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OECD QUESTIONNAIRE TO PREPARE THE 1999 COMMUNICATIONS OUTLOOK

TELECOMMUNICATIONS

Country: Luxembourg

Date completed: 21 July 1998

The attached questionnaire was undertaken in preparation for the biennial OECD *Communications Outlook*. The responses provided by countries on telecommunication regulation were used to provide information supporting the analytical sections published in association with data. A similar questionnaire with responses on broadcasting regulation is also available. In some cases, data for individual firms, used to compile OECD totals, have not been published at the request of the respondent. For further information, including data, see **OECD Communications Outlook 1999** and <http://www.oecd.org/dsti/sti/it/index.htm>

TELECOMMUNICATIONS

Market Structure and Regulatory Status (Questions 1 -13)

1. Please provide details of the regulation of communication infrastructure, including the public switched telecommunication network (PSTN), provision in your country.

Infrastructure provision for following service	Regulatory Status (e.g. monopoly, duopoly, certain number, fully open to any applicant)	Number of licensed operators (1998)
Local PSTN	Monopoly till 1 July 98	
National PSTN	Monopoly till 1 July 98	
International PSTN	Monopoly till 1 July 98	
Analogue Cellular Mobile (e.g. NMT etc.)	--	
Digital Cellular Mobile (e.g. GSM etc.)	Duopoly	2
Other Mobile Communication (e.g. PCS, PCN, CT-2 etc.)		
Payphones	Monopoly till 1 July 98	

2. Please provide details for the major public telecommunication operator (PTO) of public switched telecommunication services in your country. (PTOs are state and privately owned entities providing public switched telecommunication services over their own infrastructure)

Name of PTO	PTO Ownership Status (1998) (e.g. state owned/privately owned) If a balance of ownership exists please indicate the share (%) held by the government
Entreprise des Postes et Télécommunications Luxembourg	State-owned

3. Please provide details of market share for the largest PTO in the following categories.

	The largest PTO's share (End 1997)
Local Access (% of access lines)	100%
National Long Distance (% of total minutes)	100%
International (% of total outgoing MiTT)	100%

4. Please provide details of the number of subscribers by cellular and PCN mobile communication operators.

Name of Operator	Number of Subscribers (End 1997)
1. Entreprise des Postes et Télécommunications Luxembourg	60 000

5. Please provide a description of the most significant recent policy changes affecting the provision of telecommunications services, as well as any draft laws, or regulatory proposals to be implemented in 1998.

Please provide details:

The Telecommunications Act of 21 March 1997, and the Grand Ducal Regulations flowing therefrom, transpose European directives on liberalising the telecommunications market into national law.

Luxembourg had received a 6-month derogation (till 1 July 1998) to liberalise its telecommunications market completely.

6. Please provide a brief description of the responsibilities of the national regulatory authorities for public telecommunication services.

Please provide details:

The Communications Ministry drafts legislation after receiving the opinion of the Institut Luxembourgeois des Télécommunications, the regulatory authority. ILT is responsible for enforcing all decisions and measures under the Telecommunications Act of 21 March 1997.

7. Are there any foreign ownership, size of shareholding or other ownership restrictions on individuals and corporations investing in the incumbent PTO(s) in your country? Yes/ No

Not applicable

8. Are there any communication infrastructures or services (e.g. cable television, terrestrial broadcasting, satellite broadcasting) PTOs in your country are not permitted to directly provide? In addition, please specify any restrictions on PTOs investing in companies that such infrastructure or services.

Please provide details:

Broadcasting is not authorised.

9. Is the incumbent PTO(s) in your country allowed to provide mobile communication services? Yes/No

If 'yes', is there a requirement for accounting separation between the PTO's mobile and fixed operations?

Yes

10. What selection procedures are used to determine licenses for new PTOs (e.g. calls for tenders, government appointments, license on request)?

Please provide details:

Call for tenders under a statutory procedure.

For licences on request, the criteria are set by a Grand Ducal Regulation.

11. Please specify any restrictions or obligations imposed on new competitive network suppliers?

Please provide details:

1) A Grand Ducal Regulation specifies minimum service conditions for each category of licence, and these are applied on a strictly identical basis.

2) The same Regulation sets out the content and limitations of individual licences. In addition, operators meeting certain conditions ("significant market power") may be subject to universal service and or interconnection obligations as set out in the Act and the Grand Ducal Regulations flowing therefrom.

3) All new service providers and operators must comply with ordinary law, in particular with regard to competition and consumer protection.

12. Are there any restrictions on the use of leased lines nationally or internationally (including resale)? Yes/No

Please provide details if 'yes':

The Act of 21 March 1997 does not give a precise definition of "leased lines". Reference must be made to the global definition of "telecommunications service" and "telecommunications network".

In the case of licences, any restrictions are set out in the specifications. In principle, a licence is personal and non-transferable. For services requiring a declaration, the Act provides that a licence may be transferred subject to a declaration to ILT. No distinction is made between national and international levels.

13. Under the communication regulation existing in your country how would national and international voice telephony services provided over the Internet, by entities other than a PTO, be defined and treated? Please mention any restrictions or obligations that may apply.

Please provide details:

See answer to question 11. No distinction is made.

Pricing (Questions 14 -15)

14. What, if any, conditions are applied to the tariffs set by PTOs? (Please include any price control information such as price caps and specify for which service they apply).

Please provide details:

15. If communication discount schemes are available in your country please provide information on one or more popular schemes applicable to residential users, dial-up Internet access users and a low user scheme from the incumbent PTO. In the space below please indicate the main features:

Numbering/Domain Names (Questions 16 - 17)

16. Please describe the numbering policy in your country. Please mention the responsible authority and whether portability has been introduced and for which services (e.g. 800 numbers, cellular numbers, local PSTN numbers).

Please provide details:

The responsible authority is the Institut Luxembourgeois des Télécommunications. A new numbering scheme is to be finalised and made public in 1998. After publication, further details may be supplied. Portability will be introduced in the year 2000, in line with European directives.

17. Have there been any recent government policy initiatives in your country in respect to the administration of Internet top level domain names. (An example of a top level domain name is .be for Belgium). Yes/No

If 'yes' please provide details:

No.

Interconnection (Questions 18 - 21)

18. Are PSTN interconnect or access charges a matter for commercial agreement between operators and if so is there provision for arbitration and by whom? Is there a requirement to publish the rate for PSTN interconnect or access charges? Yes/No

If 'yes' please provide a schedule of interconnection charges for the PSTN.

Please provide details:

The Reference Interconnect Offer (RIO) of the Entreprise des Postes et Télécommunications, which has to be approved by ILT, has not yet been finalised (as of July 1998). One of the items under discussion is in fact the interconnection rate and the accounting model underlying it.

Interconnection charges (please indicate measure e.g. cost per minute for terminating or originating traffic):

PSTN interconnect or access charges are set by commercial agreement in line with the rules laid down in Part IV of the Telecommunications Act of 21 March 1998.

19. For the purpose of establishing interconnect or access charges is accounting separation used?

Please provide information on any regulatory requirement:

Definition in the Telecommunications Act of 21 March 1998:

“determination of interconnection rates based on objective and transparent criteria focused on the costs determined via an appropriate accounting system”

20. Once the interconnection or access charge has been established is it available as a standard rate for other service providers (including other PTOs and resellers)?

Please provide details:

RIO will be published in full once it has been finalised. Interested parties may accordingly consult it for interconnection charges, among other things.

21. Does regulation specify that competitive service providers can collocate facilities on the same site as incumbent PTOs? Please indicate whether resellers and Internet Service Providers can co-locate equipment under the same terms and conditions as PTOs without being designated as a PTO?

Please provide details:

The RIO project provides scope for collocation. The conditions would apply to all operators/service providers covered by the RIO.

Information for Updating OECD Tariff Comparison Baskets (Question 22)

22. Please provide the following information for your largest PTO.

What is the average duration of a local call (i.e. average time of a call in the lowest tariff band for PSTN)?		
What is the proportion of calls that fall within your lowest tariff band (i.e. local calls) as a percentage of total national calls?	Business (%) 100%	Residential (%) 100%
What percentage of calls from the fixed network (PSTN) terminate in mobile networks (e.g. analogue and digital cellular networks)?	Business (%) ?	Residential (%) ?
What percentage of total leased lines (i.e. leased circuits) are local (i.e. 2 km or less)?	?	

Universal Service/Consumer Issues (Questions 23 -25)

23. In the context of universal service policies which elements of telecommunication service are considered as part of universal service in your country?

Please provide details:

The Grand Ducal Regulation of 26 May 1998 on universal telecommunications services defines the following items as forming part of universal service:

- a) the provision of basic telephone services
- b) the provision of public payphone services
- c) publication and distribution of a telephone directory

24. Please provide details of any explicit funding mechanism for universal service and its coverage.

Please provide details:

All operators obtaining licences under Article 7(2) of the Telecommunications Act of 21 March 1998 are obliged to contribute to financing the universal service account. ILT is authorised under the Act to establish and manage that account, and to set the level of contributions in line with specified criteria. ILT may set financial compensation for an operator bound to provide a universal service if the obligation represents an inequitable burden for the operator.

25. With what institutions other than telecommunication service providers can customers lodge complaints regarding these operators? (e.g. regulators, ombudsman, Ministry, etc.) Is there a requirement for annual reporting of the number of consumer complaints? If so how are complaints measured and reported.

Please provide details:

Under the Telecommunications Act and competition and consumer protection law, complaints should be lodged with ILT.

Under general competition law, complaints should be lodged with the Economics Ministry.

Under ordinary civil and commercial law, complaints should be lodged with Luxembourg courts.