2005

12th Annual report

BELGIAN INSTITUTE
FOR POSTAL SERVICES
AND TELECOMMUNICATIONS

BIPT

Contents

Message of the Council

The members of the BIPT Council have the pleasure of presenting the annual report describing in detail the activities carried out by the Institute in 2005. This twelfth report follows the same lines as the previous one: it is both instructive and comprehensive.

In the area of telecommunications, 2005 was marked by the promulgation of the act on electronic communications on 13 June. The Institute subsequently examined and reorganised a number of implementation orders in order to incorporate them into the new regulatory framework. The Institute believes that this framework requires technical alterations in order to remove certain legal uncertainties. To that effect, the Institute suggested a number of modifications to the ministers in charge of telecommunications.

The act transposes a set of directives inspired by competition law. The regulators of the member states of the European Union each define the relevant markets, analyse them and when they find distortions of competition, work out remedies and corrective measures. Following the European Commission recommendation of 11 February 2003 on the relevant product and service markets within the electronic communications sector, BIPT is working on the analysis of 17 markets and has started publishing the results of its work. Noteworthy in that regard is BIPT's proposal to afford operators the opportunity to resell the Belgacom subscription (known as Wholesale Line Rental), enabling the alternative operators to conduct the entire commercial relationship with the end user, which will boost the provision of new rate offers. In 2005, BIPT finalised its cost model for the calculation of mobile termination rates, which will spark a substantial cut in mobile termination rates and hence also in end user rates for calls to mobile numbers.

These BIPT measures are aimed at creating effective competition, while encouraging end user choice, both on quality and price, between several providers, as well as efficient investment. Furthermore, BIPT took a number of important decisions in order to lay down the conditions in quality and quantity terms for the unbundling and bitstream services (known as BRUO and BROBA services) and the interconnection (known as BRIO services) between Belgacom and alternative operators, which underpin the services that alternative operators provide to their users.

The way in which the universal service operates was also thoroughly reviewed by the act of 13 June. The act decrees that all operators should offer a social telephone tariff to eligible subscribers who so request. In addition, the other universal service elements will no longer necessarily be provided by the incumbent – Belgacom –, as is currently the case, but will be assigned on the basis of applications filed by operators. The Institute also submitted its annual report on the execution of universal service tasks by the current provider.

The act of 13 June 2005 also introduced tighter tariff transparency obligations. BIPT started to apply a tariff simulator enabling consumers to choose between the numerous offers proposed by the operators while being better informed about their respective advantages and disadvantages.

The main stumbling block of 2005 was the failure to sign the cooperation agreement with the Communities aimed at reaching a settlement on the regulation of the infrastructure that is common to telecommunications and broadcasting. As a result, the regulator finds it sometimes difficult to operate adequately, which is at the expense of the sector at large. This is all the more regrettable as the telecommunications market was marked by major developments last year. Internet telephony (VoIP) for instance became a growing success with companies and private individuals alike thanks to solutions which set them completely free from the incumbent. Other offers constitute what is known as “Triple Play”: the customer is offered a fixed telephone service, broadband Internet access as well as a choice of television programmes. Digital television is also being taken up by house-

holds. This resulted in a very welcome growth at sector level and a rise in the market shares of alternative operators. This improvement is mainly due to innovation, streamlining and tariff cuts that operators are able to offer.

With all these developments it is needless to say that BIPT had a very busy year. Nonetheless, yet other projects were launched or pursued. These innovations notably include the very significant work on devising the future database on the beneficiaries of the social telephone tariff and the simulator previously mentioned. In this context, we should also underscore the new missions in security and network integrity. In addition, BIPT obviously continued to perform its traditional tasks, i.e. radio spectrum monitoring, frequency coordination and assignment, licensing, organisation of examinations, monitoring the conformity of terminal equipment or managing the national numbering space. The Institute also launched a website enabling visitors to search and locate mobile phone antenna sites set up in Belgium.

The Institute is also the regulator competent for the postal services sector, which regularly made the news in our country last year. Although the virtual completion of secondary legislation was not given a lot of coverage, the conclusion of a partnership between La Poste and a consortium made up of the Danish post office and a British investment fund made front page news more than on one occasion. This is hardly surprising as La Poste not only remains one of the most important employers in Belgium, its employees and its office network are also key points of reference in social life in spite of substitution phenomena which have pushed down the volume of letter post. As a newlywed, La Poste signed yet another agreement, with the Belgian State this time, by concluding a fourth management contract. It sets out the rules and terms for the performance of the tasks taken on by La Poste in order to carry out its public service duties. The contract also determines the financial contribution of the Belgian State aimed at funding the public service tasks.

In addition to the work resulting from the activities mentioned above, the members of staff pursued their regular activities by replying to parliamentary questions, representing Belgium in international forums or by exchanging best practices with other European regulatory bodies.

Equally concerned about delivering high-standard work, all teams active within BIPT strive for one goal: the harmonious development of the electronic communications and postal services markets. It would be regrettable to see the achievement of this goal slowed down either because of delays in signing an agreement or because of insufficient staff or resources. In any event, BIPT will continue its efforts but it does hope to soon have the necessary means at its disposal to carry out its brief as discussed above.

Michel Van Bellinghen
Member of the Council

Georges Denef
Member of the Council

Catherine Rutten
Member of the Council

Eric Van Heesvelde
Chairman of the Council

Our identity

1.1. Tasks

Historically the postal and telecommunications sectors have long been characterised by the existence of public service monopolies. This market model was challenged by the first trials with controlled introduction of forms of competition in the early 80s. In the fully liberalised market of electronic communications and that of postal services which is being liberalised, the Belgian Institute for Postal Services and Telecommunications carries out tasks of economic regulation, technical organisation and compliance with the regulatory frameworks. BIPT ensures that interests of sector players and users are protected for the benefit of the community. Three keywords underpin its actions: transparency, cooperation and dialogue.

Why liberalise?

Since the end of the eighties, the concept and operation of a number of network industries have continually gone through profound changes. Until that time, a monopoly – often a state monopoly – appeared to be the formula offering the best guarantee for the provision and durability of the public service, the economic rationale being favoured by effects of scale. This concept has evolved In Europe since 1984 when the European Commission gave priority to the fact that the market and the competition between different providers should be the tools for reaching the best industrial performance level and maximising the satisfaction of users, who would be offered a broad range of services both cheaper and of better quality. Encouraging investment was one of the other goals pursued. More recently in the telecommunications sector, through what is known as the electronic communications package[1], the Commission decided to apply the principles of competition law to *ex ante* regulation.

How liberalise? How regulate?

In the implementation of such a new policy, two concerns have guided the legislator.

On the one hand, the market can only exist if there is genuine competition. And yet, owing to some of their technological and organisational characteristics, the network industries include significant obstacles for the new companies who wish to provide goods and services. These obstacles must therefore be lifted to allow the system to work. That is the reason why mechanisms must be put in place so that all competitors have access to network infrastructures under fair conditions. This regulation must be accompanied by technical procedures so that the system can continue to operate with several players instead of one.

A second concern results from the particular nature of the products and services involved and their well-established usefulness to the public. It is essential that the operation of the market does not disadvantage or exclude certain weak users under the pretext that important customers are more profitable. It is therefore easy to understand that guaranteeing the protection of certain categories of users and ensuring that the services of public interest remain available to all are included in the tasks that come under the regulator's brief.

1. A package formed by a group of directives (2002/19, 2002/20, 2002/21, 2002/22, 2002/58, 2002/77), a decision (679/2002) and a Commission recommendation of 11 February 2003.

1.2. Fields of activity

The national federal authorities have empowered the Belgian Institute for Postal Services and Telecommunications (BIPT) with the management of two sectors: electronic communications and postal services.

Electronic communications and postal services

The Belgian legislator created the Belgian Institute for Postal Services and Telecommunications by an act of law promulgated on 21 March 1991, in order to ensure the management of the electronic communications and postal services sectors. Its designation clearly indicates it: the Institute is competent in two areas of activity. BIPT started its activities in June 1993. The act of 17 January 2003 made BIPT an institution of public interest with a status of its own, which ensures its independence of government.

Electronic communications

Within the space of about fifteen years, telecommunications have undergone a technological revolution. These technical developments took place alongside the progression of market liberalisation in Europe. The expression "electronic communications" covers all forms of communications by means of radio waves and/or radio frequencies or electronic means, by telephone (fixed line or mobile), facsimile, Internet, cable, satellite, etc. This "open" and flexible definition allows for future technological developments and reflects the principle of technological neutrality, which is one of the essential mechanisms within the European regulatory framework on electronic communications.

BIPT exercises its powers through two kinds of activities in particular:

- The first concerns new regulatory tasks in the liberalised telecommunications markets. BIPT makes the necessary arrangements in order that the regulatory framework is observed, competition can develop fully and fairly, certain tasks of public interest are carried out and consumer interests are protected.

- The second concerns the exercise of supreme authority in specific technical fields. Certain resources, such as the electromagnetic spectrum or the numbering space, are scarce: a regulator is required to share, regulate and monitor their use with accuracy. The Institute carries out yet more technical tasks of public interest.

Postal services

The postal sector is also involved in a process of liberalisation. BIPT has logically been entrusted with the task of overseeing compliance with the regulatory framework and the good operation of the liberalised part of the market. Moreover BIPT is in charge of monitoring certain aspects of the management contract binding La Poste to the State. This management contract deals with the implementation rules for the tasks carried out by La Poste in order to fulfil its public service duties, as well as with the financial contribution of the State.

1.3. Values

The main concern of the Belgian Institute for Postal Services and Telecommunications is the general interest. Its ambition is to carry out its brief with independence, transparency, cooperation and dialogue.

The general interest involves an assessment of the advantages and disadvantages of all parties concerned: operators, different categories of users and authorities. Besides the development of competition it also has to devote special attention to the protection of users (mainly private users) against potential market abuse. Measures need to be taken so that emergency services can intervene in an effective way, public order and security can be preserved and the government and the emergency services can operate in times of crisis. The European framework of electronic communications enables the member states of the European Union to adopt similar measures.

Independence

The act of 17 January 2003 bestowed on the Belgian Institute for Postal Services and Telecommunications the status of institution of public interest. The act ensures the Institute's independence through several provisions that changed the prevailing situation at the time. The governing body of BIPT is the Council, composed of four members, including a chairman, who has a casting vote in case of a hung vote. The Council takes its decisions autonomously and independently of the government. It has no links whatsoever with the operators active on the relevant markets. Appeal procedures against the decisions of the Council are available to the government or any interested party.

Transparency

As an administrative authority, BIPT has an obligation to motivate its actions while observing the confidentiality of certain information concerning certain companies and/or their products. In addition, the statutes of the Institute give every person who is directly and personally involved in a decision of the Council the right to a prior hearing.

Cooperation and dialogue

In its daily practice, the Institute favours dialogue and consultation. The decision-making process is preceded by consultations. BIPT then sends out its draft recommendations or decisions and studies the comments given on these drafts. In case of disputes between them, the operators have the option of requesting a conciliation procedure with BIPT before considering other appeals (e.g. with the Competition Council).

1.4. The Council

Responsibilities of the members of the Council of the Belgian Institute for Postal Services and Telecommunications are divided as follows:

Eric Van Heesvelde, chairman of the Council, is in charge of:

- the general coordination of the Institute's policies;
- drawing up the management plan;
- external communication;
- the coordination of the support departments for IT and translation, personnel and training, budget, billing and logistics.

Georges Denef, member of the Council, is in charge of:

- the postal services department: strategy, legal and economic aspects, monitoring of compliance with legislation (authorisations, universal service, quality standards, tariffs) and of the management contract of La Poste, international postal bodies;
- the monitoring department, the public service, consumers, universal telecoms service: monitoring of frequency use (including radio broadcast stations in the FM band), radiation standards (certificates), radio interference, monitoring universal service obligations and the management contract of Belgacom, information on the universal service, e-security team, Comixtelec, relations with consumer organisations, protection of consumer rights, implementation of the legislation on telephone tapping and emergency services;
- the IT and translation departments: management and purchasing of IT equipment and software, management of the internal network and development of software and translation of documents (French – Dutch – German – English).

Catherine Rutten, member of the Council, is in charge of:

- the department for economic analysis of the telecoms market: all economic aspects regarding telecommunications, including the tariffs of the public service (market analysis, SMP, tariffs, cost models, calculation of US costs, statistics), access and interconnection (BRIO, BROBA, BRUO);
- the international telecoms relations department: coordination of activities in ERG, IRG, European bodies, ITU, WTO, CEPT;
- the budget and logistics department: BIPT budget, accounting (collection of revenues and management of outgoings), purchasing department, equipment.

Michel Van Bellinghen, member of the Council, is in charge of:

- the department for the legal aspects of telecommunications: regulatory framework of telecommunications and radio communications, general legal support to other departments, disputes, conciliation, international treaties, protection of privacy, ethical commission (excluding La Poste);
- the department for technology, use of telecommunications and radio communications: (international and national) spectrum coordination, international organisation for radio communications, management of the frequency plan, computerisation, monitoring equipment and notifications in accordance with the RTTE directive, (international) standardisation; issuing of radio communications authorisations and of voice telephony and fixed networks authorisations, declarations of telecommunications services, management of the numbering plan, domain names, number portability, use of numbers;
- the personnel department: status of BIPT staff, sector committee, training.


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BIPT AND ELECTRONIC COMMUNICATIONS

2.1. LEGAL FRAMEWORK

IN THE AREA OF TELECOMMUNICATIONS, TECHNOLOGICAL INNOVATION CONTINUES TO DICTATE IN LARGE PART HOW THE REGULATORY SYSTEM PROGRESSES. DIGITISATION FOR INSTANCE HAS MADE IT POSSIBLE TO OFFER SEVERAL TYPES OF CONTENT THROUGH NETWORKS OF DIFFERENT KINDS SUCH AS THE CABLE NETWORK OR THE TELEPHONE LINE. AT THE SAME TIME, THE INTERNET HAS BECOME A GLOBAL PLATFORM FOR A RANGE OF ELECTRONIC COMMUNICATIONS SERVICES. THANKS TO THEIR CONVERGENCE, THE INFORMATION AND COMMUNICATIONS TECHNOLOGIES HAVE OPENED UP NEW POSSIBILITIES. THE EUROPEAN LEGAL FRAMEWORK FOR ELECTRONIC COMMUNICATIONS DEALS WITH THIS TECHNOLOGICAL CONVERGENCE, AND EXTENDS AND ADAPTS THE ADVANTAGES OF LIBERALISATION TO ELECTRONIC COMMUNICATIONS IN GENERAL.

The act on electronic communications

Belgium, which had fallen behind in the transposition process of European directives on electronic communications, promulgated its act on electronic communications on 13 June 2005. As already stated, the European directives subject all networks and services of electronic transmission to the same regulatory framework on the basis that the telecommunications, broadcasting and information technology sectors have started to converge. As powers on broadcasting are shared with the Communities, the scope of the act of 13 June 2005 was restricted to telecommunications.

The regulatory framework introduced by the act is characterised by a high level of flexibility. This act puts an end to the system whereby authorisation is required for conducting telecommunications activities. From now on, in order to start a specific activity, a company merely has to file a relatively brief notification with the Institute. The approval or the agreement of the Institute is not required but the operator must obviously provide and update the information enabling the Institute to keep an overall view of the market. In practice, after the notification, the Institute sends a declaration to the operator specifying that the latter made a valid notification and that it can start developing its activities but this declaration is not an authorisation from BIPT vis-à-vis the operator concerned. It is a mere confirmation.

The act of 13 June 2005 made all but obsolete the circular letters adopted by BIPT in January 2004 as transitional measures. Although the act lays down the great principles, the details continue to be ruled by these circular letters. This act also has the effect of abolishing the act of 30 July 1979 on radio communications, which are now put on a par with the other electronic communications.

This act was already complemented by two implementation orders in 2005:

- a ministerial order of 1 September 2005 amending the ministerial order of 9 January 2001 on the establishment and the operation of radio stations by radio amateurs;
- a ministerial order of 12 December 2005 establishing the categories of outgoing calls and the categories of the numbers called of which the blocking must be offered free of charge to end users.

The cooperation agreement with the Communities

In its decision 132/2004 of 14 July 2004, the Court of Arbitration (constitutional court of law responsible for settling disputes between the different entities of the federal State) had struck down an article of the act of 17 January 2003 on the status of the regulator of the Belgian postal and telecommunications sectors. This decision set 31 December 2005 as the deadline for finding a solution between the Communities and the federal State regarding the electronic communications infrastructure common to telecommunications (federal competence) and broadcasting (community competence).
After this date, the federal regulator, BIPT, would no longer be able to directly exercise the powers conferred on it by the annulled article, particularly as regards market analysis. In other words, decisions concerning the networks and markets which also come under the competence of Communities could only be taken after consultation between the federal and community regulators.

The different federal and community governments finalised a draft cooperation agreement on 20 April 2005 that is to be signed by all parties and then receive the consent of the respective

parliamentary assemblies. Yet it appears that the signing by the Flemish government depends on progress on another issue, namely that of the radio frequencies in the FM band. However in its decision 128/2005 of 13 July 2005, the Court of Arbitration adopted the same approach in relation to the Flemish Community and struck down in nearly the same terms the chapters of the Flemish decree of 7 May 2004 dealing with electronic communications networks, the provision of cable networks and radio or television broadcasting services, which come under joint jurisdiction.

On 20 July 2005 the federal Parliament drew its conclusions from the Court of Arbitration's jurisprudence and replaced the annulled provision by a new text compliant with the requirements made by the Court and anticipating the cooperation agreement.

So there is a clear obligation for the Federal State and the Communities to conclude a cooperation agreement and then put in place the procedures that have been agreed by mutual consent.

The draft cooperation agreement of 20 April 2005 is based on the key principle that each competent authority is to inform the others of its draft decisions insofar as they affect their powers. The other regulators will then be given a short time span in which to examine them and if need be to respond by activating the cooperation procedure. In this case, a "conference" of regulators will meet. Within this conference, all authorities whose competence is concerned will have to agree on the draft measure. If no consensus is reached, the matter will be returned to the political level where it will be up to the ministers of the respective governments to find an agreement.

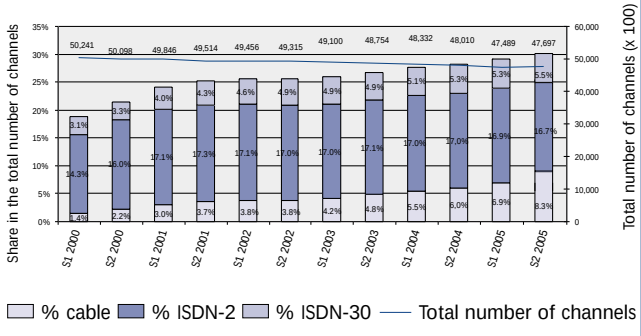
It should be noted that while these negotiations took place, other meetings between the Institute and the representatives of the different Communities made it possible to compile a national database listing all radio broadcast transmitters on the FM 87.5 – 108 MHz band.

2.2. ECONOMIC CONTEXT OF THE SECTOR

Access

The analogue access line (PSTN – cable) is the most widely used means to gain access to the telephone network (75% of the total number of lines). The share of cable accounts for 8.3%. This share keeps showing an upward trend and slows down the decline in the total number of analogue access channels.
The digital ISDN-BA lines, which contain two communication channels of 64 kbit/s, make up 16.7% and the ISDN-PRA, which provides 30 channels of 64 kbit/s for the transport of voice and data, has a 5.5% share in the total number of access channels.

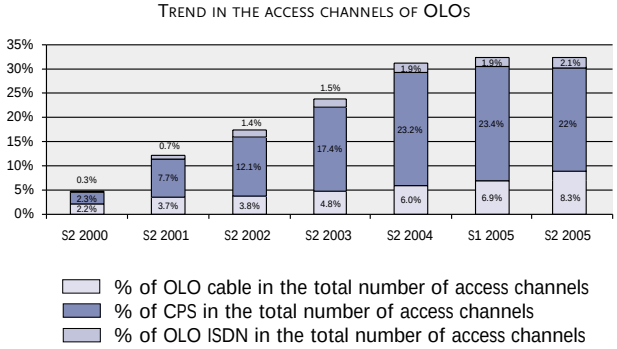
TREND IN THE SHARE OF CABLE AND ISDN IN THE TOTAL NUMBER OF CHANNELS



The main suppliers of residential access to the telephone network are Belgacom and Telenet. Coditel started marketing its access activities in January 2005. Other operators, such as BT Belgium, Colt, Verizon Business, Versatel and Mobistar, also target the non-residential market segment.

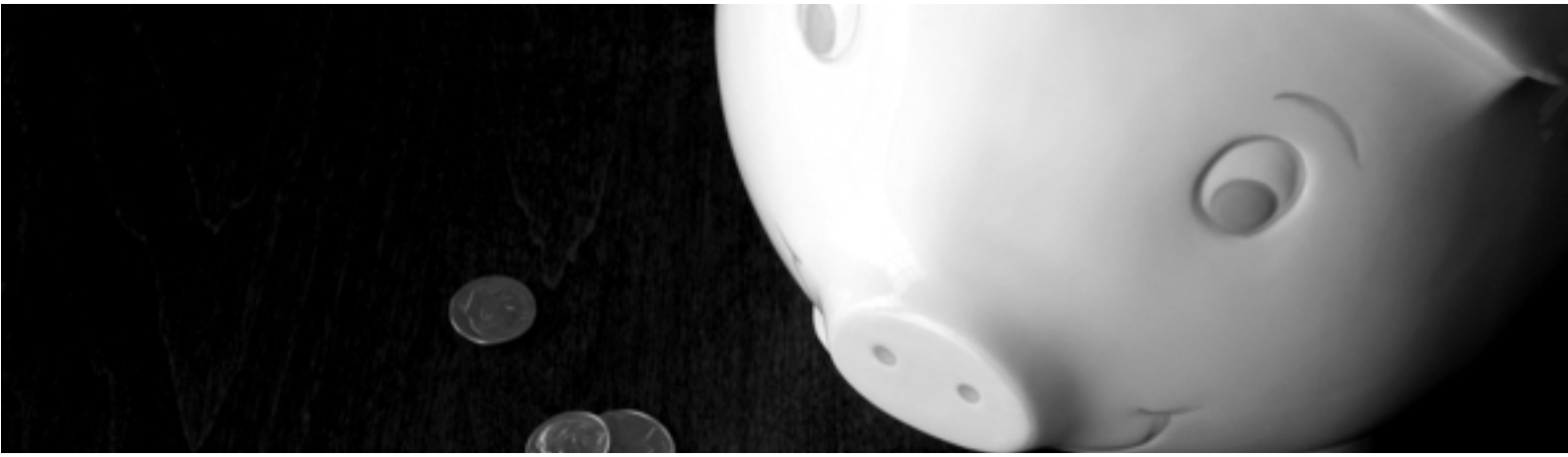
Access to the telephone networks of alternative operators, in terms of own infrastructure or based on the unbundling of the Belgacom local loop, accounted for 10.4% of the total number of access channels at the end of 2005. If indirect access is also taken into account, i.e. the total number of active CPSs automatically relaying calls to the network of the alternative operator to which he is connected, this percentage rises further to 32.4%.

TREND IN THE ACCESS CHANNELS OF OLOS



Fixed telephony

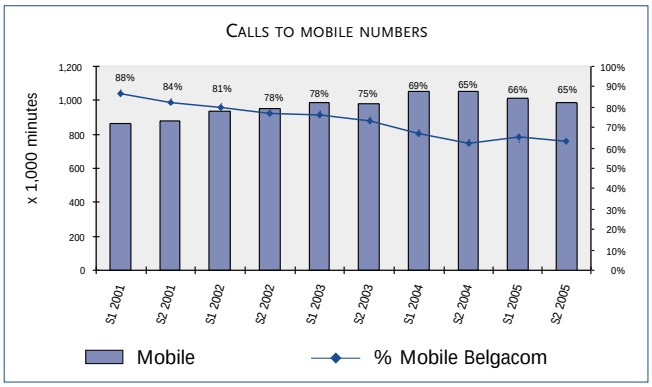
2005 was the year that saw the outbreak of a price war between the players on the fixed telephony market. After the launch of the ScarletOne offer in 2004, which provides the customer with both Internet access and unlimited calls on the fixed line for a flat fee of € 49.95 a month, and the launch of FreePhone by Telenet, a formula which offers free and unlimited calls to all fixed domestic lines for a fee of € 16.95 a month, Belgacom introduced HappyTime on the market on 1 June 2005. HappyTime is a free formula for calls during off-peak hours without the need to pay extra charges on top of the subscription.
Tele2 responded with Free Time (€ 0 to fixed national numbers during off-peak hours from 31 May 2005) and Telenet also adap-

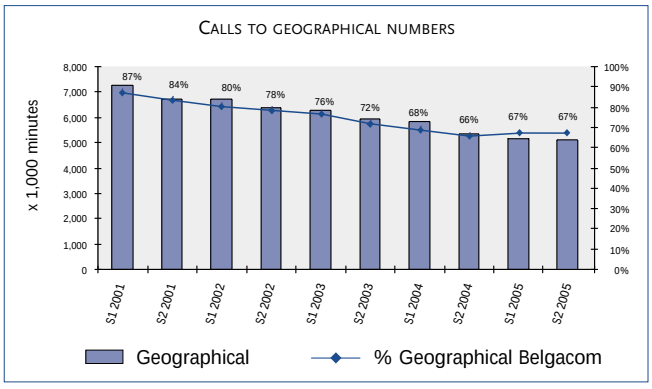


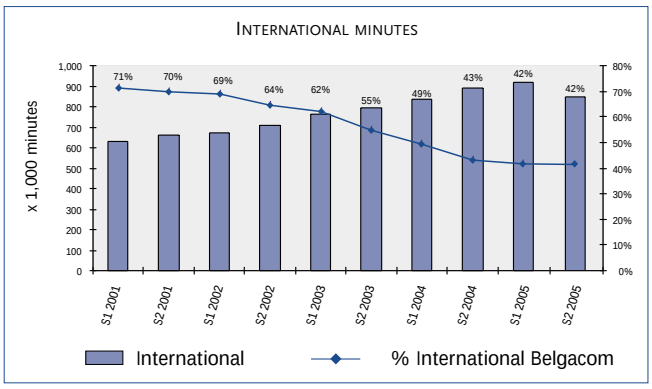
ted its telephony offer. The Anytime option made domestic calls entirely free every day of the week and 24 hours a day for all FreePhone subscribers, from 6 June 2005 until the end of 2005. Finally in November 2005, Tele2 launched the formula Tele2 All In, which combines a telephone line (Internet telephony) and ADSL for € 39.90 a month.

The "free" trend for national calls led to a slowdown in the falling number of fixed national voice telephony minutes, which had occurred since the second semester of 2001. The year 2005 showed a fall by 3.5% in calls to fixed national geographical numbers. During the previous years, this decline was considerably sharper: -10.3% in 2004 and -6.7% in 2003. The incumbent operator's market share remains stable.

The graphs below show the trend in calls to mobile numbers and in international calls:





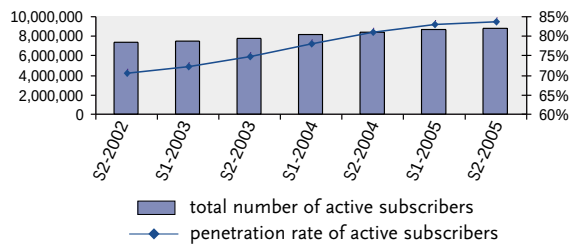


Mobile telephony

The mobile penetration rate in terms of active mobile subscribers came to 83.8% at the end of 2005. The growth in the number of active mobile subscribers, about 4% in 2005, seems to slow down somewhat compared with previous years (± 8.8% in 2004).

The graph below illustrates the trend in the number of active subscribers and the mobile penetration rate in Belgium.

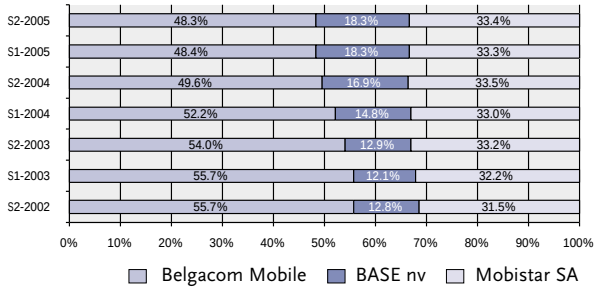
NUMBER OF ACTIVE SUBSCRIBERS AND PENETRATION RATE



In 2005, only BASE, the smallest among the three mobile network operators, succeeded in gaining further market share. It did so at the expense of Belgacom Mobile. Mobistar's market share remains stable.

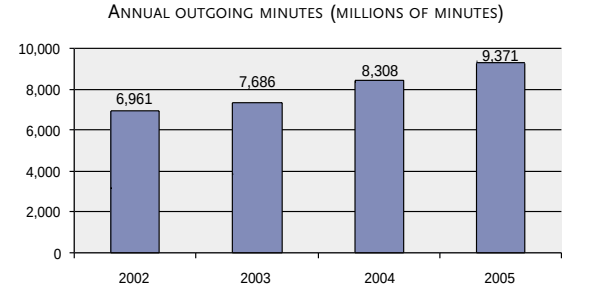
Over the period 2002 – 2005, BASE recorded a rise in active subscribers by 97%.

SHARE IN THE TOTAL NUMBER OF ACTIVE SUBSCRIBERS

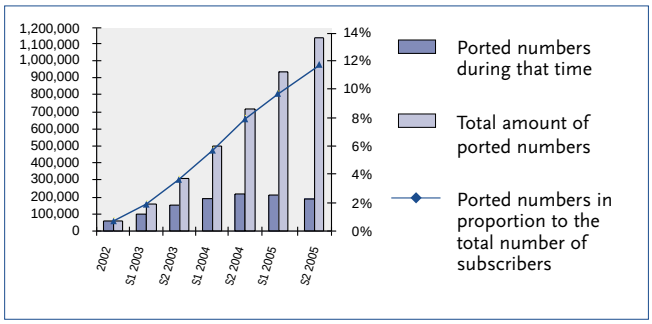


The volume of the mobile phone market in terms of the number of outgoing voice minutes continues to grow. However, it seems that this growth should be put down to the rise in active subscriber numbers and not to the intensive use of mobile phones since the average number per active subscriber does not increase.

ANNUAL OUTGOING MINUTES (MILLIONS OF MINUTES)



In addition, mobile subscribers switch more easily between operators. Mobile number portability offers the facility of changing operators while keeping the number. Since its introduction in October 2002, as many as 1,130,271 mobile phone users have benefited from this. At the end of 2005, the total number of ported numbers as a proportion of the total number of mobile subscribers rose to 11.8%.



In terms of services, 2005 was characterised by the launch of new rate plans such as packages that replace subscriptions by a monthly flat fee and a single rate for calls to all networks (Proximus – August 2005) or unlimited calls to subscribers with the same mobile network for a monthly flat fee (BASE – October 2005).
In accordance with the new telecoms act of 13 June 2005, a social tariff was also introduced. Since 3 November 2005, Proximus customers who receive an integration income from the benefits agency OCMW/CPAS (Public Centre for Social Welfare) have had the opportunity of requesting the social tariff option. When doing so, they receive a monthly € 3.10 credit on their Pay & Go card.

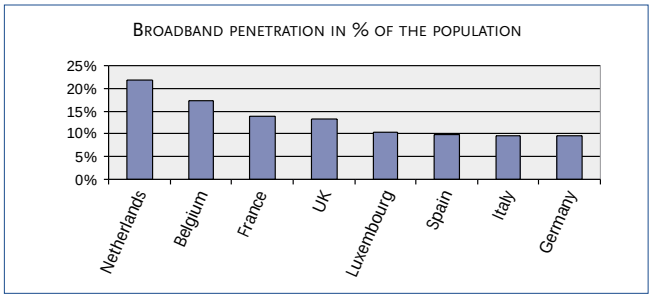
Several new brands also entered the market. Proximus launched "Ugly Duck" in August 2005, a low-cost brand for people who only use their mobile phone to make calls and send text messages. BASE followed suit with Simyo on 6 September 2005. Mobistar launched its light offer on 30 November 2005.

The commercial offering of 3G services was further extended. Following the launch in April 2004 of PC cards for laptop computers for professional usage, Proximus started offering 3G services for the residential public on 15 September 2005. These services include video telephony, the downloading of audio files and watching television on the mobile phone.

Internet and broadband

The growth of the Belgian Internet market stagnated in 2005. Belgium totalled 2,187,023 Internet connections (source: ISPA) at the end of 2005, which amounts to a 7.6% rise compared with the end of 2004. A similar growth was recorded in 2004 (+7.4%). Broadband consolidated its share in the total number of Internet connections: from 79% at the end of 2004 to 87% at the end of 2005.

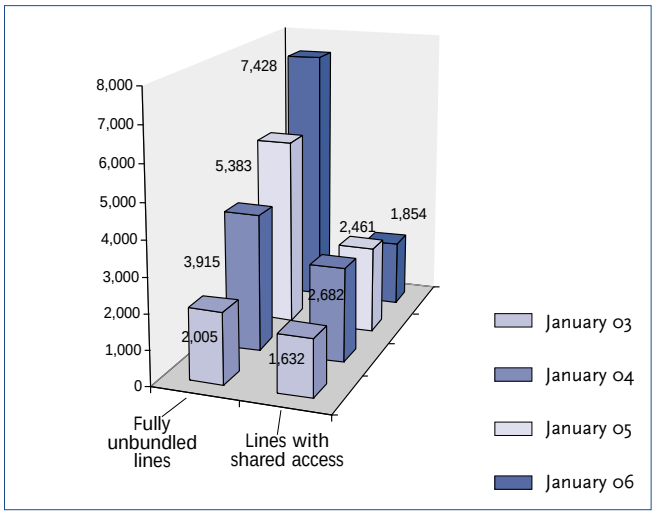
Within the European Union, Belgium holds an excellent rank with regard to broadband penetration expressed in percentage of the population.

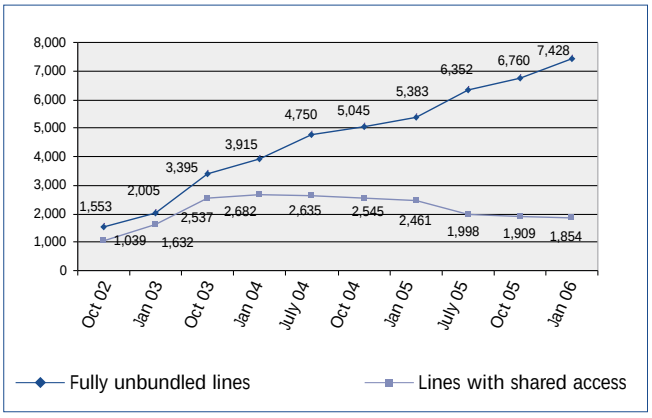


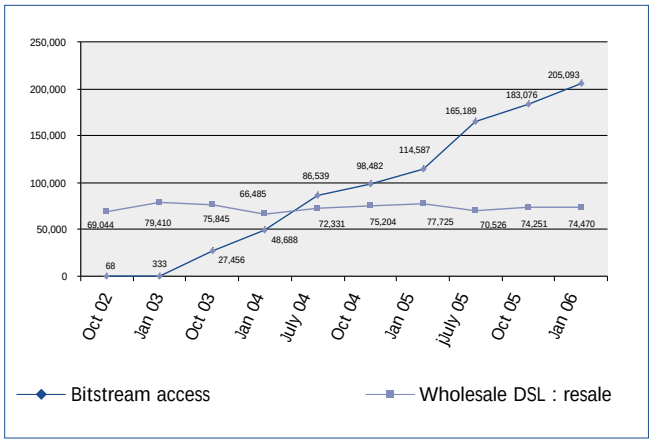
Source of data: Ecta

The majority of broadband lines are provided via ADSL over Belgacom's copper network: 62%. Broadband Internet connectivity via cable accounts for the remaining 38%.

Especially the Belgacom bitstream offer, which involves Belgacom installing its own equipment for broadband solutions and offering it to alternative operators or ISPs, and the resale of the Belgacom DSL product enabled providers to gain a foothold on the Belgian broadband market.

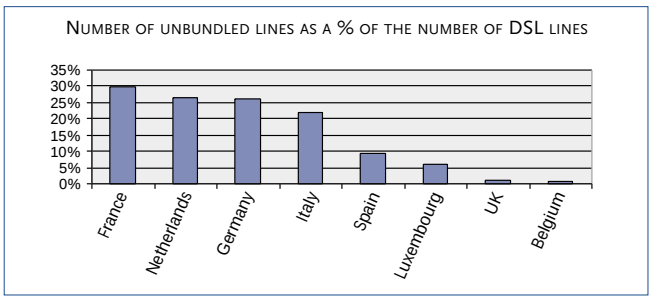






Access to Belgacom's local network at wholesale prices is a key element in stimulating competition. Through the unbundling of the local loop, Belgacom is actually obliged to lease out to competitors individual lines which connect the customer to the Belgacom network so that they themselves can install equipment in the switches for the provision of ADSL services. ISPs thus gain access to end users without having to invest in the local loop network themselves.

At present, the impact of unbundling on the development of broadband Internet is rather limited in Belgium. At the beginning of 2005, Scarlet only offered broadband Internet lines on the basis of unbundling. They were followed by Mobistar in September 2005. With the "ADSL connect" offer, Mobistar takes over from Belgacom the management of an existing telephone line and the user pays € 39.95 a month directly to his mobile operator.



Source of data: Ecta

Alternatives for broadband via ADSL and cable are Internet access via 3G networks and wireless surfing using the Wi-Fi and WiMax standards.

Whereas with Wi-Fi hotspots, wireless Internet surfing is limited to local networks in venues such as hotels, airports, train stations and cafés/restaurants, the range of the WiMax network is much wider. This latter high-speed Internet connection was launched in Belgium by Clearwire in 2005. It provides access through-out Brussels and in parts of the Brabant Wallon province.

3G mobile broadband Internet was rolled out commercially in April 2004. The introduction of the Vodafone Mobile Connect 3G/GPRS data card offered by Proximus enabled Internet connection from a laptop computer. In September 2005, Proximus also started offering mobile 3G phones, which, connected to a laptop or a PDA, also provide access to the mobile Internet. As for Mobistar, the company has been offering the EDGE technology on its entire network since August 2005. The transfer speed of this technology is four times higher than GPRS. Mobistar has also had a commercial UMTS offer since September 2005. BASE intends to offer EDGE to its customers during 2006.

2.3. ECONOMIC REGULATION

2.3.1. ACCESS TO THE MARKET

The Institute handles all applications for the operation of fixed and mobile telecommunications networks and the telecommunications services provided on them.

With regard to fixed telecommunications services, little change was recorded in the first year half compared to 2004. The former licences were replaced by declarations (voice telephony and public networks) on the basis of circulars published by BIPT on this topic.

In the second year half, the new telecommunications act introduced a number of new elements regarding declarations. Chief among these are a new definition of the voice telephony service, which is now called the public telephone service, the cancellation of the obligation to declare private networks, the scrapping of the closed user group concept, the introduction of a requirement of declaration for resellers of services and the abolition of the requirement of declaration for what are commonly known as call shops.

A new royal decree was prepared in the autumn in order to implement the new declaration policy. The royal decree will probably come into force during 2006.

NUMBER OF REGISTRATIONS AND INDIVIDUAL LICENCES ON 31 DECEMBER 2005

Telephone service available to the public	35
Public network	47
Other services	451
TOTAL	533

2.3.2. REGULATION OF THE OPERATOR WITH SIGNIFICANT MARKET POWER (SMP) AS REGARDS ACCESS AND FIXED TELEPHONY

Fair conditions

Belgacom has been declared a player with significant power in the fixed telephony market. This means in practice that it is subject to regulation and monitoring of the conditions under which it allows access to its infrastructure. In accordance with article 162 of the act of 13 June 2005, the obligations resulting from the former regulatory framework are maintained until new market analyses lead BIPT to confirm or to withdraw them.

In 2005, the Institute for instance analysed and amended Belgacom's three "reference offers" for 2006: the BRIO (Belgacom Reference Interconnect Offer), the BRUO (Belgacom Reference Unbundling Offer) and the BROBA (Belgacom Reference Offer Bitstream Access). These reference offers are designed to establish the tariffs and conditions under which Belgacom makes its network available to alternative operators. For each of these offers Belgacom forwards a draft text to the Institute. The market is consulted and expresses its remarks and on that basis, the Institute issues a draft decision which is again submitted for comments before its finalisation. Then the offer is published and serves as a reference for the following year.

The BRIO

As regards fixed telephony, the BRIO lists the conditions under which Belgacom makes its interconnection network accessible to other operators (the interconnection network being the part of the network beyond the "local loop").

However, the BRIO is much more than a mere table of tariffs for the conveyance of calls on sections of networks. This document also includes quality standards, technical specifications on the services offered or on the existing infrastructure, ordering procedures, delivery times, etc. BRIO 2006 can be consulted at http://www.belgacom.be/nationalwholesale/nws/jsp/static/brio.jsp.

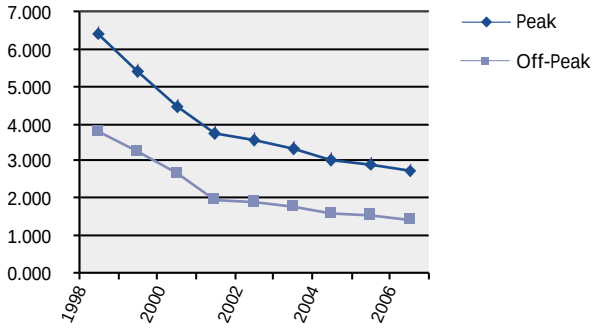
BRIO 2006 was approved by the BIPT Council on 22 December 2005, which decision was published on the Institute's website. The main elements of BRIO 2006 are:

- the creation of a working group which will bring together Belgacom, the alternative operators and BIPT to ensure an effective follow-up of the decision taken by BIPT;
- the possibility for an alternative operator to submit itself a request for deactivating the preselection to Belgacom;
- the obligation for Belgacom to inform the Institute and the other operators of important changes to its IT systems;
- a new cut in the collection and call termination rates on Belgacom's network (-6.5% compared to 2005).

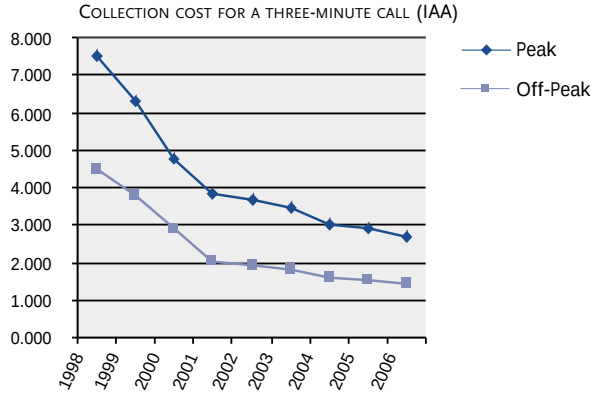
The Institute had to take intermediate decisions on the prevailing BRIO in the course of 2005. The BIPT Council took several decisions on tariffs for interconnection links, value added services and on the activation rate for preselection.

As far as interconnection is concerned, BIPT also took a decision on 7 March 2005 concerning the special rates applied by Belgacom to its customers for calls to number 1313, which gives access to the directory enquiry service operated by the company EDA. The decision of BIPT led to a cut in the call rate to the 1313 service and as a result, sparked competition between the directory enquiry services of Belgacom and EDA.

TERMINATION COST FOR A THREE-MINUTE CALL (IAA)



COLLECTION COST FOR A THREE-MINUTE CALL (IAA)



The BRUO and the BROBA

The BRUO and BROBA offers are aimed at providing a wholesale broadband offer. The BRUO implies that the alternative operator should continuously be able to use all or part of the transmission capacity of the final wire, which connects the subscriber to the network. These offers are particularly important with regard to Internet access. The BROBA only concerns bitstream. It enables operators to provide an alternative offer without having any network infrastructure. The BRUO and the BROBA have contributed to boosting competition and diversifying the offer on the Internet access market.
BIPT rendered its opinion on the BRUO and the BROBA on 9 and 25 November respectively. Belgacom published these opinions in January on its website but they have not been approved yet.

The BRUO and BROBA tariffs are set by the Institute with a double objective: Belgacom's cost orientation and the chance of fair competition.

Apart from the new option added by Belgacom to use ADSL 2 and ADSL 2+ within the framework of the BRUO offer, certain characteristics imposed by the Institute are worth looking into:
- access to ADSL 2+ within the BROBA offer;
- the possibility to use ESDSL technology within the BRUO offer;
- the rise in monthly co-location installation and line migration capacities;
- the possibility for an operator to be set up in co-location for the sole purpose of providing a backhaul service to other operators;
- the extension of the use of the backhaul offer to the use for access to all BRIO, BRUO and BROBA services in multiplexing.

BRUO-BROBA II 2006 TARIFFS

BRUO 2006 (Raw Copper Loop)	
Monthly rental fee (type 1)	€ 10.58
Monthly rental fee (type 2)	€ 11.26
BRUO 2006 (Shared Pair)	
Monthly rental fee (for active loop with Belgacom voice)	€ 1.61
BROBA II 2006 (ADSL)	
Total monthly rental fee per end-user line ADSL (active loop)	€ 8.15
Total monthly rental fee per end-user (non-active loop)	€ 17.80
BROBA II 2006 (SDSL)	
Total monthly rental fee per end-user line SDSL	€ 21.47

Compared with the previous year, tariffs again show a slight drop.

Pricing methods

Drawing up procedures for consultation and analysis of the reference offers constitutes an in-depth technical and economic exercise performed by BIPT. On the economic side, BIPT has the task of monitoring, on the basis of complex models, whether the proposed rates reflect the costs which the operator with significant market power has to bear, while preserving the return on his investment.

Setting interconnection tariffs in particular can be done by taking either a “top-down” or a "bottom-up" approach. In the first case, a cost model is used that is put together on the basis of an operator’s accounts and that spreads the relevant costs across the different elements in the network and among the services that use these network elements. The “bottom-up” model on the other hand is devised on the basis of the volume of traffic to be routed by an operator, whereby this volume determines the optimum dimensions of the different layers in the network.

In principle, the “bottom-up” model better reflects the situation of an efficient operator. Until now, Belgacom’s interconnection tariffs have been established by applying a top-down model. However, BIPT has developed a bottom-up model in consultation with telecommunications operators. In future, it will be possible to set interconnection tariffs by integrating the results of the two models, according to the decisions taken following the market analyses.

In order to monitor whether the costs have been correctly allocated and to avoid competition-distorting cross-subsidies between the different services, the Institute also checks whether Belgacom meets certain requirements regarding separate accounts.

Leased lines

A last point concerning fixed networks relates to leased lines. A leased line is a service that consists in providing a permanent transmission capacity between two points. This means that this capacity is totally allocated to one customer, who pays the operator a fixed monthly charge. Belgacom is subject to several obligations in relation to leased lines, such as universal access, cost orientation, as well as certain publicity obligations (technical characteristics, tariffs, conditions for provision). The Institute monitors whether these different obligations are met. For this purpose, the Institute has requalified as leased lines the offers which Belgacom collectively refers to by the term BLES (capacity of Ethernet type and other speeds not available in the SDH technology), with all obligations that that entails. These lines are actually defined in Belgacom’s commercial offers in terms that are fully compliant with the legal definition of leased lines.

2.3.3. REGULATION OF THE OPERATORS WITH SIGNIFICANT POWER IN THE MOBILE TELEPHONY MARKET

Termination charges

The project of developing a generic cost model for the mobile telephony operators in Belgium is conducted in close collaboration with the three companies concerned: Proximus, Mobistar and BASE. The Institute is being assisted by a consultant for this project. At the end of 2005, this project was nearly completed.

Further analysis was conducted on the three wholesale markets in relation to mobile telephony services retained by the European Commission in its Recommendation of 11/2/2003 on relevant product and service markets within the electronic communications sector. This concerns the following markets:

- market No 15: access and call origination on public mobile telephone networks;
- market No 16: voice call termination on individual mobile networks;
- market No 17: national wholesale market for international roaming on public mobile phone networks.

As regards this third market for international roaming, data collection and analysis is conducted in a harmonised way in the context of ERG/IRG, given the inherent cross-border character of the market concerned.

As regards the economic aspects concerning the mobile communications networks and services, the first half of 2006 will essentially be devoted to the finalisation of the analysis of mobile markets to carry out the required consultations. Specifically with regard to market 16, the remedies that will be proposed for cost orientation of mobile termination rates (MTR) will be based on the results of the generic cost model developed in 2005.

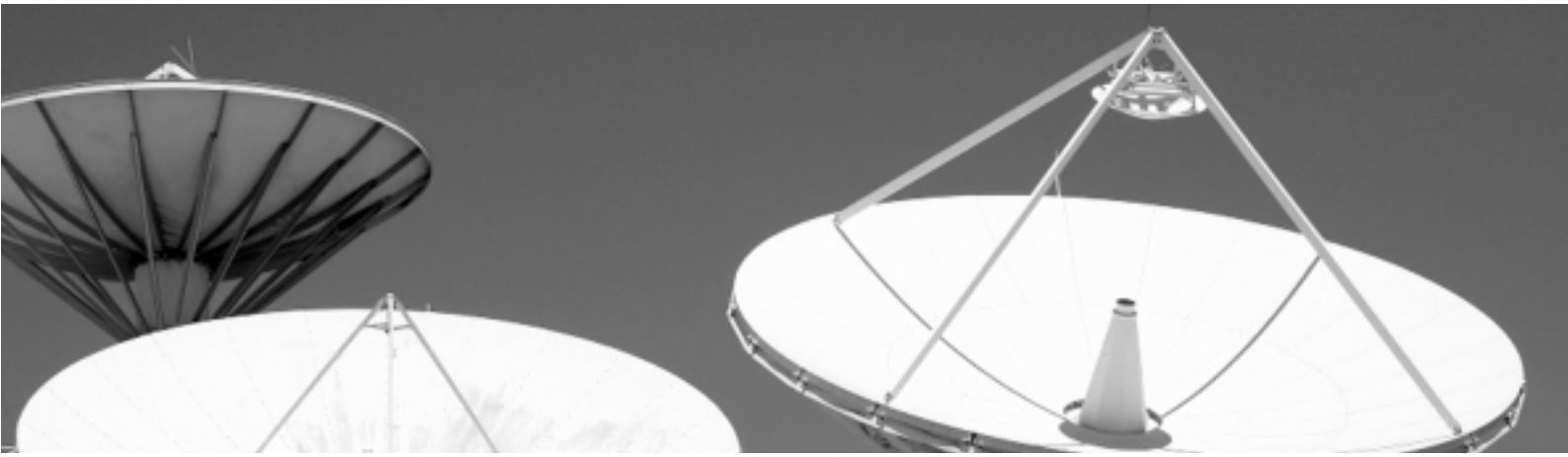
2.3.4. MARKET ANALYSES

In order to enable regulators to respond flexibly to developments in the electronic communications sector, the new European regulatory framework lays down that regulatory authorities shall regularly carry out market analyses and use a method similar to competition law for that purpose. These market analyses are performed over several stages. Relevant markets are first defined and then analysed using a list of indicators to assess whether there is sufficient competition and, if such is not the case, one or several operators with significant market power are eventually identified and the regulator is then compelled to impose remedies on them. These measures mainly include non-discrimination, transparency, separate accounts, access to networks and facilities and cost orientation. In practice, this can involve the obligation of establishing interconnection reference offers, unbundling offers or offers for access to infrastructure.

In an effort to improve harmonisation, the Commission regularly issues a recommendation listing the markets which it considers to be relevant. The current recommendation totals 18 such markets.

As the sector regulator, BIPT was assigned the task of analysing 17 of these markets (the 18th, which relates to broadcasting, has been entrusted to the care of the Communities).

The innovative approach and the workload that this market analysis entailed prompted BIPT to seek assistance from a consultant. For practical reasons, the group of 17 relevant markets was split up into four clusters. In 2005, work on the market analysis



was mainly performed in-house. The "access" cluster including the relevant markets 1, 2, 11 and 12 made the most progress: the national consultation on the draft decision took place in October, November and December. The internal proceedings for the three other ("mobile", "fixed telephony" and "leased lines") clusters are also nearing completion and the national consultation on the draft decisions concerned is expected for the first months of 2006.

2.3.5. MONITORING

Observance of licences: landmobile networks of the 2nd generation (2G)

A public consultation was held on the renewal of the three existing mobile phone licences. The results were analysed and discussed internally and were published on the website of the Institute. A number of recommendations based on these results were passed on to the Minister in charge.

During the year it also became apparent that the number of channels used by mobile operators in the GSM and DCS1800 bands had remained relatively stable. A fair number of channels assigned to operators remains unused so that in a saturating mobile phone market, at least in terms of subscriber numbers, there is no question yet of saturation in the available frequency spectrum.

Landmobile networks of the 3rd generation (3G or IMT2000/UMTS)

At the request of the minister, an opinion was prepared on the possible review of the coverage requirements for UMTS networks and the advisability of modifying the relevant regulatory framework.

Technological development from 2G to 3G and convergence

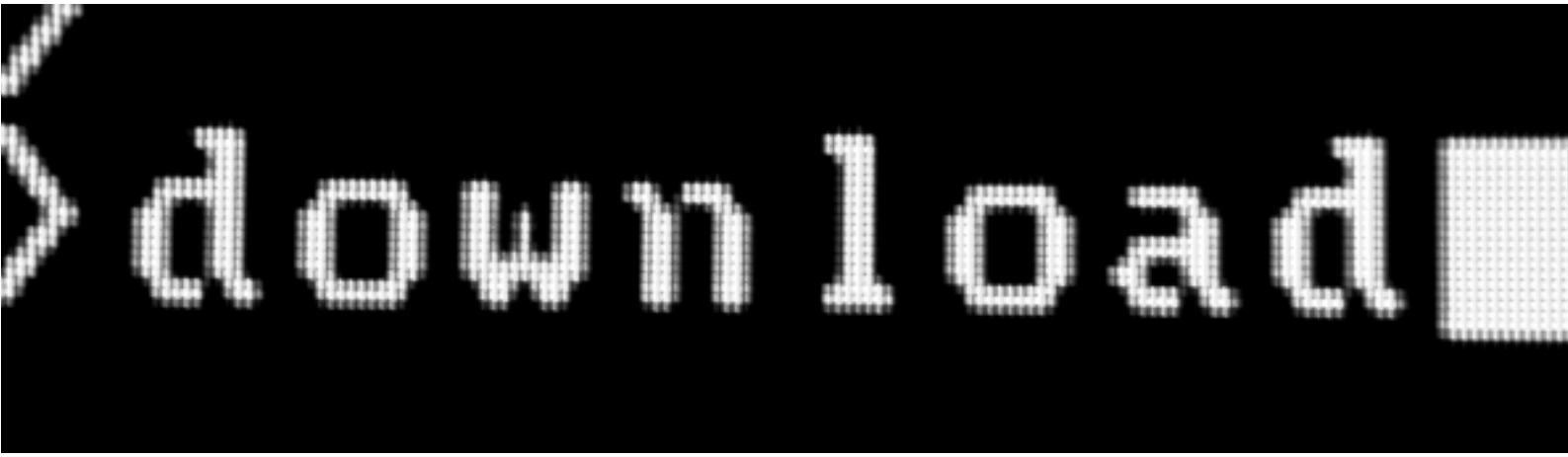
Technological developments in electronic communications have not stood still since the award of UMTS licences in 2001. Currently there are Wi-Fi networks that enable what is known as the nomadic use of services which to some extent compete with mobile communications services of the 3rd generation.

The question could now be raised whether 3G applications could be authorised in the 2G frequency bands. This matter has not yet been debated. Next year will bring more clarity on this issue.

More generally it should be pointed out that in international forums, the opinion is being voiced that regulation should become increasingly technology-independent.

Monitoring operators' and service providers' activities

A special cell is in charge of permanently enforcing the different legal provisions on the obligations carried by operators and service providers. That department either acts of its own accord or on the basis of complaints from operators or service providers, or even at the request of other departments within the Institute, by carrying out investigations on site when they suspect violations in the cases that they handle.



It is because of its actions that the Institute is able to:
- monitor compliance with universal service obligations;
- safeguard fair competition;
- prevent 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 installation of infrastructure.

In their capacity of criminal investigation officers, the department's officers are also authorised to track down and report all offences within the framework of telecommunications law. Very often, they work in collaboration with the police services and the public prosecutor's offices or the ancillary departments cooperating with police services, taking action in order to:
- curb fraud against operators, service providers and consumers, which tends to increase in a permanently evolving market;
- monitor observance of the confidentiality of communications and the protection of privacy.

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

126 call shops were investigated during the year, most of which in collaboration with the police services, notably in Liège, Courtrai, Ghent, Charleroi and Brussels. Most of these shops were investigated as part of the department's participation in large-scale operations (known as "Tam tam" operations).
At the end of the year, several meetings were organised with the public prosecutor's office and the police services to explain the end of monitoring operations on call shops following the implementation of the act of 13 June 2005 on electronic communications. As a result of article 49 of this act, a royal decree setting the conditions required for this activity should be issued. A first draft by the Institute was not accepted by the government. Therefore no regularisation is currently in force in this field.

Subsequent to internal requests from the licences department, several targeted checks were carried out regarding failures to declare electronic communications services.

A survey was also conducted on the compliance by operators with providing free emergency calls.

The follow-up of a complaint lodged by a foreign company alleging discrimination because of the free exchange of data between Belgacom and other European operators led to an investigation on the conditions under which operators' data are made available for the provision of directory enquiry services and directories. As part of this investigation, the department also monitored the measures taken in order to protect privacy in the management of the data used by directory services. This monitoring was not completed yet at the end of the financial year.

A case involving false telephone cards led to an investigation and a report to the public prosecutor's office.

2.4. User protection

Liberalising the market and introducing competition are aimed at bringing prices down on the one hand and diversifying the product offering and increasing quality on the other hand. However market forces should not be exerted at the expense of any category of users. This concern features in European laws and regulations. BIPT monitors the proper operation of the protective mechanisms.

Numerous rates

Tariff transparency for the consumer is a prime concern to BIPT, which prepared in 2005 the implementation of article 111 of the new act on electronic communications stating that BIPT should make current information available to consumers on its website to enable them to determine the most advantageous offer for them in view of their pattern of use.

The Consultative Committee on Telecommunications

BIPT provides the secretariat of the Consultative Committee on Telecommunications, both at plenary level and in the various working groups. The opinions which the Committee renders either on its own initiative, at the request of the Institute, or at the request of the Minister in charge of telecommunications, are prepared in working groups. In 2005, the Committee created for the first time in its history a joint working group, which was composed of the members of the Consultative Committee on Telecommunications who were joined by the members of the Internet Rights Observatory and invited experts. The proceedings of this joint working group culminated in May 2005 in an opinion on “the opportunities and challenges associated with the development of the Voice over IP services".

The universal service of electronic communications

The universal service principle means that in a market open to competition, all users should be guaranteed access to a minimum package of services of a given quality and at affordable prices.

This package of services currently comprises:
- the access to a basic fixed public network (allowing among other things narrowband Internet access) and to a fixed telephony service;
- a social element involving the provision of a social telephone tariff to certain categories of persons;
- the provision of public payphones;
- the provision of a universal directory enquiry service;
- the provision of a universal directory.

The act of 21 March 1991 designated Belgacom as the provider of all elements of the universal service for the whole territory. The universal service policy was overhauled by the act of 13 June 2005 on electronic communications: among other things, the designation method was modified with providers now being designated element by element except for the social element (which operates differently) after an open procedure, of which the implementation details have to be specified by the King. However on 31 December 2005 few changes were noticeable for the consumer, as the numerous implementation orders were still lacking. So in 2005 Belgacom continued, in application of article 163 of the act of 13 June 2005, to fulfil its universal service obligations which were imposed by the act of 21 March 1991. This transition period will last until 1 January of the year that follows the designation by the King of the provider(s) of each of the elements of the universal service (except for the social element).

As for the system of social tariffs, it was thoroughly modified as soon as the act of 13 June 2005 came into force. From now on, article 74 lays down the obligation for each operator to offer special rates to certain categories of beneficiaries.

Therefore all fixed and mobile telephony operators as well as the resellers of these services have since 30 June 2005 been obliged to provide the social telephone tariff to customers meeting the conditions laid down under article 22 of the annex to the act (as the act does not provide for any transitional system for the provision of social telephone tariffs). However on 31 December 2005 only two operators provided the social telephone tariff for reasons linked to difficulties with the implementation in practice.

From the perspective of regulatory development at a European level, the Institute forwarded in 2005 a strategy paper on the content of the universal service to the ministers in charge. This followed the publication by the European Commission of its communication of 24 May 2005 on the review of the scope of the universal service in accordance with article 15 of the "Universal service" Directive 2002/22/EC.

Monitoring of universal service obligations

As regards universal service, the first task of the Institute is to monitor the proper execution by the universal service providers of their obligations. In view of the above-mentioned changes to the regulatory framework, the monitoring in 2005 only concerned Belgacom and related to the universal service obligations which it saw imposed by the act of 21 March 1991 except for the social element. With regard to this element, obligations as well as providers and therefore the execution of the monitoring on the social element were modified in mid-year.

Finally the Institute also drew up a report on the universal service relating to 2004. The Institute thus observed an improvement in the quality of the connection service and the basic telephone service compared to 2003; it appears that the action plan implemented at the request of the Institute following the publication of the 2003 report was effective as far as this element was concerned. However, the Institute points out that the situation of the public telephone booths continued to deteriorate in 2004.

Each edition of the telephone directory is checked to ensure that the legal provisions are complied with. It should be noted that the monitoring department, in close cooperation with the legal department of the Institute, follows all developments in the relevant legislation, including the aspects relating to the management and harmonisation of the databases between the various operators, as well as access to the directory enquiry services.

In relation to social tariffs, BIPT completed in the first half of 2005 the investigation designed to monitor the fulfilment by Belgacom of its social tariffs obligations and more precisely the updating of its database carried out in 2003. This investigation led to the publication of the decision of the BIPT Council of 6 June 2005 regarding the updating by Belgacom of its database on social telephone rate beneficiaries. According to this decision, Belgacom is obliged to contact within three months the customers excluded from the social tariff at the end 2003 who have not been contacted by the Institute and to reinstate with retroactive effect those customers who meet the conditions required to benefit from the social telephone tariff. Obviously BIPT subsequently monitored Belgacom's compliance with this decision.

Since 30 June 2005, the monitoring task of the Institute on the social element of the universal service has consisted in verifying that operators do fulfil the obligation in article 74 of the act of 13 June 2005 to provide the social telephone tariffs defined under article 38 of the annex to the customers who belong to one of the categories of beneficiaries defined under article 22 of the annex. The aim is therefore to monitor whether the granting conditions are correctly applied by operators (whether they do not award discounts to customers who do not observe the conditions laid down in article 22 of the annex) and whether they duly grant the

discounts laid down under article 38 of the annex (whether they grant the right amounts of discounts and whether they apply these discounts to their standard tariffs). In that context the Institute brought the operators together on several occasions in order to develop a harmonised procedure for granting social tariffs. In accordance with the act, the Institute also drew up the list of documents providing proof that the granting conditions of the social telephone tariff are met and communicated it to the operators during these meetings.

New regulatory tasks concerning social tariffs

On the initiative of the Institute, opinions were exchanged with the operators on the implementation of the new provisions on the universal service before the actual publication of the act of 13 June 2005 on electronic communications.

In 2005 the Institute notably prepared intensively for a new important task which it has been assigned, viz. creating and managing a database on the beneficiaries of the social telephone tariff in application of article 22, §2 of the annex to the act of 13 June 2005.

The Institute created a working group in order to prepare for the introduction of social tariffs by all operators and for the Institute's task of managing the database on beneficiaries.

Article 22, §2 of the annex to the act lays down that when an operator receives an application for a social tariff, the database checks whether the customer, or any other member of his household, does not already benefit from a social tariff with another operator, in order to observe the legal conditions according to which a beneficiary may be awarded one social telephone tariff only and only one beneficiary is allowed per household. This database also carries the authorisation to check, once every two years at the most, whether a beneficiary is still entitled to the social tariff. To perform these tasks the act authorises the database to access the National Register and to use the identification number of this Register.

As part of its task of monitoring the execution of the universal service obligations and to facilitate and speed up the application procedure for the social telephone tariff available to customers, the Institute decided to extend its involvement in the grant of social telephone tariffs to checking the granting conditions at the time of application. This verification will be partly computerised and will consist in a query of the data of the Crossroads Bank for Social Security. The customer will only be requested to send paper documents to BIPT if certain data are not in the possession of the Crossroads Bank for Social Security.

In 2005, the Institute thus prepared the creation of this database as well as the development of the granting procedures for the social telephone tariffs in collaboration with the operators within the working group. For the development of IT solutions, the Institute was assisted by the non-profit-making association SmalS-Mvm/Egov, of which the Institute is a member.

The ethical commission

The ethical commission is entrusted with the task of ensuring the observance of the conditions under which premium rate services are offered to the public through electronic communications. This covers for example voting by telephone or text message on various TV programmes (e.g. the Eurovision Song Contest or X Factor), downloading logos and ringtones for mobile phones, calling a central premium rate number to find out about duty doctors or chemists in a specific area or to consult the latest weather forecast, making dates via dating services, etc. 0900 numbers or four-digit SMS codes are usually used for these services.

The law decrees that the rules for a correct provision of these services and number series that may be used for that purpose must be laid down in an ethical code. The law also decrees that BIPT provides the secretariat for the ethical commission.

The ethical commission which was provided for in the former act on telecommunications of 1991 was never set up failing an agreement between all authorities involved. The ethical commission was also remoulded into a new, more suited form when the new act on electronic communications was adopted.

In the second half of 2005, the Institute wrote, at the request of the Minister for Consumer Protection, a new text on the composition of the ethical commission in its new form.

In addition, the Institute also took part in the discussion on rules developed within the gaming commission for certain television game shows using premium rate numbers.

Finally, awaiting a thorough regulation by means of an ethical code, the Institute forwarded individual complaints to the Directorate-General Enforcement and Mediation of the Federal Public Service Economy, SMEs, Self-employed and Energy, which is empowered by several acts of law to carry out certain checks. In addition, the Institute also made complainants aware of the possibility of the Ombudsman for telecommunications' office contributing towards the payment of bills.

Tasks of general interest

As part of its collaboration with Comixtelec, the Institute prepared a draft text for a royal decree aimed at adapting Comixtelec's tasks to the new electronic communications environment. This draft was discussed during the year in consultation with the Commission chairman.

2.5. TECHNOLOGICAL MONITORING, INVOLVEMENT IN NATIONAL AND INTERNATIONAL INSTITUTIONS

AT A NATIONAL LEVEL, THE BELGIAN INSTITUTE FOR POSTAL SERVICES AND TELECOMMUNICATIONS IS ACTIVELY INVOLVED IN THE FORUM THAT IS THE CONSULTATIVE COMMITTEE ON TELECOMMUNICATIONS. AT AN INTERNATIONAL LEVEL, IT KEEPS ABREAST OF TECHNOLOGICAL DEVELOPMENTS AND CONSTANTLY ASSESSES THEIR POTENTIAL OR ESTABLISHED EFFECT ON REGULATIONS. HARMONISATION BETWEEN EUROPEAN REGULATORS IS THUS AIMED AT ADOPTING THE SAME INTERPRETATION OF THE ECONOMIC SITUATION IN ORDER TO CREATE A GENUINE SINGLE EUROPEAN MARKET FOR TELECOMMUNICATIONS. BIPT IS INVOLVED IN ALL INTERNATIONAL FORUMS, WHERE FUTURE DIRECTIONS ARE SET OUT.

The Consultative Committee on Telecommunications

The Consultative Committee on Telecommunications is a forum on which all stakeholders of the sector are represented: the social partners (trade unions, employers' organisations and consumer representatives), the market players (operators, manufacturers, users) and the representatives of government at federal, regional and community levels. Due to its composition, the Committee acts as an observatory that is geared towards the developments and trends in the sector.

It publishes a detailed annual report which lists its opinions, as well as relevant statistics regarding sector developments. The annual reports of the Committee can be consulted and downloaded on the BIPT website.

European Regulators Group

BIPT's involvement in the European Regulators Group and the Independent Regulators Group again made up the lion's share of BIPT's international activities in 2005.
The IRG and the ERG were chaired in 2004 by Eric Van Heesvelde, the Chairman of the BIPT Council. In 2005 the annual hand-over of the chair went to Mr Jørgen Andersen, head of the Danish regulator NITA. BIPT retained the vice-chair during the first year half.

The IRG was established in 1997 on the regulators' initiative. The ERG was established in 2002 by a decision of the European Commission.

The ERG and the IRG play an increasingly crucial role, not only in the exchange of practical information and experiences, but also in the coherent application of the regulatory framework contributing to the emergence of a single market for electronic communications, for the benefit of consumers.

The IRG/ERG working programme focused on a number of important priorities. A first priority concerned the high charges for international roaming. In mutual consultation, the regulators decided in favour of a triple approach. The first step would be to perform a market analysis of the wholesale market for international roaming. Next, a number of measures were taken to improve tariff transparency for users. All regulators intend to publish the roaming rates on their national websites in order to complement the website of the European Commission. Finally, the regulators agreed to keep exerting pressure, jointly with the European Commission, on the mobile operators to introduce rate cuts.

Another important priority was the introduction of new VoIP services. The ERG adopted a joint declaration on VoIP in early 2005. This declaration emphasised the removal of specific obstacles that could hinder the development of VoIP.

The ERG also approved a number of reports on the development of the broadband market in Europe. This work will be pursued in 2006.

A joint position on corrective measures was approved by the ERG in 2004. This document suggested a harmonised approach for the application of corrective measures in markets that are not or insufficiently competitive. The document was fine-tuned in 2005 on the basis of experiences during the implementation of the regulatory framework.

Finally, preparations got underway in 2005 for the input which the ERG will provide during the revision of the European regulatory framework, planned for 2006.

European institutions

BIPT took part in the preparations for the meetings of the Council of Ministers on Telecommunications. In 2005, the European telecommunications ministers particularly worked on the Lisbon strategy as well as on Internet governance as part of of the second phase of the World Summit on the Information Society.

The i2010 strategy

The Commission adopted a communication on 1 June 2005 aimed at giving the Lisbon strategy a new impetus, promoting both the information society and an advanced use of information and communications technologies (ICT). This communication sets out the i2010 strategy which is designed to develop an integrated approach of the information society and the broadcasting policies in the European Union. It is based on three priorities: the accomplishment of a single European space for information, the strengthening of innovation and investment, and an information society based on inclusion.

Several recent studies have shown the effects of information and telecommunications technologies on an economy's competitiveness and the productivity of companies. The most effective economies are those where workers are happy to use ICT in all aspects of their lives and where businesses have integrated ICT in their production processes. Europe significantly lags behind the United States in that regard; the European Commission is trying to bridge the gap by proposing initiatives on research, development, innovation and the application of ICT in all parts of society.

The European ministers have adopted a number of strategic decisions aimed at boosting the development of the information society and providing access to ICT for all sections of society, including the aged and the disabled.

Governance of the Internet

Governance of the Internet involves the technical management of the network, its reliability but also taking into account the public interest as it develops.

This issue was discussed during preparations for the second phase of the World Summit on the Information Society, which was held in Tunis from 16 until 18 November 2005. The first phase of this Summit, which was held in Geneva in December 2003, had left the question of Internet governance open; this first phase had adopted a declaration of principles and an action plan for making the benefits from the information society accessible to all.

At a European level, the Commission convened the High Level Group on Internet Governance (HLIG) on several occasions, on which BIPT sits and which is aimed at developing a European position on matters relating to Internet governance and, in the context of the world summit, reaching a European consensus which can be argued in international bodies.

The Secretary General of the United Nations had set up a working group on Internet governance which had to prepare the Summit's proceedings. In this context, the priorities of Europe are: the internationalisation of governance, the stability and security of networks, the battle against spam, the strengthening of cooperation between all stakeholders concerned and a better protection of the public interest in the options withheld for managing the Internet.

BIPT actively took part in all these preparatory proceedings within the advisory groups on telecommunications and the HLIG.

At a European level, the year 2005 also saw the launch of a consultation on the content and the scope of the universal service as well as the start of a political debate on the management of the spectrum of radio frequencies and on a possible new, more market-based, approach for tackling frequency management.

In addition, the Institute attended the meetings of the advisory group on the Information Society in Europe (the eEurope Advisory Group) as well as the proceedings of the Communications Committee (COCOM), which particularly looked into the non-geographical numbers for pan-European services, broadband and leased lines.

BIPT also took part in the activities of the European Conference of Postal and Telecommunications Administrations (CEPT). The CEPT is notably in charge of preparations for the Conference of Plenipotentiaries which will be organised in 2006 by the International Telecommunications Union, the specialised United Nations institution for telecommunications.

2.6. Management of the electromagnetic spectrum, licences and frequencies

As it draws on a limited resource, namely the electromagnetic spectrum, the use of frequencies creates a restriction to the principle of free access to the telecommunications market. The management, monitoring and policing of the spectrum fall within the brief of the Belgian Institute for Postal Services and Telecommunications. The users of the electromagnetic spectrum are many and diverse. BIPT is in charge of assigning frequencies and delivering licences.

Frequency management

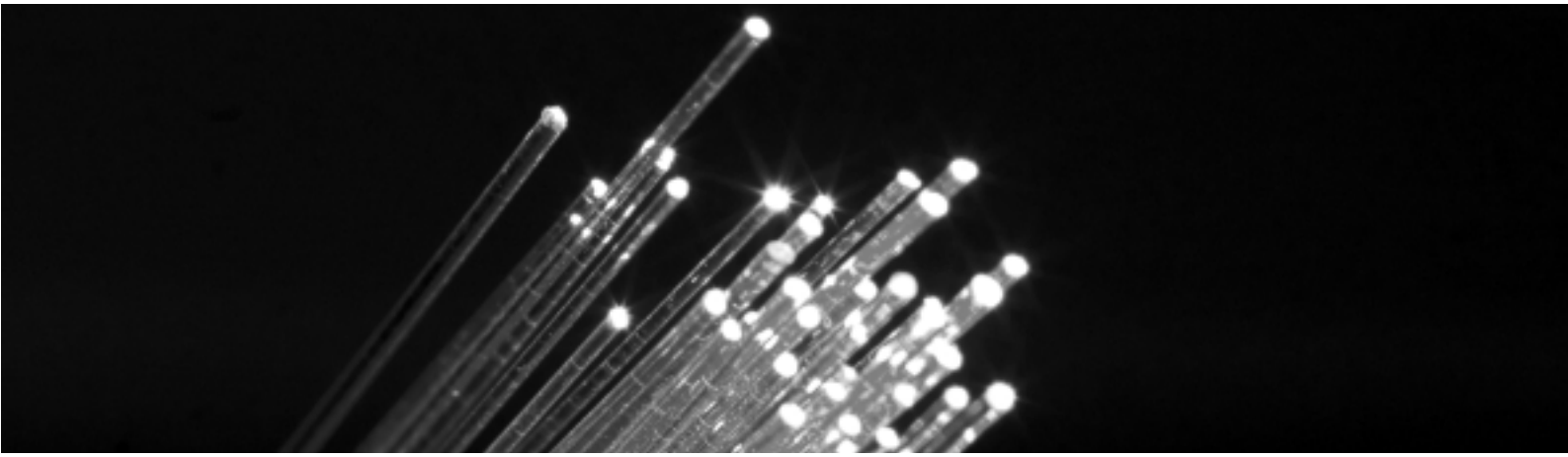
BIPT is charged with managing the electromagnetic spectrum in Belgium. This task encompasses both the daily management of frequency assignments and coordinations and the long-term policy on frequency plans and adjustments.

Frequency assignments for landmobile services are governed by the Vienna/Berlin Agreement and constitute one of the main activities of the department.

Number of files processed by the mobile department under the Vienna/Berlin Agreement	2004	2005
number of new frequency assignment files	1,683	520
number of altered frequency assignment files	495	563
number of cancelled frequency assignment files	1,178	939
Number of coordinations		
outgoing coordinations	83	195
incoming coordinations from France	778	116
incoming coordinations from the Netherlands	55	175
incoming coordinations from Germany	131	89
incoming coordinations from Luxembourg	9	12
Number of files processed by the fixed department (radio relay links) under the Vienna/Berlin Agreement	114	
Assignments of temporary frequencies		1,183
assignments of temporary frequencies to the Tour de France	552	X
assignments of temporary frequencies to the Formula 1 Grand Prix of Spa-Francorchamps	529	562
assignments of temporary frequencies to minor events	2,212	2,606

The frequency plan

In 2005, BIPT kept the national frequency plan up to date in accordance with the rules on European harmonisation. This plan can be found on the BIPT website but also in the comprehensive nomenclature of the European frequencies collated by the European Radiocommunications Office (http://www.ero.dk/).



Indispensable international coordination

Although BIPT is not responsible for the planning of frequencies for broadcasting, its frequency management department is responsible for the daily requests for coordination and the application of international agreements (Geneva 1975, Geneva 1984, Stockholm 1961, Wiesbaden 1995, Chester 1997, Maastricht 2002) as well as the LEGBAC agreement (compatibility between FM broadcasting and air navigation).

This department is also responsible for coordinating frequencies for satellite links (earth stations, networks, etc.) and radio relay links as well as for the correspondence with the ITU Radiocommunications Office.

Types of files	Number
1961 Stockholm Agreement	402
1997 Chester Agreement (DVB-T)	
1984 Geneva Agreement	776
1975 Geneva Agreement	5
1995 Wiesbaden Agreement (T-DAB)	53
2003 Vienna-Berlin Agreement (general details)	71
Earth stations (RR1107), satellites (RR1060), radio relay links	1,295
Miscellaneous (coordinations, interference, temporary frequencies, information, etc.)	258
1995 Wiesbaden Agreement/2002 Maastricht Agreement (T-DAB)	8
Comixtelec	84
ITU – Radiocommunications Office and Conferences	288
Satellite organisations (EUTELSAT, INTELSAT, INMARSAT, IMSO, ESA)	1
CEPT – ERO – ECC	2
Total	3,243

Shared use of antenna sites

For the sharing of sites, the law provides for a data bank manager. This task is currently performed by the non-profit-making association R.I.S.S. (Radio Infrastructure Site Sharing). BIPT oversees the satisfactory operation of site sharing.

During 2005, BIPT took the initiative to encourage the increasing use of site sharing by developing online access to the locations on the antenna sites which are available for site sharing. This access involves a website featuring a map of Belgium with a zoom function to the required region, and showing where the operational sites are located, as well as the locations where a planning application has been filed or approved, but where the site is not yet operational.

A further fine-tuning of the available data is being prepared in order to guarantee optimum coordinates and address details.

Licences for private radio communications networks and individual stations

Intensive users of the frequency spectrum continued to migrate to the trunk networks during the past year, while many users possessing only a limited number of transmission and reception devices, gave up their private radio networks in favour of GSM connections. Both phenomena explain the decrease in the number of licences for mobile private networks. The same trend is apparent in the sixth category, where many users opt for DECT telephone exchanges.

A new category was introduced for radio amateurs, namely the basic licence. This replaces the former C-licence. This licence is aimed at reviving amateur radio, as the number of radio amateurs has dropped over the years. It led to a rise in the number of radio amateurs in 2005.

The table below lists the total number of awarded licences on 31 December 2005 in the different categories of individual stations or private networks for radio communications.

For the benefit of all interested, the Institute continually updated its website http://www.bipt.be with regard to radio legislation and application forms for licences. The fees due for reserving frequencies and the use of networks and equipment are listed under the section Telecommunications, private radio networks.

For the benefit of all interested, the Institute also provides on its website, apart from current legislation, a list of frequently asked questions (FAQ's). A brochure including a registration form is equally available for each type of service and for the non-public networks.

TOTAL NUMBER OF AUTHORISATIONS FOR PRIVATE RADIO COMMUNICATIONS NETWORKS AND INDIVIDUAL STATIONS

		Permanent	Temporary
1st category	Private mobile networks	1,232	184
2nd category	Fixed networks	265	5
3rd category	Government departments	1,019	16
4th category	Private mobile networks at the common frequency 27 MHz	1	X
5th category	Radio amateurs	5,247	X
6th category	Fixed and mobile networks within the limits of one property	4,861	840
7th category	Remote control of scale models	Exempted from licence	
8th category	CB radio telephones B27	20,172	X
Satellites	Satellite networks	50	

Wireless local loop (WLL)

The Institute examined the contributions which it received following the public consultation of 3 May 2005 regarding the wireless local loop. This public consultation concerns more particularly the WiMAX technology (Worldwide interoperability for Microwave Access). This technology, based on the radio transmissions standard 802.16 of the IEEE (Institute of Electrical and Electronics Engineers), is supported by the "WiMAX Forum", a consortium of manufacturers. The WiMAX technology should enable broadband data links that are fixed, wireless and possibly mobile by radio link. WiMAX is often compared to the Wi-Fi technology, but with higher speeds and wider ranges.

Two operators (Mac Telecom and Clearwire) in Belgium hold a wireless local loop authorisation in frequency bands that are suited to the deployment of the WiMAX technology or equivalent technologies. There is currently no further spectrum available for other operators in frequency bands that are suited to the deployment of the WiMAX technology or equivalent technologies.

A summary of the contributions was published. The Institute assessed the need for opening up other frequency bands suited to the deployment of the WiMAX technology or equivalent technologies. The Institute also assessed the need for adapting the regulatory framework.

Authorisation of radio amateurs and maritime radio operators

The satisfactory operation of radio communications also depends on the competence of operators. BIPT therefore organises examinations for radio amateur certificates and for maritime radio operator certificates. The examinations for operators of aeronautical stations come under the Federal Public Service Mobility and Transports.

In 2005, 379 radio amateurs, 1,227 VHF maritime operators, 141 GMDSS (SRC) operators and 179 GMDSS (GOC and ROC) operators passed the exam (76.41%, 81.26% and 81.98% of entrants).

BIPT has had a computer-based examination system since May 2004. An office and twelve computers were designated for this task. Multiple choice questionnaires are available for radio amateurs, for maritime VHF operators and GMDSS (SRC) operators. BIPT has also licensed four training centres providing the courses that are compulsory for sitting the GMDSS (SRC) examination.
In 2005, the basic radio amateur certificate proved to be very popular, with more than 400 candidates.

Private networks and PAMR

At the national level, the decisions regarding short-range radars of the European Commission were transposed. A draft version of a radio interface was drawn up and a procedure of notification was launched. This arrangement comprises both a temporary solution for these radars at 24 GHz as well as a definitive solution at 79 GHz.

In addition, the planning of frequencies for landmobile use in the port of Antwerp in general and the Deurganck Dock in particular was further worked out in order to support the new container activities. This planning includes the deployment of the analogue trunking network of the ENTROPIA N.V. company, as well as of a private network for the P&O Port Operations company.

As for the assignments of frequencies to the rescue and security services, the department for frequency management faced a sustained drop in the frequency use of private networks in favour of a switch to the ASTRID network.

This decline in the use of Private Mobile Radio (PMR) was also noted in people tracking systems and some large networks such as Touring Secours. These companies often move to deregulated applications such as DECT or migrate to a public network operator.

2.7. GUARANTEES FOR SPECTRUM USERS

MANAGING AND MONITORING THE ELECTROMAGNETIC SPECTRUM GUARANTEES THAT RADIO COMMUNICATIONS WORK PROPERLY FOR THE BENEFIT OF ALL USERS. THE ELECTROMAGNETIC FIELDS GENERATED BY ELECTRICAL AND ELECTRONIC EQUIPMENT ALL CREATE POTENTIAL INTERFERENCE AS THEY CAN DISTURB THE OPERATION OF OTHER EQUIPMENT. THESE INTERFERENCES NEED TO BE COMBATED. FOR THIS PURPOSE, PREVENTION AND REPRESSION ARE COMPLEMENTARY POLICIES. HOWEVER, BIPT CLEARLY FAVOURS THE FORMER. ITS OFFICERS INFORM, ADVISE, MONITOR, CHECK AND IF NECESSARY, REPORT THE OFFENDERS. GOODS MAY ALSO BE CONFISCATED.

Monitoring of the spectrum

NCS (the national spectrum monitoring department) is responsible for policing the radio waves in the broad sense of the word. In addition to the directorate in Brussels, NCS has five monitoring centres across the country, in Anderlecht, Liège, Seneffe, Antwerp and Ghent. Its tasks can be broken down into four main categories:

- dealing with radio interference: every citizen and every authority can report to the NCS any radio interference of which they claim to be a victim. The NCS technicians, equipped with professional measuring equipment, track down the source of the interference and take the necessary measures to eliminate it;
- preventive checks on professional radio networks; most new radio networks are monitored by the NCS technicians. This ensures that these networks are set up in accordance with their licences and that frequency, capacity and antenna height are compliant with the plans of the frequency management department. It also means that the use of illegal transceivers can be curtailed.
- tasks of particular expertise in the field of radio communications, notably with regard to the measurement of the electromagnetic field: the responsibility for monitoring compliance with the standards governing exposure of the public to non-ionising radiation was conferred to BIPT in 2001.
- checks during major events: NCS is present at various events that attract a large number of radio frequency users, to ensure that licences are observed and to resolve cases of radio interference.

In 2005, two special tasks were added to the usual responsibilities. The first involved the performance measurement of the Proximus, Mobistar and BASE networks. The aim of this measuring campaign was to investigate whether the mobile operators honoured their commitments, as defined in their licences. The measuring campaign found this to be the case. The second related to the handling of complaints on interference relating to broadcasts. NCS embarked on a detailed analysis of the complaints received from the different Communities by undertaking field measurements. The investigation into these complaints will be pursued in 2006.

To enable them to perform their general task of policing the radio waves, the NCS members have the capacity of criminal investigation officer and regularly join forces with the police services. All security services have 24/7 access to an NCS duty service in the event of interference to their radio communications. The NCS has twenty fully equipped measurement vehicles at its disposal, in order to conduct activities on the ground. In 2005, two vehicles were replaced. In addition, six fixed measuring stations are under construction, designed for the automatic monitoring of radio frequency use.

The table below provides a round-up of activities conducted in 2005.

NCS INTERVENTIONS	
"Interference" cases	751
Preventive checks on professional users	1,748
Radiation measurements at transmission sites	90
Events monitored	35
Interventions by the duty service	70
Total number of cases	*2,624*
Number of reports produced	146
Measurement of mobile networks	1,400 man hours
Measurements of broadcasts	900 man hours

Conformity of equipment

Terminal equipment for radio and telecommunications has to be marketed in accordance with the European Directive 1999/5/EC of the European Parliament and the Council of 9 March 1999 on radio equipment and telecommunications terminal equipment and the mutual recognition of their conformity (R&TTE directive).

According to this text, the appropriate CE marking must be affixed on all radio equipment and telecommunications terminal equipment, on their packaging as well as on the accompanying documents. If an authorisation is needed for the use of the radio equipment or if the equipment uses frequencies whose use is not harmonised in Europe, the CE marking must include an alarm sign.

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 marketed. This is commonly known as the obligation of notification, as stated in Article 6.4 of the Directive. In 2005, 1,650 devices were thus notified in accordance with this procedure. This number is lower than last year, owing to the fact that the Commission has extended the list of Class 1 equipment the use of which is not restricted. Accordingly, this equipment does not bear the information sign. Ordinary mobile phones and PMR 446 devices for instance qualify as Class 1 equipment. The Class 1 list can be consulted on the site http://www.ero.dk/rtte.

The technical parameters which apply to this radio communications equipment are also mentioned on this site and are linked to the reference number of the relevant subclass.

The use of wireless local area networks (WLAN) in the 5 GHz band has been authorised in Belgium since 7 January 2005. At a European level, this application is limited to a maximum of 200 mW effective radiated power in the 5,150 – 5,350 MHz band and to a maximum of 1W effective radiated power in the 5,470 – 5,725 MHz band. WLAN in the 5,150 – 5,350 MHz band has been restricted to indoor use only.

Monitoring of equipment

A large quantity of devices are still on the market that do not or only partially comply with legal requirements. These infringements create unfair competition and disadvantage those manufacturers and importers who do observe the legal obligations. Monitoring is conducted in the interest of all concerned, from manufacturers, importers and vendors to users and public authorities. Market surveillance is considered to be one of the keys to the successful implementation of the R&TTE Directive. In a number of cases, repressive measures were called for. The checks conducted in 2005 thus led to the seizures listed in the table below.

EQUIPMENT SEIZED DURING CHECKS IN 2005

TERMINAL EQUIPMENT		RADIO EQUIPMENT	
Telephone equipment	141	Remote-controlled toys	3,356
Modems	56	Baby alarms	2,019
		Radio-controlled mains sockets	1,006
		Indoor, motorbike and car alarms	721
		Remote controls (by radio)	465
		Wireless microphones (including in-ear)	447
		Door bells	445
		Walkie-talkies (toy)	215
		Camera (mini)	191
		Motion detectors	121
		Broadcast radio sets (broadband)	62
		Video transmitters	46
		Weather stations	39
		Bicycle computers	36
		Computer equipment	28
		Car scanners	25
		Bluetooth GPS	23
		Wireless audio connections	20
		Headphones	19
		Scale models	15
		Other	80
Total	197	**Total**	9,379

Once again, regulations were often found to be violated, wittingly and unwittingly. Nevertheless, the administrative requirements for terminal equipment as such are fairly straightforward.

In the case of radio equipment operating in frequency bands whose use is not harmonised within the European Community, and which consequently has to bear the "alarm sign" in the marking, it was often noted that there was no list of the countries in which such equipment may be used. BIPT believes that this information should always be included. This indispensable information has to be mentioned on the packaging as well as in the instructions for use. The Institute always takes action when it is lacking. A potential buyer of such radio equipment needs the 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 ensuing consequences.

It was also noted that a great number of radio devices which do not comply with prevailing legislation or have not been marketed in accordance with the former authorisation system, are still being sold. Moreover, some of these devices operate in frequency bands that are not authorised in Belgium. In these cases too, the Institute invariably takes action. This is probably partly down to mail order becoming easier (via the Internet) and the often aggressive manner of advertising all kinds of cheap radio equipment (via spam mail). The buyer/importer has every interest in being adequately informed, as he bears all responsibility.
Many irregularities are still being observed in the sector of radio-controlled toys (remote-control toy cars...). It occurs that these products comply with the toys Directive (Directive 88/378/EEC amended by Directive 93/68/EEC), but that no heed was taken of the provisions in the R&TTE Directive.

Postal items containing radio equipment are frequently checked. Many of these items contain devices bought on the Internet – directly from the manufacturer or via an auction website (eBay for instance). In many cases the equipment does not comply with the legal requirements and is seized. The party concerned is always notified of this.

When violations are observed, these are always reported and the goods are seized in most cases. The violations are then followed up 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 authorises the regularisation of the situation, orders the return of the goods to the manufacturer or pronounces the confiscation of the seized goods. The public prosecutor's office then decides whether legal action is needed. In 2005, 332 reports were made. During the follow-up of the court cases, a further 69 reports were made.

In Belgium a ministerial authorisation (commonly known as an authorisation) has to be obtained before certain types of radio equipment can be possessed and used. The vendors of such equipment are required to have a general authorisation for possession. This general authorisation for possession is free of charge and can be obtained upon simple request. The sale of such equipment is not permitted to persons who do not have an individual authorisation. A monthly statement of sales has to be submitted to BIPT. This statement has to include the buyer's details.

2.8. MANAGEMENT OF TELEPHONE NUMBERING

NUMBERS ARE ESSENTIAL IN OFFERING TELECOMMUNICATIONS SERVICES OVER TELECOMMUNICATIONS INFRASTRUCTURES. THEY ARE FOR BOTH END USERS AND PROVIDERS THE KEY THAT PROVIDES ACCESS TO THESE SERVICES. BIPT CONSTANTLY SEES TO IT THAT THE SUPPLY OF NUMBERS IS SUFFICIENT AND ADEQUATE FOR NORMAL MARKET DEVELOPMENT. EQUAL ACCESS TO ADEQUATE NUMBER SERIES IS OF PARAMOUNT IMPORTANCE, IN TERMS OF QUALITY AS WELL AS QUANTITY, FOR THE BALANCED DEVELOPMENT OF A COMPETITIVE MARKET. FOR THIS PURPOSE, BIPT ESTABLISHES NUMBERING PLANS, WHICH CLEARLY STATE WHICH DESTINATION CORRESPONDS WITH WHICH NUMBER.

Registration of number capacity

The Institute also provides the actual number management, which includes tasks such as the allocation, reservation, withdrawal and monitoring of use (maintenance policy). The table below provides an overview for 2005.

NUMBER SERIES	DESTINATION	RESERVATIONS	ALLOCATIONS	CANCELLATIONS	TRANSFERS
1yxx	short numbers	2 (n)	1	0	0
	CSC, VPN...	2 (r)			
4pq	mobile services	3 (n)	1	1	0
70-700	national services	5 (n)	3	0	1
77	automated telephone in formation services	1 (n)	0	0	0
78	national services	2 (n)	1	1	1
79	special Internet access	0	0	0	0
800	freephone services	2 (n)	0	0	1
90A x 1,000 numbers	automated telephone information services	13 (n)	1	1	2
MNC	mobile network codes	3 (n)	0	1	0
ISPC	international signalling codes	5 (n)	1	2	6
NSPC	national signalling codes	24 (n)	15	2	0
PQYZ	geographical numbers	76 (n)	21	0	43
TMNC	Tetra mobile network codes	1 (n)	0	0	0

(n = new reservation(s); r = renewal of existing reservation(s))

All available information on the national numbering plan – such as the list of reserved and allocated numbers – is published on the website (www.bipt.be).

Policy measures

Some end users who use dial-up connections to gain access to the Internet were confronted with what are known as dialler programmes, which change the normal national Internet dial-up number into an international number without their knowledge or expressed consent. As a result of this, the end user is connected to the Internet at usually very expensive international rates. BIPT investigated this phenomenon and drew up a guideline after consultation with other bodies such as the Office of the Ombudsman for Telecommunications, the Federal Computer Crime Unit of the Federal Police, the Federal Public Service Economy, SMEs, Self-employed and Energy and the operators in order to combat these fraudulent practices. It submitted this guideline to the market for consultation on 12 May 2005. After the results of the consultation were processed, the "early alarm system", which was suggested in the guideline, was launched. On the basis of various input from the parties concerned, BIPT supplied a list of numbers to the operators for whom the measures described in the guideline are intended. Information received from the aforementioned bodies shows that the introduction of the early alarm system has led to a fall in the number of complaints by 90%.

The numbering management department further fine-tuned the official regulations for the numbering of VoIP services on the basis of a large number of individual application files. An explanatory document to create the necessary transparency for the sector and with a detailed description of the application procedure featuring the required forms for number application for nomadic VoIP services was published on the website. The VoIP technology offers services that from the end user's perspective are highly similar to the telephone services provided by the public voice telephone operators active on the Belgian market. For that purpose, a broadband access to the public Internet is generally used by either the same party as the one supplying the VoIP service or by another party. An inherent quality of VoIP services is that end users can receive and make calls anywhere in the world, unhindered by geographical borders. This latter characteristic is usually described as "nomadic use".

A consultation was held on the (draft) decision of the BIPT Council on the use of the numbers 1207, 1307 and 1407 for the Belgacom voice portal service. This became necessary after competitors had complained that Belgacom's use of these numbers for information services did not conform to the numbering plan. After analysis a final decision was prepared on this matter and the summary of the results of the consultation was published on the website.

A draft ministerial order granting an exception to the principles contained in article 10 § 5, par. 1 of the royal decree of 10 December 1997 on the management of the numbering plan regarding the use of the short number 1711 by Belgacom Mobile was prepared by the department and approved by the Minister.

After a stagnation in the number of applications for the reservation of geographical number capacity, the demand for this has recently picked up significantly. Therefore, the numbering department launched an investigation into whether the current number supply should be complemented with new capacity. For this purpose, a market consultation was held during which a number of solutions were suggested. A BIPT Council decision was taken on 19 December 2005 on the extension of the available geographical number capacity in a number of geographical areas, which includes new official regulations for keeping a sufficient supply of geographical numbers.

Moreover, a draft ministerial order establishing the categories of outgoing calls and categories of called numbers for which blocking is offered free of charge to end users was drawn up by the numbering department. This ministerial order was published in

the Moniteur Belge on 16 December 2005.

The role of numbers in the telephone network can be compared to that of domain names on the Internet. The Internet Corporation for Assigned Names and Numbers (ICANN) is an international non-profit organisation in charge of the global coordination of the system of unique "Internet Identifiers" such as Internet domain names, IP addresses and other technical parameters. In addition, this organisation provides the coordination and operation of the DNS root name server system. Within ICANN, the GAC (Governmental Advisory Committee) operates as an important advisory body, which is composed of government representatives. One of the main objectives of the Internet Informal working group (IIG) of the European Commission is to coordinate the different positions of the national authorities within the GAC. The Institute represents Belgium in both organisations. Apart from following domain name issues internationally, the Institute has also contributed to formulating a number of policy proposals in order to safeguard the stability and security of the national top-level domain .be.

Number portability

Number portability (NP) is a key priority in telecommunications policy. There are two basic reasons for this. Every change of call number entails additional administrative work and costs for the end user and has a substantial negative direct impact on potential customer contacts. Furthermore there is increasing concern among new operators about being treated unfairly if potential customers had to change numbers. Research has shown that a lack of number portability seriously jeopardises the chances of these newcomers.

At the request of the sector, the procedures for number portability were further improved. To that end, a written consultation was held by means of a consultation document to assess the usefulness of certain "reject codes" for technical reasons (which are applied to decline an application for porting of a fixed number). At the request of several parties, the written consultation was followed by further discussions.

In addition, an investigation was launched into the rights and obligations carried by the various categories of operators offering nomadic VoIP services in connection with number portability.

A number of complaints were also investigated and an extensive legal analysis was made of certain practices by operators who refuse to port numbers before their customers' outstanding debts are settled. On 20 May 2005 the BIPT Council published a communication regarding the possibility to reject an application for number porting when the subscriber or end user has outstanding debts with the donor operator or in case of non-observance of the stipulations of the contract with the donor operator.

As decreed in the regulatory framework, BIPT also exercised its monitoring role over the non-profit-making association “Number Portability”, which controls the central reference database for number portability.

The table below shows the net trend in the number of connections with active ported numbers for the fixed networks. The year-on-year percentage rise is also mentioned, between brackets.

The total number of ported geographical and non-geographical numbers (excluding mobile numbers) in the fixed networks came to 926,899 on 1 January 2006.

The table below shows the total number of ported mobile numbers per year.

	PSTN/ISDN CONNECTIONS	NON-GEOGRAPHICAL NUMBERS	COMPLEX INSTALLATIONS (PRA'S, DIALING SERIES, PBX SERIES...)
1 January 2001	42,328	442	455
1 January 2002	116,677 (176%)	676 (53%)	2,019 (343%)
1 January 2003	142,156 (21.8%)	1,224 (81%)	4,168 (106%)
1 January 2004	197,459 (38.9%)	1,772 (44.8%)	7,086 (70%)
1 January 2005	269,438 (36.5%)	2,060 (16.3%)	9,755 (37.7%)
1 January 2006	382,194 (41.85%)	2,377 (15.38%)	13,674 (40.17%)

	NUMBER OF PORTED MOBILE NUMBERS
2002 (started on 1 Nov. 2002)	53,364
2003	253,186
2004	408,148
2005	407,293

As a number can also be ported to the first operator or be cancelled, the net number of ported numbers at any given time is lower than the sum of all portings. This amount totalled 933,640 mobile numbers on 1 January 2006. In other words, the net number of ported mobile numbers has since December 2005 been greater than the net number of ported numbers used in the fixed networks.

The Carrier Preselect and Select service

The numbering department made further efforts to improve consumer protection against "slamming", the unsolicited changing of operator for fixed telephony. This problem occurs during the process of logging on and off for carrier (pre)selection. In the quest for sales, a customer may find himself transferred to a different operator without his expressed consent, causing him to suddenly and unexpectedly start calling through a different provider. This "slamming" is currently a small, but persistent and especially for consumers annoying problem. The legislator has therefore, at the request of the Institute, laid down severe fines for operators engaging in such practices. A procedure of cooperation was agreed between BIPT and the Office of the Ombudsman in order to implement these provisions.

The table below shows the net trend in telephone numbers with *Carrier Preselect*.

	Numbers with Carrier Preselect	Percentage of increase
1 January 2001	114,735	
1 January 2002	381,566	232.5 %
1 January 2003	595,627	56.1 %
1 January 2004	850,384	42.8%
1 January 2005	1,115,761	31.2%
1 January 2006	1,048,672	-6%

A decline in the number of net activations was recorded for the first time since the service was launched. The peak of 1,135,000 activated numbers was reached in May 2005. This drop is down to a number of structural changes in the Belgian market, namely the flat-fee offers of Belgacom and Telenet and the "all in one" packages (ADSL, fixed and/or mobile telephony) offered by Scarlet and Tele2 for instance.

2.9. TECHNICAL TASKS OF PUBLIC INTEREST

THE BELGIAN INSTITUTE FOR POSTAL SERVICES AND TELECOMMUNICATIONS FULFILS YET OTHER TASKS OF PUBLIC INTEREST. THE LAW HAS BESTOWED ON BIPT THE STATUS OF EXPERT IN SCIENTIFIC FIELDS SUCH AS THE MEASUREMENT OF ELECTROMAGNETIC FIELDS AND THE SECURITY OF NETWORKS.

Antennas and electromagnetic fields

The royal decree on radiation standards was annulled by the Council of State for procedural reasons in December 2004. A new royal decree was prepared by the Health Minister's private office during the spring. BIPT proposed a number of changes to this royal decree in order to exempt low-power installations from continually having to file applications. However, BIPT and other competent authorities are still able to expressly demand for a file to be submitted.

In order to monitor the electromagnetic radiation standards around antennas, BIPT has the authority to conduct prior evaluations via computer simulations, as well as to perform measurements on site or in premises following installation. This ensures that the exposure standards which are designed to protect public health, are observed. The section RF Radiations provides the computer simulations for this purpose.

The section RF radiations processed 4,640 applications in 2005. 37% of the applications were entered by Belgacom Mobile NV, 27% by Mobistar and 25% by BASE. The other applications were entered by the Belgian railway operator NMBS/SNCB (5%), radio amateurs (3%), the military (1%), ASTRID (0.8%) and the remainder by VRT, RTBF, local radios and others. 89 certificates of conformity were delivered (with measurements by the owner).

The reports issued by BIPT on radiation levels also became available online via the same website used for site sharing. This enables private individuals in Belgium as well as levels of government which have to process planning applications to find out through one centralised website whether other sites already exist in the vicinity of the proposed new site which could be eligible for shared use, as well as to verify the delivered radiation reports of the proposed new sites or of other sites in the vicinity.

Combating malicious computer software

The security of networks, the protection of information circulating on them and the protection of users who are connected to them are of major concern to modern societies. The further development of the information society requires a technological basis that provides maximum security.

BIPT has taken initiatives on network security since May 2000. Following the damage caused by the spread of the "I love You" virus, a special cell was set up within the Institute, known as the e-Security platform. A 24/7 duty service provides a point of contact that can be reached at all times. By providing this duty service and offering information, BIPT aims to limit the risks of computer viruses spreading. In the event of an alert, the virus page of the BIPT website is quickly updated, the 30,000 members of the mailing list are informed of this update by e-mail and the subscribers to the SMS alert service receive a message informing them that a new virus has sprung up. In 2005 seven virus alerts led to updates of the relevant web pages. The registration procedures for the mailing and SMS lists are explained on the website.

Securing networks

BIPT participates in numerous activities relating to network security both at national and international levels. The Institute is a contributor to the "Coordination Platform on Information Security", created by the government in 2004. Its purpose is to provide a forum for exchanging information on the protection of information and networks, to promote and harmonise best practices within federal government. However, it cannot take compulsory measures.
Certain aspects of BIPT's contribution to Comixtelec also relate to the protection of networks in the event of a crisis. As this matter falls within the scope of the contract between the State and Belgacom, it is discussed at the end of chapter 2.4.
Given the role of the Institute regarding the integrity and security of electronic communications services and networks, the minister in charge granted a staff increase, which should take effect during 2006. BIPT has planned several initiatives for the new staff to carry out; it also intends to broaden its activities in the area of computer security.

Emergency services

Apart from investigating interference on the radio networks of the emergency services and eliminating these, BIPT is also charged with monitoring whether operators comply with their duty of collaboration with the emergency services.

The new legislation has maintained the principles previously governing this matter.

BIPT drew up a proposal to determine the emergency services and their call numbers in accordance with the provisions of the new act.

As a result of an implementation order proposed by BIPT, the political authorities have decided not to regulate calling line identification for calls to Teleonthaal/Téléaccueil (mental health helpline), the Poison Centre, Zelfmoordpreventie/Prévention Suicide (centre for suicide prevention), Childfocus (the European centre for missing and sexually abused children) and children's telephone services offered by operators, by royal decree but to incorporate this in the act of 13 June 2005.

Calling line identification is necessary for emergency services, not only to enable them to intervene effectively, but also to combat malicious calls, the frequency of which rises year on year by the emergence of new technologies and new services offering means of communication that are virtually anonymous and hard to trace. Moreover, the provision of calling line identification by operators is a prerequisite for the measure on compulsory registration of anonymous prepaid cards of mobile networks (the number of which was estimated at 1,500,000 in early 2005) to have any effect.

The Institute consulted with the emergency services about the administrative and technical measures available in the battle against malicious calls. This consultation, which is being pursued in 2006, should enable BIPT to formulate a proposal for administrative and technical measures to be taken in order to provide calling line identification for combating malicious calls. This proposal is subject to the opinion of the Commission for the protection of privacy and the minister's approval.

Legal interception of electronic communications

The BIPT officials with the mandate of criminal investigation officer may be called upon to lend assistance to the judicial and police services with investigations in the field of electronic communications.

In addition, the Institute collaborates with the department for criminal policy of the Federal Public Service Justice. For the benefit of this department, BIPT draws up a list of the operators' coordination cells for "Justice" and keeps it up to date.

The Institute attended the meetings of the national consultation forum on telecommunications of the judicial and police services in the capacity of technical adviser on electronic communications.

2.10. TECHNOLOGICAL MONITORING, INVOLVEMENT IN NATIONAL AND INTERNATIONAL INSTITUTIONS

EXCHANGING KNOWLEDGE AND CONFRONTING POINTS OF VIEW ON TECHNOLOGICAL DEVELOPMENTS ARE KEY TOOLS IN ENABLING PEOPLE TO TAKE THE RIGHT DECISIONS. THE OFFICERS OF THE BELGIAN INSTITUTE FOR POSTAL SERVICES AND TELECOMMUNICATIONS ARE IN CONSTANT CONTACT WITH THEIR OPPOSITE NUMBERS WHO WORK FOR FOREIGN REGULATORS. THROUGH ITS ACTIVE INVOLVEMENT IN THAT RESPECT, BIPT IS ABLE TO FOLLOW AND INFLUENCE CERTAIN DIRECTIONS.

International relations

The department for frequency management of BIPT followed up these topics:

- the issues relating to IMT-2000/UMTS in the context of CEPT/ECC/PT1[2]
- preparations for ITU-WRC-2007[3] regarding CEPT/CPG, ITU-R and NATO. The WRC-2007 will deal with some 40 issues. Subjects important to Belgium mainly include the frequency-related matters of IMT 2000 and future mobile systems, the fixed service and the satellite service above 3 GHz, the services in the LF, MF, HF bands and the mobile maritime service;
- participation in numerous international meetings, such as CEPT/ECC, CEPT/FM, CEPT/CPG[4], and their working groups, the Vienna agreement, NATO-NARFA, etc.
- participation at the European level in meetings of the RSC (Radio Spectrum Committee) and the RSPG (Radio Spectrum Policy Group) of the European Commission. The RSPG adopted the final version of the opinion on wireless access for electronic communications. The matters which the RSC and the CEPT/ECC looked into included:
  - the final adoption of a decision on the former ERMES band. This band will now be opened up for new applications harmonised at a European level, such as "aids for the hearing-impaired";
  - the future of the 2.5-2.7 GHz band was examined in the context of the opening up of this band for 3G/IMT-2000 and other compatible technologies;
  - CEPT/ECC accepted a draft ECC decision for public consultation to allow Ultra Wide band products on the market.
  - the future of the mobile service via satellite at 2 GHz was further analysed, especially in relation to the terrestrial component, which could enter into direct competition with the current licensed UMTS networks in Belgium.
  - a harmonised application for the former TFTS bands was not yet identified.

As for NCS (the national spectrum monitoring department), it participates in the CEPT/ERC/FM-PT22 (Monitoring), CEPT/RA11 (Enforcement), CEPT/RA2 (Maritime) and Rainwat Committee (Maritime) working groups.

The numbering department chaired the NNA WG (Numbering Naming and Addressing working group) within the ECC (Electronic Communications Committee). This working group of European governmental departments and regulatory authorities aims to exchange information and knowledge on numbering problems and at harmonise numbering plans at a European level. Following a reorganisation of the internal structure and its relations with other international institutions, further work was accomplished in the form of recommendations and decisions, notably on numbering for VoIP services, the ETNS, combating dialler scams[5], harmonising short numbers at a European level (116) and the study on the use of short numbers for SMS and MMS services.

2. CEPT is the European Conference of Postal and Telecommunications Administrations; ECC is the abbreviation of Electronic Communications Committee. "PT" is the abbreviation of "Project Team".
3. 2007 World Radiocommunications Conference of the International Telecommunication Union (ITU)
4. The ECC is made up of several groups, including the FM group (Frequency Management), the RA group (Regulatory Affairs), the SE group (Spectrum Engineering), the CPG group (Conference Preparatory Group) and the NNA group (Numbering, Naming & Addressing).
5. This terms designates the practice of fraudulently establishing an Internet connection via an overcharged number.

Through the equipment department, the Institute is also active in European forums (European Commission, TCAM Committee[6], ECC[7], Administrative co-operation[8] (ADCO), ETSI[9], the EMC Working Party[10], EMC SLIM[11] etc.), which strive for further European harmonisation.

Further rounds of talks were held with the neighbouring countries in preparation for the Regional Radio Conference of the ITU in 2006 (RRC-06) for digital radio and television, which runs for five weeks in May and June 2006. An attempt was made to reach as many bilateral agreements as possible before the planning conference RRC-06 in order to have the best chances of success at the conference. The Belgian demands for the planning conference were centrally collected by BIPT and forwarded to the ITU on 31 October.

Finally, on network security, BIPT takes part in the proceedings of NATO's Civil Communications Committee and chairs a working group on the deployment of computer emergency response teams in various countries in the event of a crisis.
In addition to representing Belgium on the management board of the ENISA (European Networks and Information Security Agency), the Institute also provides a "National Liaison Officer", who is the national point of contact for the exchange of information and questions between the ENISA agency and the national players on the security of electronic communications services and networks. It is also worth noting that the Institute attended the international meetings on the "CASES"[12] project.

6. The TCAM Committee (Telecommunications Conformity Assessment and Market Surveillance Committee) is the permanent committee that assists the European Commission in policy relating to Directive 99/5/EC.
7. The ECC (Electronic Communications Committee) is part of CEPT (European Conference of Postal and Telecommunications Administrations).
8. Groups established by the European Commission, in which experts responsible for national market surveillance are able to come together and collaborate on practical issues.
9. ETSI (European Telecommunications Standards Institute) is a non-governmental organisation aimed at drawing up European telecommunications standards. The ETSI standards, which are applicable on a strictly voluntary basis, often serve as the technical basis for developing directives and regulations at the European level.
10. Group established by the European Commission charged with following up the application of the Electromagnetic Compatibility Directive (EMC).
11. Group established by the European Commission with a view to amending the Electromagnetic Compatibility Directive (EMC) as part of the SLIM programme (Simpler Legislation for the Internal Market).
12. Cyberworld Awareness and Security Enhancement Structure: European project aimed at raising awareness on the risks linked to information security.

BIPT AND THE POSTAL SECTOR

3.1. LEGAL FRAMEWORK AND TASKS FOR BIPT

THE EUROPEAN UNION PURSUES ITS POLICY OF GRADUALLY LIBERALISING THE POSTAL SECTOR. THE AIM OF THE COMMUNITY POLICY ON THE POSTAL SECTOR IS TO CREATE AN INTERNAL MARKET FOR POSTAL SERVICES AND TO ENSURE, THROUGH AN APPROPRIATE REGULATORY FRAMEWORK, THAT EFFICIENT, RELIABLE AND GOOD-QUALITY POSTAL SERVICES ARE AVAILABLE TO ALL CITIZENS ACROSS THE EUROPEAN UNION AT AFFORDABLE PRICES. THE IMPORTANCE OF POSTAL SERVICES FOR ECONOMIC PROSPERITY, SOCIAL WELL-BEING AND COHESION IN THE EUROPEAN UNION MAKES THE POSTAL SECTOR A KEY INDUSTRY FOR COMMUNITY POLICY.

At the European level

The UK completely opened up its market on 1 January 2006 and other countries such as Germany and the Netherlands are preparing to follow suit in 2007. 2006 will be an important year for the European Union as Directive 2002/39 decrees that a report be submitted to the European Parliament and Council regarding the confirmation or not of 1 January 2009 as the date for full market liberalisation.
In order to meet this requirement, the European Commission launched two new studies at the end of 2005: one aimed at assessing for each member state the impact on the universal service of the completion of the internal market for postal services in 2009 (Consultant PWC) and another at analysing the main market developments in 2005-2006 (Consultant WIK).

BIPT has been actively involved in this process during meetings of the Committee on the Postal Directive, where such topics were discussed as: the analysis of the report by the Commission to the European Council and Parliament on the application of the postal directives (97/67 and 2002/39), the development and the initiation of European postal standards, institutional reforms at the UPU, the possible introduction of VAT in the postal sector, services of general economic interest, the problems of state aid, the compilation of postal statistics, the definition of the universal service and its funding and the quality of the universal service.

In addition, BIPT took part in the consultation process for two other studies launched by the European Commission, namely:
- "the study on the evolution of the Regulatory Model for European Postal Services" (consultant Ecorys);
- "the study on the development of competition in the European postal sector" (consultant WIK).

The Institute followed the development of the directive on "services of general interest in the internal market" in the European Parliament (first reading).

At the Belgian level

In 2005, BIPT lent its support to the execution and finalisation of several projects with a major impact on the companies in the industry and the users of postal and courier services. An identical system of authorisations and licences was put in place. Any natural or legal person who handles postal items must be in possession of a document certifying that they comply with the relevant legal and regulatory conditions. Depending on the services provided, this will be a licence or a declaration.

Detailed opinions were rendered to the government on the different aspects of the projects, such as price regulations, the compensation fund and the licensing system.

These projects notably take into account issues such as the award of individual authorisations (licences) for the provision of non-reserved services included in the universal service, the marking of postal items to indicate the provision of a service that comes under the universal service with the exception of daily newspapers, the declaration system for the provision of postal services in general, the monitoring of analytical accounting, the cost calculation of the universal service provided by the universal service provider and the monitoring by BIPT, the preparations for the possible creation of a compensation fund, the tariff principles for the universal postal service and quality standards for the universal postal service.

Having been prepared for a long time, the system of authorisations and licences made further progress all through the year 2005, leading to the promulgation of two royal decrees on 11

January 2006:

- the royal decree laying down the procedure for declaring and transferring postal services not included in the universal service and implementing articles 144quater, § 3, 148sexies, § 1, 1° and 148septies of the act of 21 March 1991 on the reform of certain economic public companies;
- the royal decree implementing Title IV (Reform of the Postal Authority) of the act of 21 March 1991 on the reform of certain economic public companies.

In addition, BIPT launched an analysis of postal legislation. It will submit texts to the government aimed at abolishing obsolete regulations and attuning legislation to the new context of the partnership concluded between La Poste (the Belgian Post Office) and the consortium between the Danish Post Office and the British investment fund CVC Capital Partners Limited.

The management contract between the State and La Poste

During 2005, an in-depth analysis was made of La Poste's management contract and the fourth contract with the State was signed on 24 September 2005. This text was published in the Moniteur Belge on 20 December 2005.

This new management contract defines which tasks regarding mail and public financial services, as well as other tasks for the benefit of public authorities are entrusted to La Poste. Clear agreements were planned with regard to financing.

This contract is aimed at creating social cohesion and improving customer satisfaction. It decrees a pricing system for a "basket of small users" and the reserved services, linked to the price and quality indicators. The measuring of mail delivery times at D + 1 and D + 2 is still entrusted to BIPT. The international measuring system UNEX was introduced for incoming cross-border mail. The concepts of postal service point, postal stop and post shop were defined and it was agreed that post offices should provide a basic range of services. BIPT provided comments as to the property rights on postcodes and the applicable procedure for changing them.

In the context of the round table conference organised on the applicable standards for private letterboxes, a draft royal decree and a recommendation were adapted by BIPT in consultation with La Poste and the parties concerned, with a view to elucidating the regulations regarding volume, form, positioning and numbering of letterboxes as well as harmonising the relevant regulations with the European standard EN 13724 "*Postal Services – Apertures of private letter boxes and letter plates – Requirements and best methods*".

3.2. Economic context of the sector

Postal activities remain an important source of employment with more than 1.5 million employees and close to 5 million people directly or indirectly earning a living from postal activities. Across Europe, 90 billion letters are sent every year. However, volumes of mail items are constantly going down. This decline in mail volumes stems from the combined effect of phenomena relating to electronic substitution, structural changes, demand and pressure in connection with the business cycle of the generator market for postal items. On the other hand, the Internet has created new opportunities for the postal sector: the growing success of mail order, which has pushed up volumes of parcels and direct mail, hybrid mail and value-added services.

Despite the process of gradual liberalisation launched in 1997, most of the incumbent postal operators currently retain more than 90% of the market. Although liberalisation sparked a rise in the quality of deliveries, there have been no substantial price cuts, as rate hikes tend to outstrip inflation.

La Poste employs 39,410 staff in Belgium. In 2005 La Poste's turnover reached approximately € 2 billion and the company posted an operating profit. In addition to La Poste, the Belgian postal sector totals a thousand companies and small independent players, often classified under "courier services". The bulk of them are active in the courier express industry.

A new partner for La Poste

The Belgian government, La Poste and the consortium made up of the Danish Post Office and CVC signed an historic cooperation agreement on 12 October 2005. This agreement means in practice that the consortium will henceforward be co-proprietor of La Poste, of which it owns 50% minus one share (which corresponds with a € 300 million contribution in the form of a capital increase). The Belgian State remains the majority shareholder.

Following this transaction, La Poste will retain its legal status of public law company. The transaction was approved by the European Commission in accordance with Council Regulation No 139/2004 of 19 December 2005.

The ultimate goal of this agreement is to safeguard the company's position as a competitive operator in the European postal services market, with high standards on service and quality and attractive financial yields for all shareholders. The strategies and major action lines that were set out in order to meet these goals are included in a common development plan for La Poste. It is founded on the concept of product innovation and the reorganisation of the sales network (Retail) and deliveries. It will also strive to turn La Poste into a workplace that promotes active participation and empowerment of employees.

For that purpose, Post Danmark will assign to La Poste trained and qualified staff, who have special strategic or operational expertise, in order to lend their support to specific projects. The Danish Post Office has in the past overcome a large number of challenges that La Poste is currently facing.

The Institute also launched a study at both national and international levels into the economic aspects of postal liberalisation in order to better define what is at stake in the sector.

Statistics

As part of a joint project, spearheaded by the DG Internal Market of the European Commission, with Eurostat and CERP (European Committee for Postal Regulation), BIPT undertook to collect statistical data by means of a quantitative questionnaire. This questionnaire was sent out to sector professionals and enquired on the financial state of companies, employment as well as on annual volumes of handled postal items.

3.3. ECONOMIC REGULATION

AT THE START OF 2006, FOLLOWING THE PUBLICATION OF THE ROYAL DECREES SETTING OUT BIPT'S POWERS WITH REGARD TO THE AWARD OF LICENCES TO PROVIDERS OF THE NON-RESERVED UNIVERSAL POSTAL SERVICE ON THE ONE HAND AND DECLARATIONS OF COMPANIES ACTIVE IN THE NON-UNIVERSAL POSTAL SECTOR ON THE OTHER, BIPT WILL LAY DOWN THE PROCEDURES AND RAISE AWARENESS OF THIS ISSUE AMONG INDUSTRY PLAYERS BY COMMUNICATING ON ITS WEBSITE AND BY INFORMING THE MOST REPRESENTATIVE ASSOCIATIONS IN THIS FIELD. ON THE WHOLE, BIPT WILL HAVE TO MONITOR EVEN MORE CLOSELY THE OBSERVANCE OF INCREASED TRANSPARENCY AND NON-DISCRIMINATION IN THE MARKET AS REGARDS TARIFFS AND NETWORK ACCESS.

On the subject of access, BIPT organised a round table conference for the Belgian postal market players in April 2005. The conference did not conclude that there was a genuine demand for more openness of La Poste's network towards third parties. However, it was revealed that there were price discriminations. Discounts and other special terms granted to major clients (which perform part of the sorting themselves and then deposit their mail to be delivered by the national postal operator) also have to be applied to competitors which carry out the same work for equivalent postal volumes. The regulator was urged to take action.

On this subject, BIPT rendered an opinion in May 2005 concerning La Poste's conventional rates for "intermediary" players. This was aimed at clarifying the plan for pricing adjustment of the intermediary agreements (routers-mail handlers). This opinion can be consulted on the BIPT website (www.bipt.be).

3.4. CONSUMER PROTECTION

LA POSTE'S FOURTH MANAGEMENT CONTRACT SETS OUT THE QUALITY TARGETS TO BE MET UNDER BIPT'S SUPERVISION AND REFERS TO THE EUROPEAN STANDARDS. IN ADDITION TO VERIFYING THE INVOICE SENT TO THE STATE BY LA POSTE, BIPT ALSO MONITORS THE COST CALCULATION OF THE UNIVERSAL SERVICE AND DECIDES WHETHER THERE IS AN UNFAIR BURDEN ON THE PROVIDER OF THE UNIVERSAL SERVICE.

Calculation of the universal service

The Belgian legislator, in the same way as the European Commission, has defined the universal service in order to guarantee a minimum set of postal services of a given quality, to be offered at a reasonable price to all users.

Through the management contract, the State entrusts La Poste with all of these services, even if a number of these may also be provided by the competition. In the context of a part-liberalised market, there remains uncertainty as to the funding of the universal service. The legislator has opted for financial compensation by all players in the postal sector, in the event that the obligation to provide the universal postal service entails an unfair financial burden on the designated operator.

Every year, BIPT carries out a cost calculation of the financial burden, if any, caused by providing the universal service. This calculation is founded on a cost calculation model based on La Poste's analytical accounts. For the year 2004, the calculation led to the conclusion that the burden borne by La Poste was not unfair. The calculation for 2005 will be performed during 2006.

Measuring mail service quality

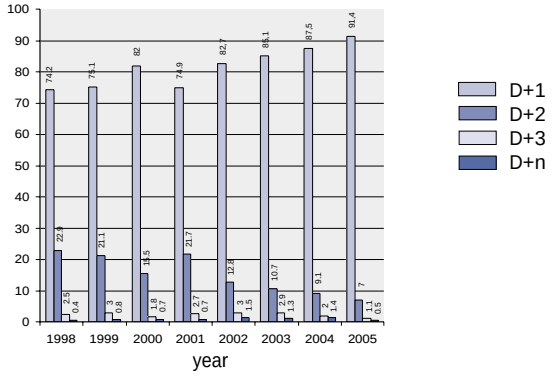
As for the quality measurement of mail delivery, BIPT continued to follow up the BELEX system and rendered its opinion on the service provided by La Poste in 2004. It should be noted that mail delivery improved to 87.5% for D + 1 and to 96.6% for D + 2.

The 2004 results were discussed in detail with La Poste in order to keep improving the delivery of priority and non-priority items in 2005.

Results regarding priority mail in 2005 show that 91.4% of priority domestic mail reached its destination within the D + 1 deadline and 98.4% within the D + 2 deadline. Results regarding non-priority mail reveal that 94.4% of mail reached its destination within the D + 2 deadline and 98.6% within the D + 3 deadline. In 2005, more than 40,000 priority test letters and 27,000 non-priority test letters were sent.

At the end of 2005, La Poste rounded off its "Real Mail" study aimed at guaranteeing the relevance of the sample compared to actual mail flows. Moreover, BIPT embarked on the audit of the measuring system BELEX 2005 in order to ensure the coherence of the specifications imposed on the Institute charged with gauging this quality.

DELIVERY TIME FOR PRIORITY ITEMS BETWEEN 1998 AND 2005



Graph showing the test results on delivery time of priority and non-priority mail items since 1998, the first year of testing by BIPT

Assessment of newspaper delivery

The Institute also issued its comments on drafts for three-way contracts signed respectively in April 2005 and in September 2005 (Termsheet) between the State, La Poste and newspaper publishers. Through this contract, La Poste took on the challenge of delivering 85% of newspapers before 7.30 am by 1 July and as much as 100% by 1 January 2006.

BIPT took part in the working group aiming to introduce compulsory targets in 2006 as part of La Poste's project for delivering all dailies before 7.30 am. These targets will not be based on a particular time but on the trend in the number of complaints on the delivery of daily newspapers.

The agreement entrusts BIPT with the task of monitoring compliance with the said quality standards and BIPT organised a survey on the actual delivery time of newspapers. It was conducted by telephone among 3,700 subscribers during June and July of 2005. This survey gauged whether the delivery targets set in the contract between La Poste, the publishers and the State were met. It showed that 91.8% of newspapers were delivered before 7.30 am.
BIPT went on to conduct a second survey on the actual delivery times of newspapers in December. This survey was also conducted by telephone. Overall, La Poste met its target of delivering newspapers before 7.30 am in 95% of cases.

3.5. TECHNOLOGICAL MONITORING, INVOLVEMENT IN NATIONAL AND INTERNATIONAL INSTITUTIONS

POSTAL SERVICES ARE OBVIOUSLY NOT CONFINED TO THE BELGIAN TERRITORY OR THAT OF THE EUROPEAN SINGLE MARKET. THE BELGIAN INSTITUTE FOR POSTAL SERVICES AND TELECOMMUNICATIONS, WHILE CONSTANTLY STAYING IN TOUCH WITH THE EXPECTATIONS OF BELGIAN SOCIETY, PLAYS AN EQUALLY ACTIVE ROLE IN INTERNATIONAL FORUMS WHERE FUTURE DIRECTIONS ARE SET THROUGH DISCUSSION AND DEBATE.

The Consultative Committee on Postal Services

The Consultative Committee, for which BIPT runs the secretariat and provides the funding, gauges the opinions of consumers and users of the postal sector. It rendered an opinion on 22 October 2005 concerning the fourth management contract as well as an opinion on its first annex on 22 November 2005.

The Consultative Committee was informed of the main decisions taken by the 23rd Congress of the UPU (Universal Postal Union) in Bucharest and in particular of the opening of the UPU to operators and players in the private sector of extraterritorial offices of exchange, of terminal dues and the global postal strategy of Bucharest.

An overview was given of the European timetable for liberalising the postal sector and its implications for Belgium on the one hand and of the development of the regulatory model for postal services on the other.

Role of the Ombudsmen in the sector

It became clear that the powers of the Office of the Ombudsman for La Poste needed to be broadened in order to better protect the relationship between users and providers of postal services. The Ombudsman is currently only competent for investigating complaints registered against La Poste. A proposal is being drawn up and has been sent to the ministers in charge, aimed at attuning the Office of the Ombudsman for La Poste to market developments by extending its powers to all companies active on the Belgian postal market, by guaranteeing the Office's independence, by strictly separating it from La Poste, by providing funding by the sector and finally by striving to eliminate overlaps with the powers of the Ombudsmen for other sectors.

Exchanges between European regulators

In Europe, the regulators are associated within CERP (which totals 46 member states). Mr Dutordoit – Administrator in charge of postal matters at BIPT – was exceptionally re-elected for a third 3-year term at the helm of this committee during the plenary meeting in Munich in June 2005.

In view of this responsibility, the Institute ensures that the new organisation operates well and it takes an active role in this organisation's working groups. The economic element of postal regulations has taken a key position within CERP with the analysis at a European level of several important issues: the liberalisation of the sector and the development of competition, pricing aspects, the cost of the universal service and its funding, the compensation fund, the development of licence systems, statistical data ...

A first working group geared towards "economic aspects" looked into the case of the British initiative to fully open up the postal market as from 1 January 2006, as well as into the report by Swedish authorities regarding the effects of postal liberalisation. Debates were held on the universal service and its funding, the aspects of analytical accounting and the system of price regulation. The results of these studies will be available in the course of 2006 and will contribute to the future European debate concerning the completion of the internal market.

A second group works on "Market surveillance and data collecting". It is under BIPT's stewardship that a report on the use of European quality standards by universal service providers was drawn up and discussed on the Postal Directive Committee as well as during the plenary meeting of the CEN (European Committee for Standardisation). Standardisation remains an indispensable tool to guarantee interoperability between the various national networks and an efficient universal service in the European Union. This working group, in conjunction with the DG

"Internal Market" and "Eurostat", prepared a questionnaire for all sector players in order to collect quantitative data.

The third group is in charge of "general political" aspects and is more aimed at relations with the WTO (World Trade Organisation), UPU and the European Union.

Universal Postal Union

This United Nations organisation remains a major forum for global cooperation between postal services and member states. Following the September 2004 Congress in Bucharest, the Institute prepared the ratification file for the Acts of the UPU Congress and sent it to the minister in charge.

BIPT was elected on the UPU Council of Administration in 2004 and will in that capacity focus its activities on legal, strategic, economic and standardisation issues during its tenure.

The current changes in the postal sector have consequences for the UPU. The concept of postal administration is to be replaced by those of designated operator and of member state by including them in the Acts of the UPU, namely the Constitution, the General Regulations, the Rules of Procedure of the Congresses and the Universal Postal Convention.

Given that the UPU Acts have effect in the internal legal system, the Centre for International Law at the ULB (Free University of Brussels) rendered an opinion at BIPT's request on the self-executing nature of the UPU Convention and Agreement on postal payment services and its implications for the act of 26 December 1956 on the postal service, as well as on the legal nature and the binding force of the Acts (decisions, resolutions) adopted by the Congress, the Postal Operations Council and the Council of Administration of the UPU.

BIPT is equally involved in matters regarding the responsibility of postal administrations in the event of loss, damage or rifling of handled postal items and has prepared a survey on this subject.

The Institute took an active role in the proceedings of the project group "Relations UPU-OMC" whose task it is to follow developments in the international legislation with regard to the trade in services on the one hand and to work on the compatibility of the Union's regulations with those of the WTO on the other.

BIPT focused its strategic actions on three issues, namely:
- the overall restructuring of UPU based on a review of its brief and its bodies;
- global planning, which will be debated during the Strategic Conference in Dubai in 2006 in preparation for the Congress in Nairobi in 2008;
- the division of responsibilities within its bodies with greater transparency.

In addition, as an active member of the Select Group for Strategic Planning within UPU and as the the coordinator of the Working Group "Nairobi World Postal Strategy", BIPT collaborated on drawing up a questionnaire on the future of the UPU and the development of the postal sector. The questionnaire was distributed at the end of 2005.

Finally, on the subject of the offices of exchange abroad, BIPT sent its reply to UPU on the policy Belgium intends to adopt given that specific legislation is lacking in this regard. Belgium accepts to apply the Acts of the UPU to postal items taken over from offices of exchange abroad on the basis of reciprocity. The future implementation of secondary legislation (licences) does not warrant specific legislation.

The Institute's operations

4.1. Staff

The Institute's staff totals 250 people, a number made up of contractual, statutory and assigned staff. Impressive though this number may seem, it is not really sufficient given the very wide range of tasks to accomplish. The request for a staff increase put forward by the Belgian Institute for Postal Services and Telecommunications was fine-tuned during 2005. It is important that this request be met, in order to enable BIPT to fulfil its ever more complex and essential tasks.

The new "human resources" department

A separate "human resources" department was created in January 2005, charged with the general aspects of personnel management. The department is staffed by a level-1 head of department and two administrative collaborators. Whereas the personnel department is overall in charge of managing all individual files, the "human resources" department deals with both general and cross-department aspects. These aspects include all matters relating to BIPT staff and organisation, i.e. the allocation of staff across departments, general regulations on personnel matters and also the individual cases involving contractual and statutory recruitment and promotion, and the management of the assessment procedure as described in the new regulations.

The necessity for this distinction was felt more strongly as the collective labour agreement was worked out in detail. In particular, this department will be in charge of recruitment following the allocated staff increase as well as the general management of staffing in this context.

Training

During the past year, the contribution of the training department in implementing the Institute's human resources policy was in line with previous years. Staff continued to train and hone their skills by taking language and IT courses. Members of staff assigned to argue the Institution's point of view at international meetings or with operators were able to improve their assertiveness or negotiation skills by also enrolling in courses provided by the Training Institute for the Federal Civil Service.

This year however, the initiative was taken to enrol three BIPT staff members on the course for prevention adviser at level II, which will create the opportunity of appointing a designated member of staff and providing replacement options.

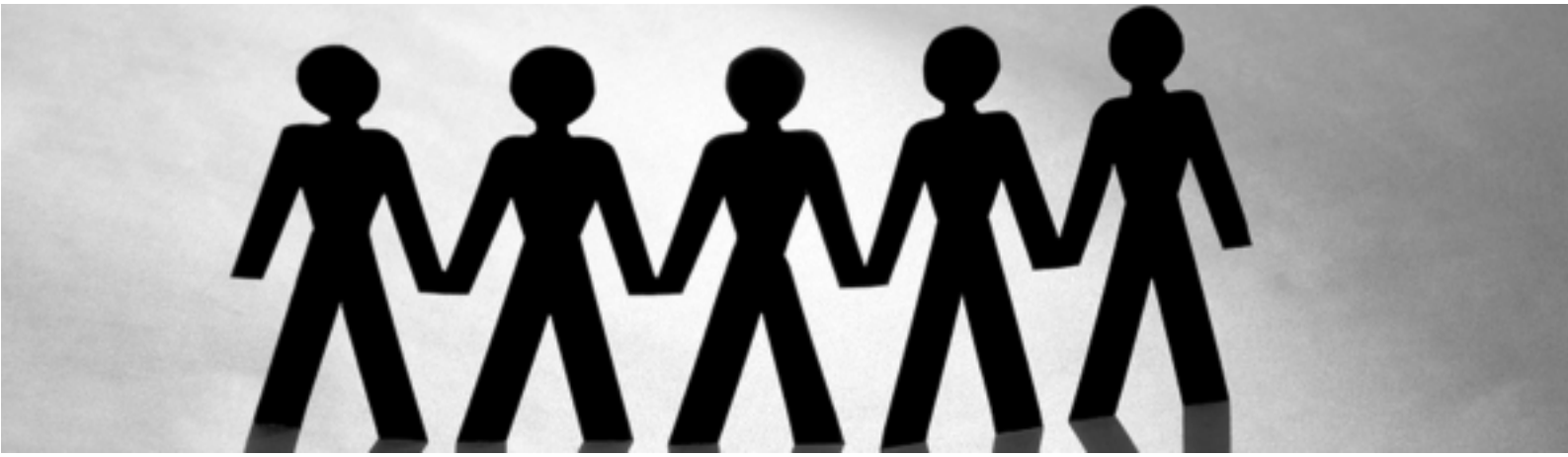
Collective labour agreement

Negotiations were held in 2005 on the legal texts implementing the collective labour agreement, which was concluded in November 2004. During that process, a number of provisions, both administrative and financial, were adapted and harmonised. A completely new evaluation system was drawn up in detail, based on job descriptions that were developed internally. A performance-related bonus system was finalised, as was a system of assignments under which fees can be awarded to whoever temporarily assumes additional tasks or responsibilities.

Staff increase

The act of 13 June 2005 extended the Institute's brief. The number of additional positions (28) for which the Institute received an agreement in principle, proved insufficient to fulfil the new tasks adequately. As a result, the Institute had no choice but to table the file on the staff increase again and has since received the agreement in principle from the minister in charge of the Institute and from the Inspectorate of Finance.

Apart from the 10 additional positions, which the Institute has to make available to the Office of the Ombudsman for Telecommunications, this file applies for an increase, for the Institute itself, by 53 staff members on current staff numbers.



Implementing this staff increase will mean that statutory staff numbers of the Institute will be brought to 280. The table below shows the breakdown of the requested positions over the different ranks:

		(1)	(2)	(3)	(4)
Level 1	Administrator	4	4	4	
	Adviser	38	38	56	+ 18
	Engineer-adviser	14	14	18	+ 4
	Translator-revisers	4	4	7	+ 3
Level 2	Head of administrative sub-department	18	14	20	+ 2
	Correspondent	50	50	79	+ 29
	Head of technical sub-department	14	14	16	+ 2
	Technician	50	48	56	+ 6
	Chief auditor	2	2	2	
	Auditor	8	8	8	
Level 3	Deputy correspondent	26	22	14	- 12
	TOTAL	228	218	280	+ 52

(1) = organisational staff numbers as laid down in the royal decree of 18 March 1993;
(2) = functional staff numbers as approved by the Council of Ministers;
(3) = new organisational and functional staff numbers (convergence);
(4) = difference to the organisational staff numbers as laid down by royal decree (first column).

4.2. Equipment

In 2005, the Belgian Institute for Postal Services and Telecommunications pursued its annual investment in IT, such as the partial renewal of its IT equipment (computers, servers, laptop computers, printers), of its software licences and maintenance contracts. On the other hand, many cross-department projects were set up with a view to making the Institute more effective and accessible and bringing it closer to the public.

New website

In 2005, BIPT awarded a tender and launched a sizeable project for a comprehensive overhaul of its website. The initiatives that are taken are not only aimed at improving its performance but also at making it more user-friendly. Interaction with the public, the sector companies and other government departments will be created through online databanks, electronic application forms, the possibility to manage files, e.g. on radio communications licences, an online map featuring antenna locations, etc. This work required considerable input in terms of creating interoperability between IT systems, databases and security measures.

Content management and electronic document management

As part of its ambitious internal project for content management, BIPT launched the first two phases of the process, namely the content management of the website and the migration of the translation department to the appropriate tools.

Database of social telephone tariff beneficiaries

In accordance with article 22 §2 of the annex to the act of 13 June 2005, the Institute developed an IT tool for managing the database listing all beneficiaries of social telephone tariffs with all operators. This IT tool was developed by BIPT, aided by the non-profit-making association SmalS-MvM/Egov, in close collaboration with the operators.

IT security

As IT security is one of the tasks entrusted to BIPT, the Institute continued to invest in its own security and to have it audited by an external specialised consultancy.

Various digitisation projects

The computerisation of licences, accounting and frequency management is currently under development. A fully integrated system was devised in order to simulate the entire process from the customer's application, up to and including the delivery of the licence, invoicing and accounting. This system was and is still being developed for the different services provided. For fixed and mobile services as well as for other categories, files will be processed along the same lines, while allowing for the individual properties of each service.

This project, which was at first aimed at internal automation, was extended in 2005 to include elements which will also enable BIPT customers to communicate with the Institute using contemporary means.

Firstly, BIPT started developing an e-desk with the aid of an external company. This should enable customers to consult their data and licences online, as well as provide them with the option of filing electronic applications. This system, which was devised and first created in 2005, will eventually provide staff members of the national spectrum monitoring department with wide-ranging possibilities for consulting the latest data. These will include data relating to payments, the forwarding of the required data for carrying out checks and the performing of required actions for reporting breaches. These extensive possibilities will in the future also be offered to other police services.

Secondly, the delivery of licences will also be brought up to date. The current licences in paper form will be replaced per category by a more efficient form of licence with stickers featuring the necessary information so that customers can consult the latest data via the BIPT website. At present, CB licences have already been replaced by stickers. These projects were set up in 2005 and will be completed in 2006.

Cartographic data were purchased in order to improve accuracy of the internal databases. These data do not only include scanned maps, but also vectorial data for locating sites.

A timetable was drawn up for linking the file database of the National Spectrum Monitoring Department to the file database of the technology department.

2005 saw the launch of a mass digitisation of the archives of the private and maritime radio licences and the frequency department using internal resources. These archives are now fully available in electronic form. This opens the long-term perspective of evolving towards paperless offices.

Specialised equipment

NCS (the National Spectrum Monitoring Department) purchased and equipped two measuring vehicles to replace written-off vehicles. Monitoring stations were further equipped. Two portable receivers were procured for the purpose of tracking interference. Each of the five centres is now equipped with a spectrum analyser capable of measuring up to 6 GHz. NCS continued to acquire antennas for specific bands and applications.

4.3. Finances

The 2005 budget was in line with previous financial years. Revenue developed proportionately to the consumer price index. For the record, the Belgian Institute for Postal Services and Telecommunications' revenues comprise fees for frequency licences, numbering plans, licences and declarations of networks and telecommunications services, as well as declarations of operation regarding other services.

As it has done every year since its creation, BIPT posted a balance surplus. In 2005, a sum of € 3 million was transferred to the Treasury. The Institute's budget and accounts are drawn up by the BIPT Council and approved by the Budget and Finance Ministers.


11,94-
455,32-
19,28-

Practical information

5.1. GLOSSARY

Terms, abbreviations or acronyms mentioned in documents published by BIPT, and/or which are specific to the telecommunications and postal sectors.

2G, 2.5G: second-generation mobile telephony (GSM, GPRS)
3G: third-generation mobile telephony, enabling fast Internet access (see UMTS)
ASTRID: public company providing a uniform and harmonised system of radio communications for all rescue and security services.
ADSL (Asymmetric Digital Subscriber Line): variation on xDSL technology, which makes use of high and inaudible frequency ranges and enables simultaneous transmission of voice and data (see xDSL).
ATM (Asynchronous Transfer Mode): technique enabling optimum use of capacity in backbone lines, which are the network's motorways, and thus ultra fast data transmission.
Backbone (backbone network): serving as the spines of the telecommunications system, backbones are ultra-high-speed transnational networks to which lower-capacity networks are connected.
Backhaul: the backhaul is the capacity of transmission linking the backbone network of an operator at a concentration point for end users or at an interconnection point.
Bandwidth: transmission capacity of a link; indicates the amount of information (in bits per second) that can be transmitted simultaneously.
Bit rate: volume of data carried over a given time on a given network.
Bitstream: digital transmission
Bluetooth: European standard for wireless communications, enabling the connection of two devices, e.g. a mobile phone and a computer, within a 100-metre range. It can replace infrared ports that are used for the same purpose.
Bottom-up: a bottom-up model is a cost model based on the traffic volumes that an operator needs to route, whereby these volumes determine the optimum dimensions of different layers in the network.
BRIO (Belgacom Reference Interconnect Offer): Belgacom is required to publish a reference offer that includes the technical conditions and tariffs for its interconnection services used by other operators.
Broadband: the collective whole of technologies using either telephone or cable for high-speed data transmission. The economic stakes of this technology are high as the broadband penetration rate in Belgian households stands at 37.3%, while the coverage rate for DSL amounts to 100% of the public and 64% for cable.
Broadcasting: transmission of programmes of a various nature by means of electromagnetic waves for entertainment or information purposes. In Belgium, this policy area comes under the authority of the Communities.
BROBA (Belgacom Reference Offer Bitstream Access): Belgacom is required to publish a reference offer that includes the technical conditions and rates for its bitstream access service used by beneficiaries.
BRUO (Belgacom Reference Unbundling Offer): Belgacom is required to publish a reference offer that includes the technical conditions and rates for its local loop and sub-loop unbundling service used by beneficiaries.
Carrier selection: facility enabling a customer to choose between several carriers by dialling a selection code before each call.
CASES (Cyberworld Awareness and Security Enhancement Structure): European project aimed at raising awareness on the risks linked to information security.
CCPC (Civil Communications Planning Committee): NATO research committee on civil telecommunications.
CEPT (Conférence Européenne des Postes et Télécommunications): European Conference of Postal and Telecommunications Administrations. Body in which the states of the European continent are assembled.
CERP (Comité Européen de Régulation Postale): European Committee for Postal Regulation.
CMR (Conférence Mondiale des Radiocommunications): World Radiocommunications Conference.
Comixtelec: joint commission on telecommunications created by the royal decree of 10 December 1957. Its main objective is to optimise the use of all means of telecommunication for the benefit of both military and civil authorities in the event of a crisis.

Convergence: this concept is used to denote the fact that telecommunications, IT and television technologies are merging together and can increasingly be provided over the same networks (cable, terrestrial or satellite radio networks) by using the same terminal equipment (IT terminals, mobile phones, television sets).
CPS (Carrier Preselection): procedure for automatically selecting operators.
DECT (Digital Enhanced Cordless Telecommunications): European standard for wireless transmission in mobile or fixed telephony.
ECC (Electronic Communications Committee): European body for cooperation in the field of radio communications.
ENISA: European Network and Information Security Agency.
ERG (European Regulators Group): group bringing together the European Commission and regulators of 25 member states, for the purpose of furthering coordination and coherent application of the European regulatory framework.
ERG: European Regulators Group.
ETSI (European Telecommunications Standard Institute): body created by CEPT in charge of standardising telecommunications.
GATS: General Agreement on Trade in Services. This is a set of multilaterally agreed rules that apply to international trade and services (see WTO).
GMDSS (Global Maritime Distress and Safety System): global system for distress and safety at sea.
GPRS (General Packet Radio Services): system for packet-switched data transmission enabling higher speeds on mobile networks.
GSM (Global System for Mobile communications): radio transmission standard used for mobile telephony.
GSM gateway or SIM box: a device that converts calls from a fixed-line telephone to a mobile phone in a mobile-to-mobile call. The call is thus routed from mobile to mobile and the cost for calling from a fixed network to a mobile network is avoided.
Hotspot: public access points to the wireless Internet network.
Improved Service Level Agreement: see ISLA
Interconnection: Interconnection links two networks together in order to allow customers of one operator to call all customers of other operators and to have access to services offered by other providers.
Internet: The collection of networks that are accessible to the public and are interconnected by means of the IP protocol (Internet Protocol). The term also denotes services that are available through these networks.
Intranet: network reserved for the communications of a company or a group, based on the IP technology (Internet Protocol).
IP (Internet Protocol): data transmission protocol for the Internet. It is coupled with a control protocol called TCP (Transmission Control Protocol). Hence the TCP/IP protocol.
IP address: address identifying equipment connected to the Internet.
IRG (Independent Regulators Group): forum established in 1997 by European regulators in order to share experiences and exchange opinions on matters of common interest such as interconnection, prices, universal service...
ISDN (Integrated Services Digital Network): network capable of routeing images, sound and text.
ISP: Internet Service Provider.
ISPA: Belgian Internet Service Providers Association.
ITU (International Telecommunication Union): international body placed under the aegis of the United Nations Organisation with headquarters in Geneva, in charge of issuing standards for the telecommunications industry.
Leased line: A leased line is a service that consists in providing a permanent transmission capacity between two points. This means that this capacity is totally allocated to one customer, who pays the operator a fixed monthly charge.
LEGBAC: international agreements governing compatibility between FM broadcasting and aviation.
Local loop: the collective set of radio or wired links between the subscriber's telephone and the subscriber switch that he is connected to. The local loop is thus the part of an operator's network that enables him to gain direct access to the subscriber. Its shared use is of great importance (see Unbundling).
Migration: the act of switching from one service to another.

MVNO: Mobile Virtual Network Operator. A virtual mobile operator markets mobile services without owning infrastructure of his own but by leasing capacity on one of the existing mobile networks.
NCS: National Spectrum Monitoring Department.
Network: any equipment for transmitting, connecting and switching signals, by radio relay link, optical or electromagnetic means (wires).
Non-public network: network reserved for its operator's own use or for a closed group of users.
Number portability: facility enabling a subscriber to keep his telephone number (mobile or fixed within the same geographical area) when changing operators.
PAMR (Public Access Mobile Radio): mobile devices for public radio communications.
PMR (Professional Mobile Radio): mobile devices for private radio communications.
Preselection: facility allowing customers to choose the carrier who will route their phone calls, without having to dial a selection code before each call.
PSTN: Public Switched Telephone Network.
Public network: network accessible to all.
R&TTE (R&TTE directive): The sector of radio communications equipment and telecommunications terminal equipment encompasses all products that use the radio frequency spectrum (for instance remote-control car keys, mobile communications equipment, broadcast transmitters, etc.) and all equipment used in public telecommunications networks (such as ADSL modems, telephones, telephone switches). The R&TTE 1999/5/EC directive lays down the rules for marketing and installing these devices; it rescinded the former directive and national regulations on matters of homologation.
Radio communications: transmission by means of radio waves, of any kind of information, in particular sounds, texts, images, conventional signs, digital or analogue content, remote-control commands, signals for tracking or determining the location or movement of objects.
Regulation: application of legal rules, economic processes and technical mechanisms, which allow electronic communications activities (services and infrastructures) to be deployed in accordance with the principles of competition, while protecting society and consumers.
Retail: sales to end consumers, whether private customers or companies.
RSPG (Radio Spectrum Policy Group): committee assisting the European Commission in matters relating to the radio spectrum.
SDSL (Symmetric DSL): This technology does not enable simultaneous routeing of voice and data, but routeing at similar speeds upstream compared to downstream, scalable from 64 Kbit/second to 2 Mbit/second, depending on the needs and on the characteristics of the line. (see xDSL).
SMP operator: Originally, this term denoted any operator holding more than 25% of the market and meeting other, more specific criteria set by BIPT. Under new European legislation, the concept of significant market power is more in line with that of dominance in competition law. BIPT analyses the level of competition in the market and designates itself the SMP players on that basis; it also sets out these SMP operators' obligations.
SMS (Short Message Service): messages of a maximum length of 160 characters that are sent over the mobile phone network.
SRC: The acronym SRC stands for short range certificate, which can be obtained by maritime radio operators.
Telecommunications: any transmission, broadcast or reception of signals (sound, images, data) by radio waves, cables or wires.
Terminal equipment: see R&TTE
Termination rate: When a call travels from one network to another, the operator of the caller pays a termination rate to the operator of the person called to compensate for the facility of "terminating" the call on this network.
Top down: cost calculation model based on an operator's annual accounts or budget.
Top-level domain name: this domain name indicates the entity which a website belongs to (e.g. ".be" or ".com").

Transmission: transmission in the field of telecommunications refers to the routeing of information over a network, either physical (copper wires, optical cables, ...) or radio-based.
UMTS (Universal Mobile Telecommunications System): international standard for third-generation mobile networks, which are suited for transmitting voice, data and images.
Unbundling: The infrastructure of the local access network requires investment that is prohibitive for the entry of new players on the market. This is to the detriment of competition levels. Unbundling is aimed at boosting competition by enabling new competitors to offer broadband data transmission services. These services enable permanent Internet access, multimedia applications on the basis of digital subscriber line technology as well as voice telephony services.
Universal service: a set of basic services of a given quality, which have to be provided at a reasonable price to all users across the territory.
UPU (Universal Postal Union): body placed under the aegis of the UN with headquarters in Berne.
VDSL (Very High Rate DSL): transmission technology enabling very high speeds but over a shorter range than ADSL (see xDSL).
Voice over IP: voice telephony over the Internet.
Voice telephony: The term "voice telephony" refers to the historical telephone service, when telephones only transmitted the human voice.
VSAT (Very Small Aperture Terminal): ground station for telecommunications via satellite.
Wi-Fi (Wireless Fidelity): protocol for connecting computers by radio waves. (see Hotspot).
WTO (World Trade Organisation): From 1948 until 1994, the General Agreement on Tariffs and Trade (GATT) laid down the regulatory framework that governed much of the international trade. The general agreement soon gave rise to an unofficial international organisation, existing in fact and itself unofficially named GATT, which evolved over the years through different rounds of negotiation. The last and most important GATT round, the Uruguay Round, which ran from 1986 until 1994, led to the establishment of the WTO on 1 January 1995 (see GATS).
xDSL (Digital Subscriber Line): group of technologies enabling high-speed transmission through one or several pairs of copper wires by using very-high-frequency signals. xDSL breaks down into ADSL SDSL, and VDSL. Each of these subgroups carries its own specific usage and characteristics.

5.2. USEFUL ADDRESSES

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ANNEX

References to regulatory texts prepared by BIPT and published in 2005

Promulgation date	Publication date in the Moniteur Belge	Title
02/02/2005	10/03/2005	Royal decree amending the royal decree of 7 March 1995 concerning the establishment and operation of GSM mobile phone networks and the royal decree of 24 October 1997 concerning the establishment and operation of DCS-1800 mobile phone networks
02/02/2005	15/03/2005	Royal decree amending the royal decree of 16 March 1998 concerning ground satellite stations
08/03/2005	25/03/2005	Royal decree of 8 March 2005 amending the royal decree of 4 October 2005 laying down the specifications for the radiopaging service and the procedure for awarding individual licences
17/03/2005	01/04/2005	Ministerial order of 17 March 2005 concerning ground satellite stations
20/04/2005	07/09/2005	Royal decree on the organisational structure of the Belgian Institute for Postal Services and Telecommunications
26/04/2005	09/06/2005	Royal decree concerning the taking of samples by the criminal investigation officers of the Belgian Institute for Postal Services and Telecommunications
10/05/2005	23/05/2005	Ministerial order laying down the details concerning the measures to be taken in order to stop mobile terminal equipment from accessing mobile communications networks
13/06/2005	20/06/2005	Act of 13 June 2005 on electronic communications
01/09/2005	27/09/2005	Ministerial order amending the ministerial order of 9 January 2001 on the establishment and the operation of radio stations by radio amateurs
12/12/2005	16/12/2005	Ministerial order of 12 December establishing the categories of outgoing calls and the categories of the numbers called of which the blocking must be offered free of charge to end users

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