>800</b> x 1,000 nos Free numbers	2 (n)	1	2
<b>90A</b> x 1,000 nos <b>90A</b> x 100 nos Infokiosk numbers	9 (n)	15 x 1,000 nos 2 x 100 nos	8 x 1,000 nos 1 x 100 nos
<b>IMSI</b> International Mobile Subscriber Identity	0	0	0
<b>ISPC</b> International Signalling Point Codes	1 (n)	3	3
<b>NSPC</b> National Signalling Point Codes	29 (n)	2	2
<b>PQYZ</b> x 10,000 nos Geographical number series	14 (n)	18	21
<b>ADMD</b> Administration Management Domain Name (X400)	0	0	0
<b>DNIC</b> Data Network Identification Codes	0	0	0

(Key: n = new reservation; e = extension of existing reservation)

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

On the international stage, the Institute participated in various meetings within the framework of ECC PT 3 (numbering working group). The main remit of this working group of European regulatory bodies is to exchange information and knowledge about number problems.

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

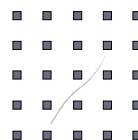
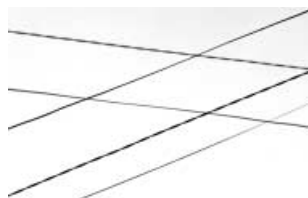
### ***Number portability***

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

The introduction of number portability for mobile numbers on 1 October 2002 was undoubtedly the most important event of the year for the mobile telecommunications sector. This continued the activities of the Number Portability Task Force for Mobile Numbers, the co-ordination platform made up of mobile operators under the chairmanship of BIPT. At regulation level, the operational basic procedures, the quality parameters, the methodology for fixing costs and the division of costs among the parties involved were laid down in the Royal Decree of 23 September 2002 on the portability of numbers of end users of mobile telecommunications services offered to the public. It was also decided, after much consultation with the sector, that the mobile operators should use a central reference database to support number portability under the conditions laid down in the Royal Decree.

The Number Portability Task Force for Fixed Networks set up in 1998 continued its activities in 2002 under the chairmanship of the Institute. Central themes this year were the migration to the new central reference database (to which the mobile operators are also linked) and the establishment together with the GSM operators of the non-profit organisation that manages the database. Additionally, a new division of costs was worked out between the fixed network operators for the central reference database. The Institute submitted a draft Ministerial Order to the supervising authorities after a cost study to fix the tariffs for the set up costs per line and the traffic related costs to ported numbers for the first six months of 2001. A cost study based on a new methodology was also initiated. The existing Royal Decree of 16 March 2000 on the portability of numbers of telecommunications services subscribers was amended by the publication of a new Royal Decree of 23 September 2002 in order to regulate the division of costs of the new central reference database mentioned above and also introduce some clarifications into the existing text, among other things in connection with the negotiations for the realisation of a number portability agreement, and to align the provisions of the Royal Decree on fixed number portability with the requirements of Article 30 of Directive 2002/22/EC of the European Parliament and of the Council of 7 March 2002 on universal service and users' rights relating to electronic communication networks and services that refer to number portability.

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To increase tariff transparency for the calling party, a website was launched at the following addresses [www.1299.be](http://www.1299.be) (Dutch), [www.1399.be](http://www.1399.be) (French), [www.1499.be](http://www.1499.be) (German) and [www.1450.be](http://www.1450.be) (English), on which the interested party can gain information about the network to which the call number belongs simply by keying in that number. This website recorded approximately 60,000 hits in the period 1 October 2002-1 January 2003. It has also been decided to introduce a special signal (a transparency signal) ahead of the establishment of a mobile call to inform the caller that the call is leaving the caller's mobile network ('off-net' call) and may attract a higher tariff than an 'on-net' call (calls within one mobile network).

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

	PSTN/ISDN connections	Non-geographical numbers	Complex installations (PRAs, direct-dialing series, PBX series)
End 2000	42,328	442	455
End 2001	116,677 (176 %)	676 (53 %)	2,019 (343 %)
End 2002	142,156 (21,8 %)	1,224 (81 %)	4,168 (106 %)

	Number of ported mobile numbers
1 November 2002	18,734
1 December 2002	35,092
1 January 2003	58,364

### **Carrier preselect**

The activation procedure for the carrier preselect service was comprehensively evaluated and adapted in consultation with the sector. BIPT also set up a study at various operators on the use of the LoA (Letter of Authorisation). A number of complaints from operators and end users were handled. The net evolution of the number of carrier preselect activations is shown.

	Numbers with carrier preselect	Increase
31 December 2000	114,735	
31 December 2001	381,566	232.5 %
31 December 2002	595,627	56.1 %

### **The public telecommunications service**

The public telecommunications service comprises:

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

### ***The universal telecommunications service***

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

BIPT submitted a report to the Minister of Telecommunications on the universal telecommunications service in 2002. That report constitutes an evaluation of the level of compliance with the obligations that have been imposed on Belgacom as the universal service provider. BIPT monitors, among other things, the parameters governing the quality of the service and the obligation to apply an affordable price across the whole territory. In addition to theoretical monitoring of the quality of the service, which is based on various collected data, series of measurements are also conducted at the headquarters of the operator in order to generate comparable material. This is used to check the reliability of the results submitted by the operator. The measurements were related to compliance with the obligations governing connections times and public telephone booths.

In 2002 BIPT also handled the request of the current provider of the universal telecommunications service to activate the fund for the universal telecommunications service, which was set up by Article 86, §1 of the Act of 21 March 1991. With that request Belgacom wants to have its universal service obligations financed by a fund that is subsidised by the operators (including Belgacom) of public networks and operators of a voice telephony service whose turnover exceeds €12,400,000; their contribution is calculated on the basis of their turnover generated on the national territory in the sector in question, after reduction of a number of charges.

Activation of the fund depends on the one hand on the assessment by the Institute of the existence of net costs; that is proof that the universal service provision creates more costs than revenues for the provider.

The first task of the Institute was the establishment of a correct methodology for the calculation of the net costs of the universal service, in accordance with annex 2 to the Act of 21 March 1991. A series of meetings with Belgacom resulted in a document on the methodological principles of the calculation of the costs of the universal service, which was submitted to the other operators for consultation in July and August 2002. Subsequently, Belgacom and the Institute elaborated a model for the calculation of the net costs for each component of the universal service, using the agreed methodological principles. Based on those models Belgacom was ultimately able to record the charges and revenues by component and that result was audited by the Institute. In that way a provisional net price of the universal service was determined for 2003.

On the other hand, the activation of the fund depends on the proof that the net costs for the provider constitute an unfair burden. Therefore, the Institute assessed the existence of an unfair burden for Belgacom. On 26 November 2002 the Institute submitted an opinion to the Minister of Telecommunications on the activation of the fund for the universal service, in which it expressed its opinion on the methodology used to calculate the costs, on the amount of the net costs, on the fairness or otherwise of the burden for Belgacom and on the date of activation of the fund.

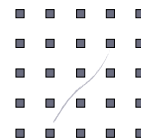
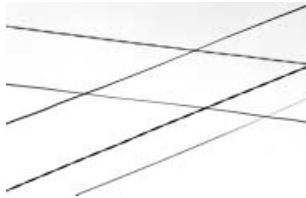
### ***Universal access***

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

### ***Tasks of general interest***

Tasks of general interest are regulated by a management contract between the federal state and Belgacom. That management contract provides for the provision of Internet connections to schools, libraries and hospitals and regulates the co-operation of Belgacom in civil protection and in the

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Mixed Committee on Telecommunications. In addition to the management contract concluded with Belgacom, the law also offers the other operators the opportunity to co-operate on tasks of general interest.

### **Resolution of disputes between operators**

The Institute focused a great deal of attention on a permanent follow-up on the interconnection market. The operators have the opportunity to request the direct mediation of the Institute as a market regulator in the event of problems or conflicts. They can also turn to the Chamber for interconnection, leased lines, special access, unbundled access to the loop and shared use.

A prominent event in 2002 was the dispute between Belgacom and Telenet on the tariffs applied by Telenet for the termination of calls on its network. The dispute was submitted to the Chamber for interconnection, leased lines, special access, unbundled access to the loop and shared use, which declared itself incompetent for procedural reasons. Chiefly based on the cost model that an expert consultant developed for Telenet, the Institute ruled that Telenet's interconnection tariffs were reasonable and that Belgacom consequently had to accept them.

In addition to that case, which made the news, BIPT was also forced to take action in a number of other cases. The table below shows the most important interventions, subject by subject, made by the Institute 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 2002**

### **Interconnection requests**

Fixing of maximum development costs for type VC3-VC4 Half Links

Migration of IC Links

Migration of leased lines to Half Links

Access to the Belgacom Mobile network for the provision of VPN type services

### **Non-discrimination**

Consultation of interconnection agreements concluded by organisations with significant market power

Control of legality of promotional offers in the field of Internet

### **Interconnection (various)**

Financial relations between operators, especially payments by interconnection invoices and application of the rules governing the provision of financial securities

### **Tariffs**

Control of Belgacom's obligation of openness and transparency of the tariffs for voice telephony

Analysis of Belgacom's Excellence tariff plan from the point of view of cost-orientation and consistency with interconnection costs

Adjustment of Telenet's CSC/CPS tariffs as a consequence of the increase in the costs of terminating on that network

### 1.2.3. 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 operator-customer relations;
- Statistics;
- European regulations;
- Information society.

Besides the permanent working groups mentioned above, the following ad hoc working groups met in 2002:

- ad hoc Regulation working group;
- ad hoc ADSL working group;
- ad hoc Ethics Committee working group.

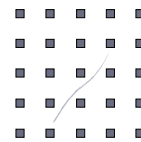
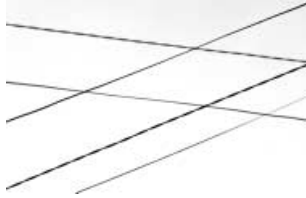
The Consultative Committee on Telecommunications constitutes a forum on which the sector partners have a seat. They are the social partners (trade unions, employers' organisations and consumer representatives), the sector players (operators, manufacturers, users) and the representatives from the federal,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

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

### 1.2.4. 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 also struck Belgium. This E-Security Platform is managed by the Institute and includes a permanently accessible contact point and 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 on the Institute's website, through a press release or by an announcement on radio or television. Since the end of 2000, the public can register on a mailing list for automatic notification of a change to the Institute's virus warning page on the website due to an alert. In 2002 the virus contact point intervened 22 times, which led to 16 adaptations to the website.

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### 1.3. OPERATIONAL TASKS OF THE INSTITUTE

#### 1.3.1. 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), the data and voice services that are not considered as voice telephony (which are subject to a declaration). Here it is important to note that there is only question of a voice telephony service when the service :

- is a telecommunication service of a commercial nature;
- is provided to the public;
- is intended for the direct transport in real time and the switching of voice signals;
- is transported from and to access points;
- offers no added value in terms of telecommunications.

If any of the abovementioned criteria are not met the service can no longer be called a voice telephony service, but rather a telecommunications service whose operation is not subject to an individual licence, but simply subject to a declaration.

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 31/12/2002
Voice service	119
Voice service provided to one or more closed user groups	18
Data service	121
Data service provided to one or more closed user groups	19
Data service, specifically a data switching service	33
Data service, specifically Internet access	105
Private telecommunications office	854
• private domain	
• public domain	38
Leased line service	30
Individual voice telephony service licence	30
Individual public networks licence	49
Non-public networks	39
<b>TOTAL</b>	<b>1,455</b>

For all interested parties, the Institute also makes available all prevailing legislation and a FAQ list on its website, as well as a brochure with a registration form for every type of service and for the non-public networks.

### **Disputes on the use of the private domain for the development of a public telecommunications network**

Article 99 of the Act of 21 March 1991 stipulates that every operator of a public telecommunications network is entitled to use private property to install cables, overhead lines and accompanying equipment and to carry out work on them under the conditions of Chapter IX of Title III of the same Act. If no agreement has been reached between the operator involved and the owner of the domain in question, the latter can submit a notice of objection to the Institute. Within this framework, the Institute took a reasoned decision on 27 September 2002 after hearing both parties on 25 September 2002.

#### **1.3.2. GRANTING OF LICENCES FOR PRIVATE RADIO NETWORKS AND INDIVIDUAL RADIO STATIONS**

The migration of intensive users from the frequency spectrum to the trunk networks continued in the past year, while numerous users possessing only a small number of transceivers, replaced their private networks with GSM connections. Both phenomena explain the reduction in the number of licences for private mobile networks. The same tendency is noted in category 6<sup>26</sup>, in which many users opted for DECT telephone exchanges.

On 2 August 2002 the Moniteur belge published a Royal Decree amending the Royal Decree of 15 October 1979 on private radio communications. The main amendments are the abolishment of the licence exemption for the former state police and the tariff modification for radio relay links.

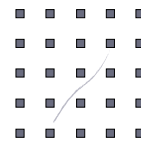
The Decree also exempts prospective radio amateurs with a handicap of more than 80% of handling and examination charges.

Walkie-talkies used for short-distance professional or personal communication, especially PMR-446 equipment, are rather successful, with 3568 ministerial licences issued. They use 8 channels in the 446 MHz band with an apparent capacity of 500 mWatt.

The following table shows the total number of ministerial licences granted by 31 December 2002 in the various categories of individual stations or private communication networks, 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.

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*26-Fixed and mobile networks established with professional, didactical or security objectives in a specific area that does not extend beyond the enclosure of a professional or educational building or the boundaries of a compound, a site or a single property.*



<b>Total number of licences for private radio communication networks and individual stations</b>			
		<b>2001</b>	<b>2002</b>
Category 1	Private mobile radio networks	1,387	1,008
Category 2	Fixed networks	157	157
Category 3	Public administrations	1,549	1,549
Category 4	Private mobile networks on the common frequency 27 MHz	1	1
Category 5	Radio amateurs	5,094	5,135
Category 6	Fixed and mobile networks within the limits of one property	6,696	6,360
Category 7	Remote control of scale models	7,516	7,516
Category 8	CB radio telephones B27	26,765	27,200
	PMR 446	2,258	3,568
Satellites	Satellite networks	50	46
Temporary	Temporary licences (categories 1, 6 and satellite)	320	647
Stations on board:			
	a) Aircraft (including portable stations)	2,486	2,440
	b) Seagoing and fishing vessels	297	287
	c) Barges and river vessels	2,579	2,640
	d) Yachts	6,854	6,144

For all interested parties, the Institute has systematically updated its website at <http://www.bipt.be> as regards radio legislation and application forms for ministerial licences. The fees to be paid for 2002 are mentioned under private radio networks in the Telecommunications section.

### 1.3.3. FREQUENCY MANAGEMENT

BIPT is responsible for managing the electromagnetic spectrum in Belgium. This comprises both the everyday frequency allocations and co-ordinations and the long-term policy on frequency plans and readjustments.

#### Frequency allocations for landmobile services

Frequency allocations for landmobile services are governed by the Vienna Agreement and constitute one of the Institute's main activities.

Number of new frequency allocation files	751
Number of altered frequency allocation files	671
Number of cancelled frequency allocation files	692
Number of internationally co-ordinated frequency allocations	492
Number of temporary frequency allocations	731

The above table does not include data on the following activities:

- allocation and studies for trunking networks;
- temporary frequencies for large-scale events.

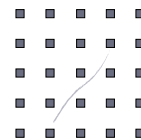
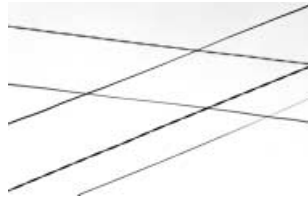
Frequencies were allocated to the two new TETRA operators (Entropia N.V. and Mirem B.V.). In addition, a new frequency co-ordination agreement for the mobile service was concluded in Groningen on 24 October 2002, in which the frequency bands 146-174 MHz, 410-430 MHz and 440-470 MHz were fully classified as preferred frequencies.

#### Other files

Although BIPT is not responsible for planning frequencies for broadcasting, BIPT's Frequency Management Department is responsible for everyday co-ordination requests and the application of international agreements (Geneva 1975, Geneva 1984, Stockholm 1961, Wiesbaden 1995, Chester 1997, Maastricht 2002) and application of the LEGBAC agreement (compatibility between FM broadcasting and flight navigation).

This department also carries out frequency co-ordinations for satellite links (earth stations, networks, etc) and radio relay links and takes care of correspondence with the ITU Radiocommunications Office.

File type	Number
1961 Stockholm Agreement	
1997 Chester Agreement (DVB-T)	261
1984 Geneva Agreement	1,241
1975 Geneva Agreement	0
1993 Vienna Agreement /2001 Berlin Agreement (general details)	74
Earth stations (RR1107), satellites (RR1060), radio relay links	1,124
Miscellaneous (co-ordinations, interference, temporary frequencies, information, etc)	165
1995 Wiesbaden Agreement/2002 Maastricht Agreement (T-DAB)	249
Comixtelec	81
ITU – Radiocommunications Office and Conferences	278
Satellite organisations (EUTELSAT, INTELSAT, INMARSAT)	88
CEPT – ERO – ECC	215
<b>TOTAL</b>	<b>3,776</b>



The Frequency Management Department's major achievements include:

- the publication of a new Royal Decree on private radio communications. This new Royal Decree implements a reduction in the annual fees for radio relay links. It also subjects federal police networks to licensing;
- updating the national frequency table in accordance with harmonisation activities at European level. That frequency table can be consulted on-line at the BIPT website. In addition, in future the Belgian Table of Frequency Allocations will be accessible through the European Radiocommunication Office's EFIS programme;
- monitoring problems with respect to IMT-2000/UMTS within the framework of CEPT/ECC/PT1. These subjects relate to the recommendation on UMTS co-ordination with neighbouring countries, the EC mandate to designate supplementary bands as extension bands for UMTS (in the 2.5-2.7 GHz band), the preparations of ITU WG WP 8F and the preparations for the world conference;
- preparations for WRC 2003 were started at national level and at CEPT/CPG, ITU-R and NATO level. WRC 2003 will handle over 30 subjects. The subjects important to Belgium are notably RLANs at 5 GHz, the readjustment at 7 MHz, HDFSS (High Density Fixed Satellite Service), UMTS and RNSS (Radio Navigation Satellite Issues);
- participation in many meetings of international working groups, such as CEPT/FM and CEPT/ECC. ECC is actually the merging of the former ERC and ECTRA. It makes important recommendations and decisions related to the harmonisation of the frequency plan at European level. These decisions can be read on the website of ERO ([www.ero.dk](http://www.ero.dk));
- provision of technical assistance to the supervising authorities and the three communities in Belgium for the creation of the new FM frequency plan;
- realisation and implementation of an IT system for radio relay links integrating the frequency allocations, as well as the granting of licences and a link to the accounts;
- negotiations on and signing of the Maastricht Agreement and Plan for digital radio broadcasting frequency planning in the 1.5 GHz band;
- creation of a guide for frequency allocation for Hyperlan systems on 5 GHz;
- organisation of a meeting of PT FM24 in October 2002 in Brussels. This group prepares the RRC 2004/2005 and was attended by more than 80 participants from all European countries. The Regional Planning Conference in 2004 will do the groundwork for a new frequency plan for digital television in Europe and Africa and some Asian countries (ITU region 1).

### RF Radiation Department

BIPT elaborated a procedure during last year that realises 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 relevant ministers' offices and the operators were consulted. The discussions led to a method for determining radiation around transmitting antennas, at any location where people can reasonably be expected to be.

In January the RF Radiation Department was established. It comprises one engineer and four additional staff. A paperless office system was introduced in the first few weeks and months. All documents are kept in electronic form and 99.1% of documents are submitted in electronic form. The number of files per month rose to around 450 in November. In 2002 a total of 2486 files were submitted, an average of 50 a week, or 10 a day. Taking into account the statistic difference of the first months, we can say that an average of 75 files a week was handled. On average, there are 3.6 days between submission of and response to a correctly completed file.

Half of all files were submitted by Belgacom Mobile SA, a third by the other GSM operators, a tenth by ASTRID and the rest by VRT, RTBF, local radio broadcasters and radio amateurs. Of all files handled, 60% were French and 40% Dutch. Ten German files were also submitted. Fifty-nine conformity certificates were issued (with measurements by the owners). The levels in the other files were so low that no measurements were necessary.

In 2002 agreement was reached with the offices of the Ministers of Public Health and Telecommunications on exemption from the submission of a file (lower capacities) for certain categories of equipment. The website went on-line at the beginning of 2002 and contains all necessary documentation for the submission of a file. At the end of 2002 (early 2003 for the effective implementation) a website update was submitted to the information technology departments. This covered the abovementioned exemption, and the public now has the opportunity to check which files have been handled by BIPT in their neighbourhood. For radio amateurs, BIPT worked out a solution that makes it possible to secure a conformity certificate on the basis of a site study rather than measurements.

#### 1.3.4. EQUIPMENT

##### **R&TTE Directive 99/5/EC**

Radio and telecommunications terminal equipment has to be placed on the market in accordance with the provisions of European Directive 1999/5/EC of the European Parliament and of the Council of 9 March 1999 on radio equipment and telecommunications terminal equipment and the mutual recognition of their conformity (Official Journal 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.

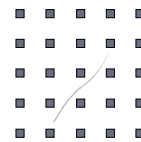
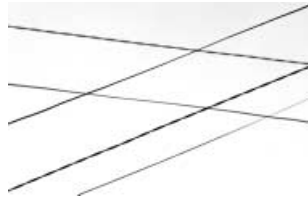
In order to be allowed to place equipment on the (European) market, according to this Directive, the equipment not only has to comply with a number of technical essential requirements, but also with the other - more administrative - relevant provisions. The manufacturer bears full responsibility for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

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

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

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

In 2002 more than 1575 pieces of equipment were notified. This number is lower than last year and is probably due to the fact that the Commission has extended the list of Class 1 equipment to



include radio equipment whose use is unrestricted. Accordingly, this equipment does not bear the information sign. An example of such equipment is common GSM equipment. A working group of radio experts is trying to extend the list of Class 1 equipment even further. This proves less than easy, but it is expected that some equipment will be classified as Class 1 equipment, due to the (slow) convergence of national frequency allocation plans. Class 1 is favourable to the open market. All equipment sold on the Belgian market that does not belong to Class 1 must be notified to BIPT. It is advisable to consult the list of Class 1 equipment regularly on the Commission's website (<http://europa.eu.int/comm/enterprise/rtte/listeq.htm>).

The former approval system was completely abandoned on 7 April 2001. Trading in this equipment is still permitted if it was manufactured or imported from a third country before 8 April 2001. The market share of this equipment has fallen quite swiftly however.

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

The Institute is also active in the European forums (European Commission, TCAM Committee<sup>27</sup> and working groups, the ECC<sup>28</sup>, Administrative co-operation<sup>29</sup> (ADCO), ETSI<sup>30</sup>, the EMC Working Party<sup>31</sup>, EMC SLIM<sup>32</sup> etc) in which further European harmonisation is aimed at.

### Monitoring of terminal and radio equipment

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

An overview of the results in 2002:

Equipment seized during checks			
Terminal equipment		Radio equipment	
Computer cards	509	Remote-controlled toys	861
Fax/telephone equipment	27	Wireless dog collars	788
Telephone equipment	12	Wireless weather stations	733
		Wireless alarms	464
		Cordless computer accessories (mice, keyboards etc)	455
		Cordless video & audio	178
		PMR /LPD transmitters	162
		Bluetooth headsets	160
		Remote control units (radio guidance)	105
		Cordless LANs	50
		Wireless doorbells	32
		Walkie talkies	30
		Wireless intercoms	18
		Cordless microphones	13
		Other	84
<b>Total</b>	<b>548</b>	<b>Total</b>	<b>4,133</b>

27-The TCAM (Telecommunications Conformity Assessment and Market Surveillance Committee) is the permanent committee that assists the European Commission in Directive 99/5/EC related policy.

28-The ECC (Electronic Communications Committee) is part of CEPT (European Conference of Postal and Telecommunications Administrations).

29-Groups established by the European Commission, in which the experts responsible for monitoring the national markets are able to meet and work together on practical aspects.

30-ETSI (European Telecommunications Standards Institute) is a non-governmental organisation whose aim is to draw up European telecommunications standards. The ETSI standards, which are applicable on a strictly voluntary basis, often serve as a technical basis for the development of Directives and regulations at European level.

31-The EMC Working Party: group established by the European Commission with responsibility for following up the application of the Electromagnetic Compatibility Directive (EMC).

32-Group established by the European Commission to amend the Electromagnetic Compatibility Directive (EMC) within the framework of the SLIM programme (Simpler Legislation for the Internal Market).

BIPT made further investments in informing the sector. This is realised on the one hand through the publication of explanatory documents on the BIPT website (in the 'Equipment' section under 'Telecommunications') and also through personal contacts with firms at all manner of fairs and exhibitions. Radio equipment is increasingly used as an accessory to a variety of products, from radio guided roll-down shutters to concrete mixers with radio guided flow control. So it is no surprise that the radio aspect sometimes leaves something to be desired here. Providing information at fairs and exhibitions can remedy this at a relatively early stage. Naturally, information was also provided during visits to regular sales outlets, manufacturers, importers and other distributors. Around 800 visits were made in this context.

It must once more be noted that regulations are often violated consciously and unconsciously. Nevertheless, the administrative requirements for purely terminal equipment are fairly straightforward. In the case of this equipment any violations are mostly against former regulations (equipment approved in other countries but not in Belgium).

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

It was also noted that a great quantity of radio equipment that does not comply with prevailing legislation or was not put on the market in accordance with the former approval system continues to be sold. Moreover, some of this radio equipment operates in frequency bands that are not permitted in Belgium. In these cases too, the Institute unrelentingly takes action.

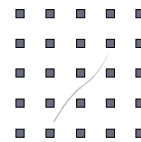
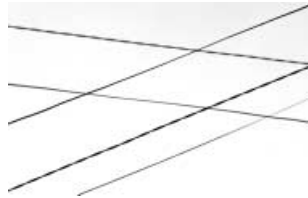
Violations are always reported and the goods are in most cases confiscated. The violations are then processed by the public prosecutor's office. That means that there is no point approaching the Institute for information about any case. In certain cases, the public prosecutor's office allows the regularisation of the situation, orders the return of the goods to the manufacturer or pronounces on the seizure of the confiscated goods. The public prosecutor's office then decides whether legal action is needed. In 2002, 127 reports were made.

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

### 1.3.5. EXAMINATIONS FOR RADIO USERS

The Institute organises examinations for radio amateur certificates and for certificates for the use of stations on board ships. The examinations are held in Brussels, except for the GMDSS (Global Maritime Distress and Safety System) examinations, which are held at the training centres.

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In 2002, 46 examinations were organised, divided as follows:

Type	Number of examinations	Number of participants	Number and percentage of passes
<i>Maritime radio</i>			
VHF	8	1,027	832 (81.0%)
Global GMDSS	19	174	130 (74.7%)
Restricted GMDSS	15	119	83 (69.8%)
<b>Total</b>	<b>42</b>	<b>1,320</b>	<b>1,045 (79,2%)</b>
<i>Radio amateurs</i>			
Category A (Morse)	2	50	33 (66.0%)
Category B-C	2	72	B 36 (50.0%) C 10 (13.9%)
<b>Total</b>	<b>4</b>	<b>122</b>	<b>79 (64,8%)</b>

### 1.3.6. NATIONAL SPECTRUM MONITORING DEPARTMENT (NCS)

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

#### Dealing with radio interference

Every citizen and every body is entitled to report any radio interference to the NCS. The NCS technicians are equipped with professional monitoring equipment to track down the source of the interference and take the necessary measures to eliminate it. Interference can come in many guises, affecting professional radio networks, television reception, aviation signals, maritime frequencies and all the different kinds of radio communications.

#### Preventive monitoring of professional radio networks

Most new radio networks are monitored by the NCS technicians. As a result, it is possible to ensure that networks are established according to licences and that the frequency, capacity and height of antennas are in accordance with the plans of the Frequency Management Department. That means that the use of illegal transceivers can also be limited. Finally, preventive monitoring reduces the number of interferences, which benefits the users.

#### Expertise tasks

NCS has a particular expertise in the field of radio communication, specifically relating to the electromagnetic field.

Given that expertise, the responsibility for monitoring compliance with the standards governing public exposure to non-ionising radiation was given to BIPT in 2001. NCS conducts regular measurements of the electromagnetic field in the vicinity of antenna sites (GSM base stations and others). Those measurements are expertly conducted for the Ministry of Public Health. The ultimate interpretation of the results as regards any effect of electromagnetic fields on public health is part of that ministry's remit.

The expertise tasks are not limited to that domain. In 2002 NCS also measured the coverage of six broadcasting stations at the request of the office of the Minister of Telecommunications, among other things.

The tasks of NCS are not limited to those three categories. Others include the involvement of NCS at large-scale events. These are essentially sporting events attracting a large number of radio frequency users. NCS intervenes to ensure the licence is complied with and to resolve cases of radio interference.

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

NCS has twenty fully equipped measurement vehicles, enabling it to conduct its activities in the field. In addition, six fixed measuring stations are under construction, aimed at enabling automatic monitoring of radio frequency use. In 2002 the stations at Ghent and Brussels-Astrotower were put into operation.

At international level, NCS participates in the CEPT/ERC/FM-PT22 (monitoring) working group and at maritime level it is a member of the CEPT/RR2 and PT/Rainwat groups.

The table below reviews the activities in 2002.

'Interference' files	895
Preventive monitoring of professional users	1,355
Radiation measurements at transmitting sites	83
Events	39
Miscellaneous	90
Interventions by guard service	42
<b>Total number of files</b>	<b>2,504</b>
Measurement of transmission range of broadcasting stations	320 man hours
Number of reports prepared	234

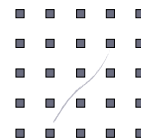
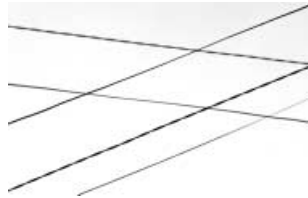
The tasks of NCS evolve as the years pass. While the vast majority of files at the time when BIPT was established were related to radio interference, nowadays those types of files constitute only about a third of the workload.

There are various reasons for the reduction in the number of interferences, including the switch to digital technologies in some types of transmission, the improvement in the quality of the cable networks and the fall in the number of CB band users.

NCS has constantly adapted to the evolving situation. First preventive monitoring was introduced. That now represents around half of all the department's work and also actually helps cut the number of interferences.

In a subsequent development, the expertise tasks were introduced and built up. Measurements of the radiation and the transmission range are now a significant part of the work of the department.

In 2003 NCS has plans to diversify its activities further to complement its regular tasks. For example, NCS will continue the monitoring stations project, and also intends to increase the number of expertise tasks as well as intensifying co-operation with the police services.



### 1.3.7. MONITORING TASKS WITH REGARD TO THE ACT OF 21 MARCH 1991

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

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

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

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

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

Based on experience acquired in the field, the department also contributes to the Institute's thinking on measures that need to be taken to realise effective regulation of the market.

A brief review of activities in 2002 is given below.

As regards universal service, besides theoretical monitoring of the quality of the services provided based on various statistical data, at the main exchanges of the operator responsible for the universal service, other monitoring series were also conducted lasting a period of eleven days. Those measurements serve as a random test, providing comparative data that can be used to check the reliability of the results announced by the operator relating to connection supply time.

The results of random testing in the three monitored districts were as follows:

MONITORING OF CONNECTION SUPPLY TIMES								
	Registered requests	Operational on same day	Day + 1	D + 2	D + 3	D + 4	D + 5	D + x
Total	5,846	5,613	81	47	33	26	20	26
%	100	96.01	1.38	0.8	0.56	0.44	0.34	0.44

Of the public telephone booths operated by the operator responsible for the universal service, 258 were inspected on site.

INSPECTION OF PUBLIC TELEPHONE BOOTHS					
PROVINCES	Liège	%	West Flanders	%	Total %
<b>Total number of booths checked</b>	150	100	108	100	100
<b>Booths not found</b>	1	0.06	6	6.48	3.27
<b>Booths removed</b>	2	0.13	2	2.16	1.14
<b>Booths checked</b>	147	98	100	92.59	95.29
<b>Out of order</b>	7	4.76	-	-	2.38

Each edition of the telephone directory is checked to ensure that the legal provisions are being complied with. It can be noted that the department follows the whole evolution of the relevant legislation, including the aspects relating to management and harmonisation of the databases between the various operators, as well as access to the information services. In that context a file on significant omissions in the Brussels telephone directory needed special attention to realise a satisfactory solution.

General checks resulted in 28 reports of questioning within the framework of the misuse of market power, compliance with fair competition and number portability problems.

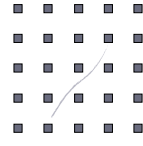
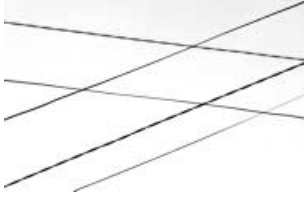
Various complaints from service providers were checked.

Series of test calls were conducted from all regions of the country to check interconnection criteria.

One violation of Article 88 concerning the provision of leased lines was uncovered and corrected.

223 private telecommunications offices were checked, the majority in co-operation with the police services, especially in Antwerp, Ghent and Brussels. Those checks resulted in 85 official reports, which means that violations were uncovered in over 38% of cases.

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



# 2

## Postal sector



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## 2.1. REGULATORY FRAMEWORK

### 2.1.1. GATS NEGOTIATIONS

BIPT followed activities related to the GATS negotiations in 2002 by participating as an expert in the information sessions organised by the Interministerial Economic Commission (IEC).

One of the consequences of the Uruguay round (1986-1993) is that trade in services is dealt with in a single general service agreement for the first time, the General Agreement on Trade in Services (GATS).

By the conclusion of the Uruguay round, at which almost all service sectors were addressed, relatively few commitments had been made with respect to postal and courier services. Within the framework of the GATS agreement, only six members undertook commitments in the postal services sector and 33 in the courier services sector. These commitments are organised in accordance with the 'Services Sectorial Classification List' or 'W/120', a document drawn up during the Uruguay round that classifies the various services by sector. That classification is essential because it constitutes the framework in which commitments are formulated.

Postal and courier services, included in the list under communication services, are divided into the following sub-sectors:

#### **Postal and courier services**

##### *Postal services*

*Postal services related to letters*

*Postal services related to parcels*

*Post office counter services*

*Other postal services (exclusion: services related to postal giro and postal savings accounts are classified in class 8111 (services of monetary intermediaries);*

##### *Courier services*

*Multi-modal courier services (exclusions: courier services for mail by air is classified in subclass 73210 (Mail transportation by air)*

*Other courier services (other courier services for goods, not elsewhere classified, e.g. trucking or transfer services without storage, for freight.).*

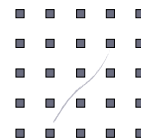
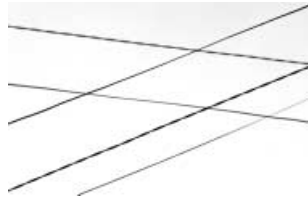
In concrete terms, commitments are formulated by sector/sub-sector. The signatories, including Belgium, may not make any commitments on services that are not classified as sectors or sub-sectors in the classification.

On 1 January 2000 negotiations were initiated aimed at intensifying the commitments made during the Uruguay round and the continued dismantling of trade barriers in the various service sectors, including postal and courier services.

2002 saw the taking of a number of crucial steps in the liberalisation process.

During the fourth Interministerial Conference of the World Trade Organization at Doha the service negotiations were integrated into a general negotiation cycle and a timetable for the negotiations was set.

In accordance with the Doha timetable, the first phase was concluded



on 30 June 2002. The European Union and the member states tabled specific requests to their trade partners in this phase. Those lists of questions were drawn up by the European Commission, based on information submitted by the member states and with the assistance of the European tertiary sector and the departments of the European Commission. Their purpose is to identify the trade barriers in the various services sectors and the manner in which services are provided in a country and are linked to a request to remove them. The specific requests and the negotiation documents are confidential, which means that their content cannot be discussed.

During the negotiations, it became clear that the current classification of postal and courier services is outdated and no longer reflects the reality of the market. The classification is founded on the premise that the national postal administrations are exclusively responsible for providing postal services, while courier services would be provided by private companies. In practice, specific types of postal services that are not reserved are also offered by private operators and some public operators also incorporate courier services in their package of services. More and more people are calling for the reform of the classification of postal and courier services in view of the developments in the sector. Drawn up by the European Commission, the proposal on this matter classifies postal and express services in a single category (Services Relating to the Handling of Postal Items), comprising the following sub-sectors:

*Services relating to the handling of postal items, whether for domestic or foreign destinations:*

- 1. Handling of addressed written communications on any kind of physical medium, including hybrid mail services and direct mail.*
- 2. Handling of addressed parcels and packages.*
- 3. Handling of addressed press products.*
- 4. Handling of items referred to in 1 to 3 above as registered or insured mail.*
- 5. Express delivery services for items referred to in 1 to 3 above.*
- 6. Handling of non-addressed items.*
- 7. Document exchange.*
- 8. Other services not elsewhere specified.*

Conversely, the proposal of the United States provides for a specific definition of express services, in combination with a separate category for these services in the existing classification. This means that the communication services sector is subdivided into the following six subcategories: telecommunications, postal services, courier services, express delivery services, audiovisual services and other services. At this time only express delivery services are not included in the existing communication services classification list.

The second phase comprises the formulation of an initial offer. The final date for this was 31 March 2003. The negotiation round is scheduled to end by 1 January 2005.

## 2.1.2. AT EUROPEAN LEVEL

### **Directive 97/67**

On 25 November 2002 the European Commission published its report to the European Parliament and the Council on the application of the Postal Directive (97/67/EC). In doing so it complied with Directive 97/67, which orders: 'three years after the date of entry into force of this Directive and in any event no later than 31 December 2000, the Commission shall submit a report to the European Parliament report and the Council on the application of this Directive, including the appropriate information about developments in the sector, particularly concerning economic, social employment and technological aspects, as well as about quality of service.'

The report provides a detailed survey of the transposal of Directive 97/67 in the various member states and describes its impact on the postal market.

In a report on the current situation attached to the transposal of Directive 97/67 into national law, the Commission states that all member states have already amended their primary legislation. It was pointed out that five member states, including Belgium, have experienced conformity issues in transposing Directive 97/67. More specifically, it was remarked by the Commission that the regulatory body in Belgium was insufficiently independent. In 2002 a bill was finalised on the revision of the status of BIPT to correct this. On 11 December 2002 the bill on the status of the regulator of the Belgian postal and telecommunications sector was passed by the Committee for Infrastructure, Communications and Public Companies (see above, point I.1.2).

The primary conclusion of the Commission's report on the application of Directive 97/67 is that the most important objective, the creation of a universal service governed by minimum requirements within the Community, was achieved. With respect to the postal monopoly, it was noted that all member states have a reserved sector at or below the postal Directive maximum. In seven member states the postal monopoly is below the maximum fixed by this Directive, due to either lower fixed weight and price thresholds or greater liberalisation in certain market segments (direct mail, for example).

The full report can be read on the Commission's website:  
[http://europa.eu.int/comm/internal\\_market/en/postal/stud/com2002-632/com2002-632\\_nl.pdf](http://europa.eu.int/comm/internal_market/en/postal/stud/com2002-632/com2002-632_nl.pdf).

### **Directive 2002/39**

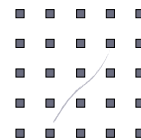
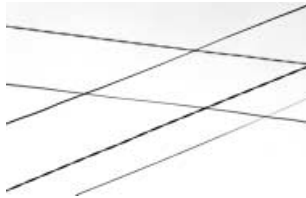
With the passing of Directive 2002/39 of the European Parliament and of the Council amending Directive 97/67/EC with regard to the further opening to competition of Community postal services, a key moment in the liberalisation of the sector was achieved.

Directive 2002/39 fixes the timetable for a gradual and controlled liberalisation of the letters market. It gives universal service providers sufficient time to adapt to the changed market conditions in order to guarantee universal service provision within the framework of ever-advancing liberalisation.

The first phase was launched on 1 January 2003. Since that date, the member states can continue to reserve for the universal service provider postal services restricted to the clearance, sorting, transport and delivery of domestic letters, whether by accelerated delivery or not, up to a maximum weight of 100 grams and a price less than three times the public tariff for letters in the lowest weight class in the fastest category. On 1 January 2006 these thresholds will be reduced to 50 grams and two and a half times the public tariff for letters of the lowest weight class in the fastest category respectively.

To the extent necessary to ensure universal service provision, direct mail and outgoing cross-border mail may continue to be reserved within the abovementioned weight and price limits.

The Directive gives the Commission responsibility for conducting a prospective study aimed at assessing the consequences of full-scale liberalisation of the market for the universal service provision in all member states. The Commission has to submit its conclusions to the European Parliament and the Council before 31 December 2006, together with a proposal confirming 2009 or otherwise as the date of full accomplishment of the postal internal market.



In addition to the restrictions of the postal monopoly, an adjustment of the tariff principles of Directive 97/67 was also introduced. Specifically, Article 12 of Directive 97/67 was supplemented, on the one hand by a provision that also makes the principle of transparency and non-discrimination applicable to tariffs and conditions governing access to the public network, and on the other, by the ban on cross-subsidisation of universal services outside the reserved sector out of revenues from services in the reserved area, unless it is shown that such is strictly necessary to fulfil specific universal service obligations.

### 2.1.3. AT BELGIAN LEVEL

#### **Third Management Contract**

The Royal Decree of 4 September 2002 passed the third management contract concluded between La Poste and the State.

The third management contract contains a number of innovations with respect to the three categories of public service provision as well as additional tasks for BIPT:

- In terms of the letter post tasks, it was decided that the State, the newspaper publishers and La Poste would conclude a special agreement within six months of the coming into effect of the third management contract. That special agreement will lay down the practical rules governing distribution, quality criteria, monitoring by BIPT and the tariffs. BIPT was also given responsibility for the task of realising a study, in association with La Poste, on the conditions newspapers and periodicals have to fulfil to enjoy the concessions, with a view to perhaps updating it.
- With respect to the financial services, it was decided to end the obligation of La Poste to guarantee the securities and receipts service in the second management contract (including collection of receipts and commercial papers, presentation of bills of exchange for acceptance, fulfilling the formalities of protest, etc). In a structural agreement between La Poste and the State, steps will be taken to significantly reduce the risks of aggression associated with the doorstep payment of old age and survivor's pensions and of allowances to people with a handicap.
- The third group of public service tasks – the tasks of general interest and performances for the State – now includes mention of the provision of proper infrastructure (Internet terminals, for example) in post offices to make easier the relationships between citizens and the administration.

In the third management contract special attention is given to raising quality of service. It is expressly stipulated, for example, that La Poste has to invest a certain amount annually in the training of personnel, with priority for those who are in contact with customers. Quality standards will be fixed for letter post, in combination with new monitoring and sanction mechanisms. A tool for measuring customer satisfaction will be set up under the control of BIPT.

The obligation to have at least one post office or postal service point in every municipality is expected to guarantee the efficiency of the post office network. In association with BIPT, La Poste will develop a tool for objectively measuring the adequacy of the network's density. La Poste is also obliged to do its utmost to make new and renovated post offices easily accessible for the disabled.

#### **Transposition of Directive 2002/39**

Transposition of Directive 2002/39 occurred by Royal Decree of 7 October 2002 transposing Article 1, 1 and Article 1, 2 of Directive 2002/39/EC of the European Parliament and of the Council amending Directive 97/67/EC with regard to the further opening to competition of Community postal services, published on 25 October 2002.

The transpositions of Directive 2002/39 related to the reserved sector are set up in the following table :

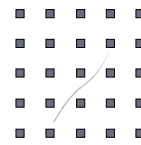
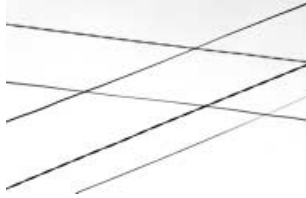
	<b>Directive 2002/39</b>	<b>Royal Decree 07/10/02</b>
Domestic letter post	From 01/01/03 domestic letter post, whether by accelerated delivery or not, with a maximum weight of 100 grams and a price of less than three times the public tariff for letter post in the lowest weight class of the fastest category, can be reserved to the extent necessary to ensure the prolongation of the universal service (from 01/01/06: 50 grams and 2.5 times the tariff).	From 01/01/03 domestic letter post, whether by accelerated delivery or not, with a price of less than three times the public tariff for letter post in the lowest weight class of the fastest standard category is reserved, insofar as the weight is lower than 100 grams; (from 01/01/06: 2.5 times the tariff and 50 grams).
Direct mail	To the extent necessary to ensure universal service provision, direct mail can continue to be reserved within the abovementioned weight and price limits.	Direct mail is reserved within the same price and weight limits.
Incoming cross-border mail	Can continue to be reserved within the abovementioned weight and price limits (recital 21 refers to the danger of misuse in the event of full liberalisation).	Incoming cross-border mail is reserved within the same price and weight limits.
Outgoing cross-border mail	If it proves necessary to guarantee the universal service provision, outgoing cross-border postal traffic can continue to be reserved within the abovementioned limits.	Outgoing cross-border mail is not included in the postal monopoly.

The new tariff principles mentioned in point 1.2.2. were also laid down in the Act of 21 March 1991 on the reform of some economic public companies.

### **Secondary legislation**

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

In 2002 the preliminary drafts of the decrees were completed, making an extensive discussion in the Council of Ministers possible. The Institute also started working out a schedule for the introduction of the declaration and licence regime. This necessarily demands extra staff at BIPT's Post directorate.



## 2.2. POSTAL SERVICES MARKET

### 2.2.1. GLOBAL ECONOMIC CONTEXT

Worldwide economic conditions were unfavourable in 2002. The slowdown that started in 2000 was exacerbated by the events of 11 September 2001. The expected recovery in the first quarter of 2002 never materialised.

On the letter post market, which is of key importance to the postal companies, prospects for future growth are disquieting, particularly for companies in developing countries. The recent falls in growth figures, even in absolute terms, are due to the progress made in substitute technologies.

The postal companies are also present on other markets, such as parcels, financial services and diverse new electronic services. All those markets are open to competition, but most postal companies earn their main revenues from letter post. The postal companies that have opted to diversify their products (express services, logistics and financial products) are noting a drop in the share of traditional post in their revenues.

For those companies that have set their sights on the worldwide market, international expansion into the parcels and logistics markets was a significant strategic countermove. All postal companies have the same great worry: finding revenues to replace the revenues from letter post that are threatened by competition or by substitute technologies.

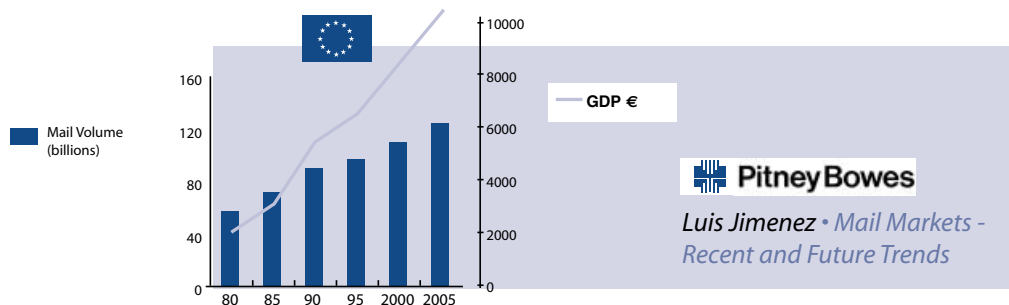
To expand their networks, develop new services or increase their competitive advantage, postal companies are relying on mergers, joint ventures and other forms of partnership.

### 2.2.2. EUROPEAN ECONOMIC CONTEXT

#### GROWTH AND SUBSTITUTE PHENOMENA

The growth in the volume of correspondence is an important indicator for letter post. Until the middle of the nineteen-eighties this growth ran parallel to the rise in gross national product. In the last two decades, and it looks like continuing in the future too, the growth in the volume of correspondence was lower than that of the gross domestic product and the difference between the two is increasing year after year.

#### COMPARISON BETWEEN THE DOMESTIC MAIL VOLUME IN EUROPE AND THE GDP



The lack of growth on the letter post market in the last two decades may be the consequence of a confluence of substitution and of a difficult economic context.

Substitution is hard to quantify, because when a user switches from a physical letter to another form of communication, the substitute seldom has a ratio of 1:1. The growth in the volume of the substitute services is accordingly not a reliable measure of substitution.

At this time, no one seriously dares to affirm that telephone calls replace traditional letter correspondence in Europe and the United States. Electronic mail, which is basically the recording and sending of information, does however have a clear impact on the volume and the market share.

The sending of publications is another important source of revenue for postal companies. It has been shown that consumers are not swapping newspapers and periodicals in paper form for reading matter on electronic carriers.

Advertising on Internet is in full growth, but the traditional advertisers have found a good complementarity between direct mail and Internet. A distinct trend towards electronic substitution is noticeable for the following products:

- business to consumer letter correspondence;
- invoices, bank statements;
- printing on-line catalogues;
- targeted direct marketing;
- printing documentation.

It must also be noted that postal companies are able to utilise the opportunities the new electronic products offer.

The postal services (collection, transport and distribution of correspondence, offices for retail sales) can after all be used for an extensive range of services with added value. A modern postal system can contribute to a range of logistics solutions for the integration of the data flow, the equipment flow and the financial flow. The postal companies can also offer implementation and distribution services for e-commerce, as well as such services as investment and payment centres for companies and private individuals.

Finally, work has only just begun on exploring and evaluating the provision of public terminals with fast access to Internet at post offices for the retail sales.

Even 'cyberspace' has a material dimension. It is there that the demand for reliable postal services is and will remain very large.

## **MAJOR OPERATORS**

### **Germany: Deutsche Post**

In June 2002 the European Commission compelled the German postal company to repay over €550 million in state aid. The Commission reproached Deutsche Post for using funds allocated to subsidise its public service tasks to top up the shortfall in its parcel transport activity. Deutsche Post has appealed to the European Court of Justice.

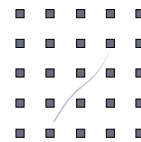
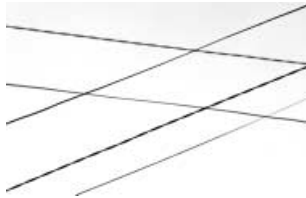
In September 2002 Deutsche Post increased its participation in DHL from 51% to 76%. Deutsche Post paid €610 million to acquire the additional 25%. Deutsche Post is looking to gain a worldwide position as the leading logistics group through DHL.

The supervisory authority of the UK's postal company has granted Deutsche Post a provisional licence to offer its courier services in the United Kingdom for a twelve-month period.

### **France : La Poste**

La Poste launched Tem'Post, a service guaranteeing large companies fixed delivery times for mass mailings, on penalty of restitution of between 30% and 100% of the franking value. In that way,

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La Poste aims to keep the 3,000 to 4,000 companies in question as clients. They are an important target group within the framework of the opening to competition of the European correspondence market.

La Poste announced the launch of the electronic registered letter. Companies and public administrations have been able to send registered post by Internet since November 2002.

**United Kingdom: Royal Mail**

In the first months of 2002, Royal Mail announced a loss of 545 million pounds sterling ( $\pm$  €846 million).

In addition, Royal Mail announced an agreement with Deutsche Post for the distribution of letters sent from Germany to the United Kingdom. It is the first time that the historical operator has opened up access to the 'last mile' of its network to a third party. The UK postal market has thus been partially liberalised (remembering that Hays is active in major deliveries on UK territory). The market will be fully opened up to competition in April 2007.

The company carried through a radical reorganisation, which is to result in the loss of 30,000 of its 220,000 jobs in the long term. The reorganisation is part of the planned full liberalisation of the market in 2007. Royal Mail expects to lose 30% of its turnover as a consequence of the liberalisation.

**Netherlands: TPG**

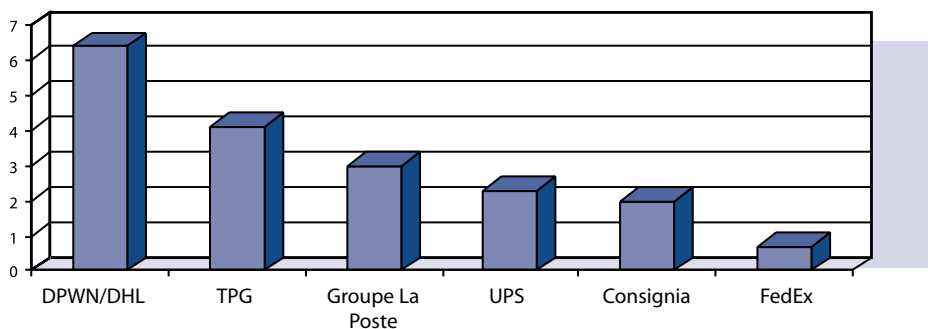
The Dutch postal group announced a net profit of €145 million for the second quarter of 2002, an increase of 17.9% on last year. The group's board retains its growth expectation of 5% to 10% of the net profit on activities for the whole of 2002.

**OTHER POSTAL SERVICES**

**Parcels**

In addition to correspondence, the postal companies also provide other services. The market for parcels, although smaller than that for letter post, is a significant one for postal companies. The European parcels market represents approximately €30 billion and the postal companies are part of the major operators as the chart below clearly shows.

**EUROPEAN PARCELS MARKET IN 2001 (IN BILLIONS OF EUROS)**

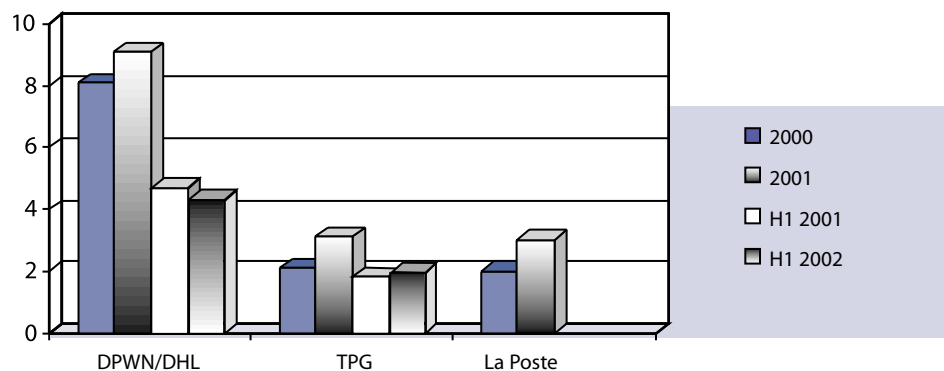


Source: UPU: 'The postal sector in October 2002'

### Logistic and financial services

The logistical activities of DPWN and TPG are described in separate reports and constitute an important sector in itself. Logistical activities are relatively less important for the other postal companies and they sometimes generate the same return as parcels, as in the case of France's La Poste. The following chart shows the turnover of the major European operators in recent years.

#### REVENUES OF THE LEADING EUROPEAN OPERATORS (IN BILLIONS OF EUROS)



\* including revenues from parcels  
Source: 2001 and 2002 annual reports and biennial reports

Many postal companies provide financial services, but their reach and magnitude vary. The two companies whose financial services have significant value are DPWN and France's La Poste.

### 2.2.3. BELGIAN ECONOMIC CONTEXT

#### La Poste

In Belgium, La Poste, a limited liability company under public law, is the historical postal operator.

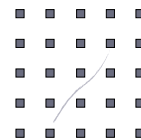
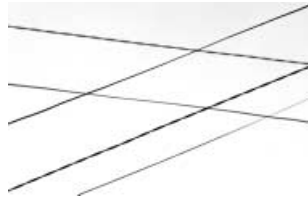
The management contract concluded with the State gives it responsibility for the universal service.

The two main activities of La Poste are:

- handling national and international mail, which accounts for 81% of turnover;
- managing the sales outlets and their products and services.

La Poste also offers the following services through its subsidiaries and business units:

- express delivery/products and simple packages through Taxipost;
- document handling through Exbo;
- digital printing, wrapping, sending, electronic archiving and management through Asterion;
- distribution of newspapers, periodicals and non-addressed items through deltaMedia;
- data marketing, strategic planning, production, response management, Artis-Historia through Vicindo;
- full solutions with respect to secure communication of electronic documents on Internet through Certipost.



La Poste has approximately 40,000 staff and performs its activities through a network of 1,352 post offices. In 2001 its turnover was €1,824 million with a net income of €38 million. In November 2002 La Poste launched the letter post categories PRIOR/NON PRIOR. A month later the company established a joint venture with Belgacom within the framework of e-services and concluded a new co-operation agreement with Fortis for Bank van De Post-Banque de La Poste.

The 2002 strategic plan essentially supports the following elements:

Quality, general service to customers – in all post related activities – and reducing costs are the three spearheads of the strategic plan that has to prepare La Poste for the decisive step of liberalisation of the market in 2006:

- **Quality:** La Poste once again undertook to comply with the quality standards included in the management contract for the management of databases and of documents. All those activities form a complete chain of postal activities, from the design to the handling and delivery of documents and mailings. La Poste wants to enhance its presence at all points in the chain.
- **Reducing costs:** the execution of the projects earmarked as having priority by the board should achieve significant cost savings.

This plan also focuses on the essential role of La Poste's traditional areas of expertise:

- **Post handling ('mail')** will play a decisive role in the future of the Belgian mail operator. Today La Poste earns almost 85% of its turnover here. In 2007 the activity will still account for 80%, despite a declining market (an 8% fall in the post volume is expected in the next five years) and the opening up to competition.
- The post offices continue to play a significant role and La Poste will employ the means necessary to position its office network as an efficient distribution chain for bank, insurance and postal products and neighbourhood services.

### **Other postal operators active in Belgium**

In addition to the four major international integrators (DHL, FEDEX, TNT, UPS) present and active on the Belgian express mail market, the arrival of courier firms is also noted, that are strong in specific postal market segments.

KIALA, for example, is specialised in the delivery of parcels for mail order sales at delivery points (shops for example).

Competitors in neighbouring countries are also active on the Belgian market. Chronopost International, a subsidiary of France's La Poste, enhanced its presence in Belgium. Chronopost expanded its service package to the day and night delivery of parcels up to 70 kg. Until the middle of 2002 it restricted itself to the express delivery of parcels up to 30 kilo in D+1. All activities are grouped in Zaventem, where Chronopost now has its registered office and it has built a brand-new 7,200m<sup>2</sup> sorting centre with a processing capacity of 10,000 envelopes and parcels a day.

SPRING (a joint venture between TPG, Consigna and Singapore Post) distributes all kinds of commercial correspondence, catalogues and invoices around the world on a daily basis. Spring distinguishes itself from the other couriers by taking care of delivery into the destination country, where they hand over to the national postal company. Belgian turnover is €23 million and market share is 10%.

In Belgium, Deutsche Post has a controlling interest in DHL, Danzas, Air Express, Van Gend & Loos, Van Osseau, Pieters and PBA, which employ around 5,800 people.

The postal sector comprises approximately 600 companies and self-employed operators in Belgium.

## 2.3. OPERATIONAL TASKS OF THE INSTITUTE

### 2.3.1. AT NATIONAL LEVEL

#### Quality controls

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

La Poste is committed to delivery times:

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

Those times must be monitored under the supervision of BIPT.

After the tender, the task of monitoring the delivery times was entrusted to ASPEMAR. The project for monitoring delivery times is called BELEX.

BELEX is a method for measuring the delivery times of priority and non-priority mail in accordance with European standard EN 13850. The project consists of sending unmarked test items (74,000 a year) and measuring the delivery time of each item.

The envelopes are sent across the whole of Belgium according to routes that are representative of the actual mail flows. The hour of sending and the day of arrival of the test item are fed into ASPEMAR's central computer by private individuals and companies that are completely independent of La Poste. The computer then calculates the percentage of mail that can be considered to have been delivered on time every month.

BIPT assessed the project in two quarters in 2002. The audit resulted in methodological comments but did not compromise the relevance of the results obtained by BELEX.

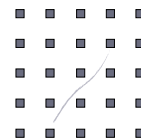
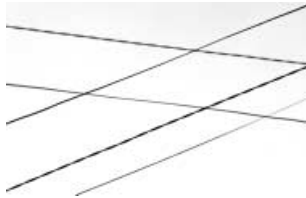
The results of the quality controls in 2002 were as follows:

	D+1	D+2
standard letters < 50 g, prior	82.3%	95.6%
large format letters < 50 g, prior	79.5%	94.5%
items < 20 g, prior	81.9%	95.5%
items between 51 g and 350 g, prior	79.1%	94.1%
all items	82.1%	95.5%

Compared to 2001 these figures show an improvement for D+1 of 7.2%. The standard imposed by the management contract of 91% was not achieved however. For D+2 there was a drop of 1.1% and the standard of 97% was also not achieved.

#### Calculating the cost price of the universal service

Pursuant to Article 144 *septies* BIPT has to ensure that La Poste makes a distinction in its internal analytical accounting between reserved accounts, non-reserved accounts that are part of the universal service and the other services.



Pursuant to Article 144 *undecies* the Institute calculated the cost price of the reserved and non-reserved universal service on the basis of La Poste's analytical accounting.

### **Follow-up of the management contract**

The Institute attended the negotiations between the newspaper distributors, La Poste and the State. The objective of these negotiations is to come to a three-party agreement to fix the tariffs, the quality standards and the distribution conditions for the newspaper distributors in Belgium.

The Institute guides La Poste in the introduction of a new customer satisfaction measurement tool. In the long run, this tool will enable publication of regular satisfaction indicators for La Poste.

The management contract lays down that BIPT together with La Poste will conduct a study on the conditions stipulated by Articles 14 and 15 of the Royal Decree of 12 January 1970 on the recognition of newspapers and periodicals, with the purpose of updating it if need be.

A joint working group was set up to do this. BIPT compared the Belgian situation to that in the other European countries. The criteria for recognition of periodicals are to be revised. This task will be continued in 2003.

### **Monitoring compliance with the Act of 21 March 1991 on the reform of some public economic companies – complaint processing**

In 2002 BIPT received complaints of various nature.

First and foremost, there were complaints made by La Poste against various private operators due to violation of the postal monopoly. These complaints were related to the activities of companies who provide postal services for the medical and legal sectors. Those operators distribute letters weighing less than 350 grams and costing less than five times the public tariff, which appears to violate the postal monopoly as referred to in Article 144 *octies* of the Act of 21 March 1991. In the analysis of the complaint, BIPT checked the degree to which the postal services provided by these operators differ from the universal service. According to Directive 97/67, postal services that differ greatly from conventional services are not part of the universal service, which means there are no grounds for reserving these services for the universal service providers.

The development of electronic postal services also generates legal questions, on the one hand, in terms of the compatibility with the postal legislation and, on the other, in terms of compliance with competition rules.

In 2002 the Institute followed the notice of default of Belgium by the European Commission with respect to electronic registered mail. The notice of default was the consequence of a complaint by HyperTrust in Leuven, which is a specialist in registered emails, and resulted in abolishing the monopoly of La Poste for electronic registered mail: Article 172, 3° of the Programme Act of 2 August 2002 gives La Poste exclusive rights on physical mail only.

Recently La Poste also launched itself on the market for electronic mail through its subsidiary E-services. With the creation of an electronic postbox this subsidiary, now renamed Certipost after the establishment of a joint venture with Belgacom, guarantees secure and identified email, among other things. This caused ISPA, the association of Internet service providers, to posit that there is an increased risk that La Poste is misusing its dominant position on the traditional letter post market and in that way is perniciously impacting the viability of commercial Internet providers. The complaints of the ISPA, laid down in a position paper, were examined by BIPT. The Competition Council has now approved the establishment of the joint venture, be it under certain conditions.

### **BIPT studies**

BIPT's tasks also include conducting research and studies relating to the postal services. In 2002 the following issues were analysed:

#### ***Extraterritorial offices of exchange (ETOE)***

In 2002 BIPT conducted a study into the impact of GATS on the ETOEs. These are post offices that have been established by a postal administration on the territory of another country, with the aim of competing with the domestic postal administration of that country.

By necessity the exercise begins with an explanation of the regulations used by the Universal Postal Union (UPU) and GATS, followed by an analysis of possible incompatibilities between the World Trade Organization's rules and some UPU practices. The remits of the two bodies are based on dissimilar positions after all. Whereas the World Trade Organization pursues the liberalisation of world trade, among other things by scrapping discriminatory measures, the main objective of UPU is to ensure access for all to reliable postal services at a reasonable price, with a regime of less stringent requirements on developing countries than on industrialised countries (see *infra*).

#### ***Definition***

In examining a number of complaints that La Poste submitted to BIPT due to violation of the postal monopoly, the Institute felt it necessary to provide clarity to the sector on the precise content of services that are sufficiently distinct from the reserved universal postal service and so cannot be reserved.

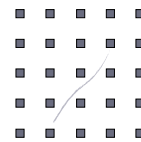
One consequence of that was the launch at the end of 2002 of a study into the concept of new services in recital 21 of Directive 97/67. The *modus operandi* that BIPT applies here comprises a more lucid definition of universal postal service. Services that are not covered by that definition will be considered to be non-universal services and consequently cannot be reserved.

The four steps in the postal process, collection, sorting, transport and delivery, are analysed in a memorandum to establish a lucid definition of these terms. When a sound definition of the postal process is available, BIPT will be able to identify indicators that show that the service differs greatly from the universal postal service.

#### ***Regulation letterbox dimensions***

In 2002 BIPT organised a consultation about the problem of letterbox dimensions. The objective of the consultation is to acquire a general survey of delivery difficulties caused by non-regulation dimensions of private letterboxes. The consultation may lead to the formulation of a proposal to amend the relevant legislation.

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### 2.3.2. AT INTERNATIONAL LEVEL

#### **European Committee for Postal Regulation (CERP)**

In 2002 BIPT administrator Jean-Luc Dutordoit was re-elected as chairman of CERP. The Institute continued its active participation in the activities within the four CERP working groups. The following subjects were on the agenda in 2002.

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

The issues commenced in 2001 were continued in 2002. Special attention went to the concepts 'postal administration' and the functions of the 'regulator', as well as the ETOEs. Reports were published on the meetings of the Universal Postal Union's Advisory Group, Council of Administration and Post Operations Council. A start was also made on preparations for the following UPU Congress in Bucharest in 2004.

#### ***'Regulatory Issues' working group***

In 2002 this working group chiefly focused on the new Directive 2002/39 and its transposition into the national law of the various member states. On the initiative of BIPT, the members studied ways of delineating the 'new services' concept in recital 21 of Directive 97/67, due to a lack of clarity on the concept in Directive 2002/39. The working group also followed the GATS negotiations and acted as a forum for discussion on various regulatory issues, such as access to the postal network.

#### ***'Economic Issues' working group***

In 2002 this working group mainly concentrated on two subjects: general principles of analytical accounting and price regulation systems.

In addition many subjects were closely monitored:

- the follow-up on UPU activities with respect to terminal dues, which are expected to result in a new UPU terminal dues system (by which a postal administration in one country pays compensation to another country for the distribution of its correspondence destined for that country);
- the cost price and financing of the universal service provision;
- VAT problems.

#### ***'Accounting' project team***

The 'Accounting' project team was set up under the 'Economic Issues' working group to formulate a CERP recommendation on analytical accounting rules based on best practice solutions. Incorporating the experiences of a number of national regulatory bodies, including Belgium, the final report, 'CERP Recommendation on Best Practices for Cost Accounting Rules', was drawn up in 2002.

#### ***'Standardisation' working group***

This working group discusses and analyses standardisation activities of the European Committee for Standardisation (CEN/TC 331 Postal Services) within the framework of the European Directive. 2002 was a crucial year in which many standards reached the final stage, including the method for measuring delivery times for priority mail according to end-to-end service provision, the benchmark for handling user complaints. The member states announced to the European Commission their commitment to impose this standard on the universal service provider for domestic priority mail from 1 January 2004 and for cross-border priority mail from 1 January 2005.

#### **CEN/TC 331 Postal Services**

CEN/TC 331 Postal Services harmonises the quality standards and technical specifications at European level. This technical standardisation is indispensable to the promotion of interoperability of the various national networks and an efficient universal service in the Union.

BIPT follows the European standardisation activities and in particular the quality standards developed by CEN (European Committee for Standardisation) for the European Commission. 2002 was a crucial year in this field as many standards reached the final phase and were officially published, including:

- EN 13850 'Postal services – Quality of service – Measurement of the transit time of end-to-end services for priority mail and first class mail'.
- EN 14137 'Postal services – Quality of service – Measurement of loss of registered mail'.
- EN 14012 'Postal services – Quality of service – Measurement of complaints and redress procedures'.

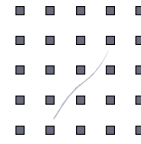
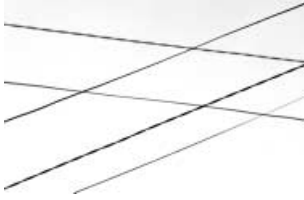
### **Universal Postal Union (UPU)**

The big event in 2002 was the Strategic Conference held in Geneva on 29-31 October. The conference brought together a great many postal personalities from across the world to discuss the future of the postal sector. The future role of government, the regulators, operators and UPU were all discussed in detail :

- **Government shareholder**  
Government should be aware of the fact that it has to be a driving force actively involved in the liberalisation process of the postal sector. If Government wants the postal operator to provide services the market does not provide, this is certain to have an impact on the financial performance of the historical operator. The role of Government and of the owner changes considerably in a liberalisation context.
- **Regulators**  
Regulators will need to be very involved and active in the postal sector reform process. The structures in which regulators are to situate themselves are more complex than before (international context, emergence of logistic services.)
- **Operators**  
Operators should prepare for liberalisation of the postal sector even though that takes time both due to operator size and to habits of commercial practices to adopt. This also requires a review of the policy regarding human resources management. The operators in the industrialised countries should have access to sources of capital to enhance existing infrastructure and make investments in modernisation and adaptation to the new kind of demand (Internet and otherwise).
- **UPU**  
UPU will have to re-examine terminal dues (the system by which a postal administration of one country pays compensation to another country for the distribution of its correspondence destined for that country) and also re-address the problem and set the course as to technical co-operation and knowledge sharing. On the other hand the expansion of markets will generate more legal conflicts, which will have to be resolved on a supranational level.

Parallel to the Strategic Conference, UPU continues its ongoing activities. In 2002 Belgium rounded off most of the files entrusted to it, namely the liability of postal administrations and the publication of a multilingual dictionary adapted to the postal service. The purpose of the lexicon, which was commissioned by the Congress of Brussels in 1952, is to facilitate application of the UPU Acts. Precise and uniform terminology makes it possible to guarantee an identical interpretation of those Acts in every member state of the Union. To keep the volume up to date, a revised version will be published every five years in principle. The French terms are translated into German, English, Arabic, Chinese, Spanish, Portuguese and Russian.

There are two very important questions connected to setting up ETOEs by postal companies. On the one hand, what is the nature of the handled mail, and, on the other, how should the WTO rules be made compatible with the UPU Acts. In addition, the issue of ETOEs continues to attract much discussion. ETOEs are bodies handling international mail that reside under the postal administration of one country but are established and operated on the territory of another country. As well as the commercial aspect, they are of major importance to the regulator. The issue of the status of ETOEs in GATS generates a number of questions of principle on the relations between UPU and WTO. GATS, which was created to get rid of restrictions on exchanges, does call a number of traditional UPU rules into question, which may lead to conflict between the two systems. UPU was founded to facilitate



co-operation between postal administrations, which implies that postal administrations are treated differently to other postal operators. Moreover, the terminal dues system applied by UPU results in positive discrimination benefiting developing countries.

# 3

## Belgian Institute for Postal services and Telecommunications



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### 3.1. ORGANISATION

#### **General Administrator and Senior Civil Servant**

*Eric Van Heesvelde*

#### **Directorate I – General Policy**

##### COMPETENCIES

General Policy  
Interconnection Chamber  
Conciliation procedures and administrative decisions

#### **Director-General**

*Georges Denef*

#### **Directorate II – Telecommunications**

##### COMPETENCIES

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

#### **Administrator**

*Freddy Baert*

#### **Directorate III – Telecommunications**

##### COMPETENCIES

Licences for private radio networks  
National Spectrum Monitoring Department  
Market surveillance for radio and terminal equipment  
Notifications radio equipment  
Frequency management  
Examinations for radio users

#### **Administrator**

*Jean-Luc Dutordoit*

#### **Directorate IV – Postal sector**

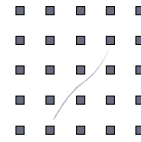
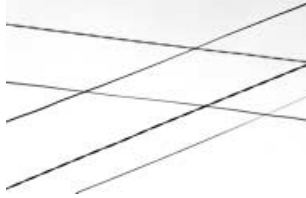
##### COMPETENCIES

Strategic policy and regulatory matters  
International relations  
Consultative Committee on Postal Services

#### **Directorate V – Logistic and financial support**

##### COMPETENCIES

Human resources  
Training  
Finance  
Purchasing  
Organisation  
Information Technology  
Translation



### 3.2. STAFF

At the end of 2002 the Institute's workforce comprised 193 statutory agents, made up of 55 level 1, 124 level 2 and 17 level 3 agents.

To compensate the total or partial unavailability of a number of staff members (due to sabbaticals, voluntary four-day week, etc) or to fulfil the legal obligation to recruit young people laid down in the Rosetta Plan, this statutory workforce was supplemented by a number of contractual agents, 11 of whom were still in service at the end of 2002.

With the exception of a few positions, in 2002 recruitments were made as part of the extension of the establishment passed by the Council of Ministers, bringing the functional BIPT establishment up to 218 agents. An additional number of supplementary positions have to be filled exclusively by promotion, so the necessary promotion procedures were commenced.

Otherwise, 2002 was a year of studies into the direct impact of the pending change in the legal status of the Institute on the prevailing legislative and statutory provisions. Attention was also paid to the indirect impact of the Copernicus reforms at federal civil service level.

With regard to staff training, the technicians followed internal training in radio communication technology.

In connection with current and future activities, our engineers were given the opportunity to follow courses at Ecole nationale supérieure des télécommunications in Paris.

In terms of language training, the English course continues to attract the most participants, although we did take the opportunity afforded us by the changes in the language examinations organised by Selor to encourage staff to study the country's other official language.

### 3.3. LOGISTIC AND FINANCIAL SUPPORT

BIPT's logistic support puts special emphasis on the following five aspects:

- correct deployment and equipping of staff;
- management and maintenance of buildings and equipment;
- centralised purchasing and external consultancy;
- global financial management of receipts and outgoings; this especially concerns accounting, budgeting and budgetary controls;
- support in concluding contracts for other departments.

Tangible achievements in 2002 were the new furniture for the Liège control centre (NCS) and the continued realisation of a technical measurement station for each centre.

In 2002 priority was given to reorganisation of financial management, with the extension of accounting's central role on the basis of an IT programme written inhouse. This is expected to make possible more uniform monitoring of all activities that have a financial impact. With this in mind, the accounting staff was expanded to five agents.

The collaboration with the Mediation Service for Telecommunications is running smoothly from a logistics and accounting point of view. The logistic services offer support here, also for the Mediation Service.

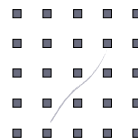
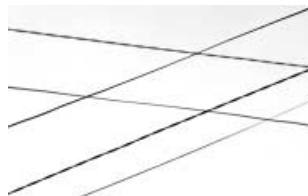
In 2002 significant investments were made in technical equipment, an important tool if BIPT is to fulfil its monitoring task properly: 554,000 euros in purely technical measuring equipment and systematic fitting out of vehicles, 463,000 euros in IT equipment, including measuring tool related software and programmes and 95,000 euros in cars for monitoring.

The main investments in information technology were:

- systematic partial replacement of IT equipment, especially the installation of new servers;
- continued elaboration of the frequency management programme;
- BIPT migration to the Microsoft network;
- development of accounting.

Financial policy is characterised by strict budgetary management and a healthy approach to securing the best market conditions.

The tables below show the achievements of the BIPT regulator and the Mediation Service for Telecommunications in 2002.



### 3.4. BUDGET

#### 3.4.1. BIPT - REGULATOR FOR POSTAL SERVICES AND TELECOMMUNICATIONS

RECEIPTS 2002		OUTGOINGS 2002	
Repayments	97,901	Staff	10,106,589
Licence and monitoring fees for private radio communications	27,698,213	Operation	3,800,228
Public licence fees	3,161,274	Investment expenditures	1,183,252
Approval fees for terminal equipment	0		
La Poste	0	National and international organisations (ITU/UPU/CCRM...)	1,686,738
Depreciations	-5,363	Treasury operations <sup>33</sup>	13,500,000
Miscellaneous	10,065	CF/RT <sup>34</sup>	2,656,565
<b>Total</b>	<b>30,962,090</b>	<b>Total<sup>35</sup></b>	<b>32,933,372</b>

#### 3.4.2. MEDIATION SERVICE FOR TELECOMMUNICATIONS

RECEIPTS 2002		OUTGOINGS 2002	
Repayments	0	Staff	712,018
Services on behalf of third parties (sector contribution)	1,154,667	Operation	333,085
		Investment expenditures	12,940
		Co-ordination organisations	0
<b>Total</b>	<b>30,962,090</b>	<b>Total</b>	<b>32,933,372</b>

33- The statutory settlement of the balance of financial activities.

34-The obligation imposed on BIPT to intervene in employers' obligations for a number of staff members who were transferred by Belgacom to the Belgian State.

35-The difference between receipts and outgoings is explained by the annual revision of the liquidity reserves needed by BIPT. These depend on the tasks that BIPT has had to fulfil in the year under review, including prefinancing of the Mediation Service, co-ordination of licence granting or of known outgoings that cannot be projected unerringly, which temporarily justify an additional reserve.

## 4

## Annexes



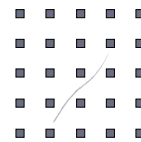
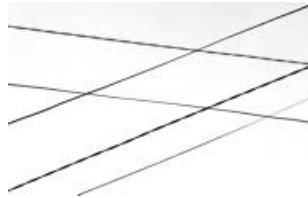
Annex 1 : references to legal texts prepared by BIPT and published in 2002

Annex 2 : list of abbreviations

## ANNEX 1 : REFERENCES TO LEGAL TEXTS PREPARED BY BIPT AND PUBLISHED IN 2002

Promulgation date	Publication date in Moniteur belge	Title
31/01/02	20/02/2002	Ministerial Order of 31 January 2002 organising the interception mechanism for calls to numbers of end users who have switched to another provider of a mobile telephony service offered to the public
13/03/02	15/06/2002	Ministerial Order of 13 March 2002 specifying deviations from certain obligations of 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
	28/06/2002	Communication regarding the availability of the interconnection agreements concluded with SMP operators
02/08/02	20/09/2002	Royal Decree of 2 August 2002 amending the Royal Decree of 15 October 1979 on private radio communications
02/08/02	24/09/2002	Royal Decree of 2 August 2002 granting a licence to SpaceChecker N.V. for the operation of mobile personal satellite communications services
02/08/02	23/10/2002	Royal Decree of 2 August 2002 amending Article 13 <i>bis</i> of the Royal Decree of 22 June 1998 on the conditions for the establishment and operation of public telecommunications networks
23/09/02	01/10/2002	Royal Decree of 23 September 2002 on the portability of numbers of end users of mobile telecommunications services offered to the public
23/09/02	01/10/2002	Royal Decree of 23 September 2002 amending the Royal Decree of 16 March 2000 on the portability of numbers of telecommunications services subscribers
10/10/02	01/11/2002	Royal Decree of 10 October 2002 amending the Royal Decree of 7 March 1995 on the establishment and operation of GSM mobile telephone networks, and the Royal Decree of 24 October 1997 on the establishment and operation of DSC-1800 mobile telephone networks, and 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
09/10/02	07/11/2002	Royal Decree of 9 October 2002 establishing the emergency services in accordance with Article 125 of the Act of 21 March 1991 on the reform of some economic public companies
25/10/02	20/12/2002	Royal Decree of 25 October 2002 repealing the Royal Decree of 6 April 2000 granting a licence to Télécommunications par Satellites Mobiles, abbr. TE.SA.M, for the operation of mobile personal satellite communication services

The complete list of texts published by BIPT is available at [www.bipt.be](http://www.bipt.be).



## ANNEX 2 : LIST OF ABBREVIATIONS

3G	Third generation
AAP	Alternative Approval Process
ACTE	Approvals Committee for Terminal Equipment
ADCO	Administrative Co-operation
ADMD	Administration Management Domain Name
BIPT	Belgian Institute for Postal services and Telecommunications
BRIO	Belgacom Reference Interconnect Offer
BROBA	Belgacom Reference Offer for Bitstream Access
BRUO	Belgacom Reference Unbundling 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
CSC	Carrier Select Code
DVB-T	Digital Video Broadcasting - Terrestrial
EC	European Commission - European Community
ECTRA	European Committee for Telecom Regulatory Affairs
EMC	Electromagnetic compatibility
ERC	European Radiocommunications Committee
ERO	European Radiocommunication Office
ETO	European Telecommunication Office
ETSI	European Telecommunications Standards Institute
EUTELSAT	European Telecommunications Satellite Organization
FAQ's	Frequently asked questions
FM	Frequency Modulation
GHz	Gigahertz
GMDSS	Global Maritime Distress and Safety System
GSM	Global System for Mobile Communications
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
LEGBAC	Limited Exploratory Group on Broadcasting to Aeronautic Compatibility
MHz	Megahertz
NCS	National Spectrum Monitoring Department
NSPC	National Signalling Point Code
NV	Limited liability company
OJ	Official Journal of the European Communities
PMR	Private Mobile Radio
PSTN	Public Switched Telephone Network
PT22	Project Team - monitoring
R&TTE	Radio & Telecommunication Terminal Equipment
SMP	Significant Market Power
TCAM	Telecommunication Conformity Assessment and Market Surveillance Committee
T-DAB	Terrestrial Digital Audio Broadcasting
TE.SA.M	Télécommunications par Satellites Mobiles
UMTS	Universal Mobile Telecommunications System
UPU	Universal Postal Union
VHF	Very High Frequencies
WRC	World Radiocommunications Conference





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