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Union (ITU)**



**Spanish-American Association of Research  
Centers and Telecommunications Companies**

# **UNIVERSAL SERVICE IN THE AMERICAS**



**Inter-American Telecommunication Commission  
Organization of American States  
CITEL  
February 2000**

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**Ministro  
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## **P**reface

**Claudia de Francisco  
Minister of Communications of Colombia  
and Chair of PCCI**

The Permanent Consultative Committee of the Inter-American Commission of Telecommunications is highly pleased to present to the member countries of the Organization of American States this first edition of the book *Universal Service in the Americas*. This book focuses on, and analyzes, the strategies and programs developed by the member countries to ensure universal coverage of telecommunication services among all population groups of the continent.

Under the leadership of the Secretary General of the OAS, Dr. César Gaviria Trujillo, we wanted to prepare this manual especially as a reference for the year 2000 Telecom Summit of Rio de Janeiro. All the social policies and concrete plans developed by the nations of the Americas for the purpose of effectively expanding telecommunications service coverage, giving priority to delivery of this public service to isolated regions and to the most vulnerable population groups, have been compiled herein.

With the liberalization of international markets and the global promotion of competition, regulatory and planning authorities must accept the fundamental responsibility of guaranteeing to all inhabitants of the Americas access to the benefits provided by the infrastructure of the information and knowledge society.

The present book is tangible testimony of the different efforts made by governments to achieve short- and medium-term results in focusing on and guaranteeing the essential human right of communication. This will undoubtedly become a reference manual that will contribute to enrich and complement the strategies that are being applied in each one of our countries.

As Chair of the PCCI it gives me great pleasure to contribute to the continent's reflection on the telecommunications sector with this document on plans that have already been laid out and programs that are being implemented. To the authorities and administrations it will serve us as a guide to take up the complex challenges yet to come in the 21st century.

This report has been conducted thanks to the work and dedication of member countries participating in PCCI's research, led in this specific case by the Administration of Argentina with the support of ITU and AHCIET. We would like to extend to them our gratitude and special appreciation.

**Claudia de Francisco  
Minister of Communications of Colombia  
and Chair of PCCI**



## Preface

**Héctor Mario Carril**  
**Chair of the Working Group on Basic and Universal**  
**Telecommunications Services, CITEL/OAS**

The observation was made during the last CITEL Assembly that we can never bring knowledge to our peoples if we fail in our attempt to provide them with adequate, ever-improving communications. Thus, at the end of the century and the millenium, it has become absolutely imperative to focus the efforts of our industry on achieving much more profound social impact.

At a stage in the development of telecommunications in which we are moving towards market deregulation, states must, as the Senior Telecommunications Officials of the Americas recommended in the Plan of Action for the Americas, "... promote the establishment of mechanisms for increasing telephone service density and coverage in rural areas and for low-income groups."

In such a framework of transformation towards deregulation, we must determine in our countries how to make telecommunications services accessible to all our populations, in each and every part of our continent. We must achieve universal access to information, overcome computer illiteracy, and provide mass access to the Internet.

The objective of publishing the Book on Universal Service in the Americas is to provide the information available on legislation and regulations on universal access/service in the countries of the Americas. It seeks to become a resource for enhanced policy formulation and drafting of legislation and regulations in this area in the framework of the mandate of the Summits of the Americas.

I would like to thank CITEL for having entrusted me with the responsibility of carrying out this project; the ITU, AHCET, and the Administrations of the region for the valuable collaboration they provided; ITU expert, Mrs. Graciela Mealla, for her coordination of the project; and CITEL experts, Mrs. Carmen Cecilia Angarita and Mr. Harry Noblé, for their contributions on the Andean Community and the Caribbean respectively.

The scope of social policy objectives implied by universal access/service programs fully justifies the publication of this book as an instrument to be used by every country, in keeping with its own policies and its social, economic, and legal context. We hope that this Book may contribute to determining social policy objectives so that we may enter the new century - the century of communications and information technology - without exclusion of any type, and reach out to all peoples of the Americas.

Héctor Mario Carril  
*Chair, Working Group on Basic and Universal*  
*Telecommunications Services, CITEL/OAS*

# Preface



**Hamadoun I. Touré**  
**Director, Telecommunication Development Bureau of**  
**International Telecommunication Union**

It is with great pleasure that we present to you the final version of *Universal Service in the Americas*. This report is the product of on-going collaboration between the Telecommunication Development Bureau (BDT) of the International Telecommunication Union (ITU), the Inter-American Telecommunications Commission (CITEL) of the Organization of American States (OAS), and the Spanish-American Association of Research Centers and Telecommunications Companies (AHCJET).

Communications is an increasingly critical component of economic growth. It is the engine of the evolving global information infrastructure. At the first World Telecommunication Development Conference of the ITU (WTDC-94, Buenos Aires), the idea of a global information infrastructure was launched. This was followed by notions of information superhighways and information societies.

By the second World Telecommunication Development Conference (WTDC-98, Valletta), growth in the Internet and mobile communications had far surpassed industry predictions. Privatization, competition and the establishment of independent regulatory bodies was starting to become the norm in many ITU member states.

But large differences in accessibility to telecommunication services around the world and within individual nations had not improved and in some cases were exacerbated. This was highlighted by the fourth edition of the *World Telecommunication Development Report* (WTDR-98) on the theme of universal access. The report showed, inter alia, that information societies would never be achieved unless universal access/service was attained.

As we now begin the 21<sup>st</sup> century, vast pockets of humankind without access to basic telecommunication services continue to exist. Like water, food, and shelter, access to communications must also be a human right. We must work together to make this a reality for the Americas region.

Effective policies must be put in place to achieve universal access/service such as: determining concrete and practical definitions of universal access depending on each country's level of economic and telecommunication development. Definitions may range from per household to community access (using community telecenters); establishing network targets for privatized operators, or new operators; maintaining or realizing affordability; creating effective funding mechanisms, and optimizing the use of appropriate technologies.

This report looks at universal access/service from the perspectives of the ITU, CITEL and the WTO. It looks, in depth, at the legislation and policies employed by many of the countries in the Americas region.

*Universal Service in the Americas* is intended to serve as a reference tool to assist countries of the Americas region in forming the best policies and practices with the goal of making universal service/access available to all of the region's inhabitants.

We would like to thank all of the individuals who contributed to the report, in particular, Ms. Graciela Mealla, the coordinator of the report, and Mr. Héctor Carril, Chairman of the Working Group on Basic and Universal Telecommunications Services of the Permanent Consultative Committee I (PCC.I) of CITEL. Several versions of this report have been distributed to the Administrations of the Americas region. The report has benefited from comments and suggestions from a range of people within the ITU, CITEL, AHCET, and the wider telecommunication community.

A handwritten signature in black ink, consisting of several loops and a final dot, representing the name Hamadoun I. Touré.

Hamadoun I. Touré  
Director  
Telecommunication Development Bureau

1 February 2000



## Preface

**D. Marco Antonio Cruz Miranda**  
**Chair of AHCET**

The idea of conducting a study between the three organizations (ITU, CITEL and AHCET) to examine the regulation of universal service emerged as a compromise reached by the three institutions at CITEL's Forum on Universal Service that took place in mid-April last year in Buenos Aires, Argentina.

I would like to underscore the importance this matter now has for our countries, since one of the major challenges for the development of our nations is ensuring that increasingly more people gain access to telecommunication services.

The study that we are presenting today is aimed primarily at examining the regulatory situation of each country, confident that this will encourage the respective governments to start formulating policies and regulating those critical aspects that are hampering the development of universal service. Its goals and the technology used are also identified in order to maximize the benefits that these technologies provide to extend and improve telecommunications services, as well as the guiding principles to establish, allocate, and administer universal service programs.

Nevertheless, one of the most important challenges of our nations, once there is open market competition, is to define the policy for financing universal service and to determine the costs of universal service as elements facilitating access to services.

At AHCET we will be watching this matter very closely. We are aware that the concept of universal service is constantly evolving, and therefore the Regulation Commission of our Association will be paying close attention to what is happening in this area.

Finally, I would like to congratulate the experts who were hired to draft the Report, Ms Graciela Mealla, Ms. Carmen Cecilia Angarita, and Mr. Harry Noble, for their professionalism and the excellent job they did, as well as ITU and CITEL, for working jointly with AHCET for the benefit of the entire telecommunications community.

D. Marco Antonio Cruz Miranda  
Chair of AHCET  
December 1999



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## INTRODUCTION

At this revolutionary time in the development of telecommunications, universal access/service is the fundamental tenet to be taken into account in the development of telecommunications policies and legislation. The new context of international trade, the increasingly competitive environment, convergence, technological progress, the establishment of the consumers' rights, and implementation of the Global Information Society (GIS) and Global Information Infrastructure (GII) are adding new dimensions to the concept of the universal access/service in every country in the Americas.

Pursuant to the provisions of the Second Summit of the Americas (April 18-19, 1998, Santiago, Chile), governments, in cooperation with the private sector, have been entrusted with the promotion of the exchange and distribution of information on regulatory issues, among them, those relating to universal access/service. Taking account of this, and of the fact that information has become an essential resource, this publication was prepared at the request and with the assistance of the Inter-American Telecommunication Commission (CITEL - *Comisión Interamericana de Telecomunicaciones*), in collaboration with the International Telecommunication Union (ITU), and the *Asociación Hispanoamericana de Centros de Investigación* (AHCIET), as indicated in the Preface.

The principal objective of the product of these efforts, this handbook, is to provide all regulatory information available on universal access/service in the countries of the Americas to be used as a tool to implement best practices and regional guidelines, in keeping with the policies and legislation of each country.

This book is divided in four sections:

1. Universal access/service handling in the ITU: includes the genesis, actions, and main documents produced by the world telecommunications regulatory body.
2. Universal access/service handling in CITEL: discusses regional tendencies and activities, as set forth in the Declarations and Plans of Action of the heads of state and government, implemented in various ways by CITEL, as the highest telecommunications authority of the Americas region.
3. Universal service in the WTO negotiations on basic telecommunications: a general view of the treatment of telecommunications in that organization and an analysis of the universal service principle within this multilateral framework.
4. Universal access/service in the Americas: specifically discusses the legislation of each country in the region and provides the statistics available for each country, taken from various sources.

# 1. UNIVERSAL ACCESS/SERVICE HANDLING IN THE ITU

In 1998, the International Telecommunication Union (ITU)'s "World Telecommunications Development Report," 4<sup>th</sup> edition, focused on universal access.<sup>1</sup> This ITU report constituted an instrument for the comprehensive analysis of universal access/service policies being undertaken throughout the world. Thus, it compiled background information on the topic ranging from the initial conception and re-reading of the so-called Maitland Report (The Missing Link, Report of the Independent Commission for World Telecommunications Development, 1984), to the "Report of the Second Regulatory Colloquium: The Changing Role of Government in an Era of Telecom Deregulation," (ITU, 1993) (devoted to consideration of the universal service concept, its financing, and who defines it), to the latest pronouncements of the international community in this area, including those concerning access as an aspect of the right to communicate.<sup>2</sup>

Quantitative analysis enables the status of world access to be examined. Measurement criteria (teledensity and penetration) and other applicable criteria, such as household access, community access, and public telephone installation, are reviewed. Costs included in the price of access are also taken into account, evaluating the available supply and demand elements, cost-related prices, and the concept of affordability. The chapter on the status of actual access reviews the phenomenon of cellular services and implications thereof, the Wireless Local Loop (WLL), satellite systems, and the introduction to the services included in the concept Voice +. It examines application of the concepts of universal service and universal access in the developed and the developing countries and suggests a new concept of universal access (instead of individual access, access by groups of people; rather than one telephone for each home/community access) located at a reasonable distance. The ITU report concludes with a formulation of goals that it should be possible to achieve by 2010.

**Table 1.1 Universal access goals for 2010**

	Telephone density		Telephone penetration in households		Public telephones per 1000 people	
	1996	2010	1996	2010	1996	2010
WORLD	12.80		34.4		1.55	
Developing countries,	5.07	10	16.3	> 50	0.84	2
Low-income	2.44	5	8.5	> 20	0.57	1
Excluding China	1.22		4.1		0.21	
Developed countries	54.03		94.3		5.19	

Source: ITU: "World Telecommunications Development Report: Universal Access", Table 5.4.1998

The glossary contained in the aforementioned 1998 ITU report provides the concepts included therein on accessibility, affordability, and availability as well as on universal access and universal service in the following terms, which are included as reference:

“Universal access: Refers to reasonable telecommunications access for all. Includes *universal service* for those that can afford individual telephone service, and wide-spread provision of public telephones within a reasonable distance for others.”

“Universal service: Refers to *availability*, non-discriminatory *access* and wide-spread *affordability* of telephone service. The level of universal service is statistically measured as the percentage of households with a telephone.”

World telecommunications indicators are available in the aforementioned report. Nonetheless, Tables 1.1 and 1.2 below contain an extract of basic indicators and cellular subscribers for the Americas region to 1998, taken from the ITU Telecommunications Indicators.

**Table 1.2 Basic indicators for the Americas region**

Basic indicators		World					
		Population		GDP		Main telephone lines	
		Total	Density	Total	per capita	Total	per 100
		(M)	(per km <sup>2</sup> )	(B US\$)	(US\$)	(k)	inhabitants
		1998	1998	1997	1997	1998	1998
56	Antigua & Barbuda	0.07	164	0.6	8'266	34.0	46.80
57	Argentina	36.12	13	293.0	8'214	7'323.1	20.27
58	Aruba	0.09	487	1.5 [96]	17'109	33.2 [97]	36.69
59	Bahamas	0.30	21	3.1 [95]	11'001	104.3	35.23
60	Barbados	0.27	623	2.2	8'216	113.6	42.40
61	Belize	0.23	10	0.6	2'748	31.6	13.75
62	Bermuda	0.06	1'185	2.1	34'548	53.7	83.95
63	Bolivia	7.96	7	8.0	1'025	535.0 [97]	6.88
64	Brazil	165.85	19	804.1	5'029	19'986.6	12.05
65	Canada	30.30	3	618.3	20'608	19'241.0	63.50
66	Chile	14.82	20	75.8	5'182	3'046.2	20.55
67	Colombia	36.70	32	86.4 [96]	2'424	6'366.9	17.35
68	Costa Rica	3.84	75	9.8	2'696	660.0	17.18
69	Cuba	11.12	97	14.6	1'319	387.6	3.49
70	Dominica	0.08	101	0.2	3'236	18.7 [96]	25.23
71	Dominican Rep.	8.23	170	15.1	1'862	763.9	9.28
72	Ecuador	12.18	26	19.8	1'656	953.0	7.83
73	El Salvador	6.03	282	11.2	1'890	482.6	8.00
74	French Guiana	0.17	2	...	...	46.3	27.74
75	Grenada	0.10	303	0.3	3'135	27.5	26.28
76	Guadeloupe	0.44	260	3.5 [94]	8'509	197.1	44.49
77	Guatemala	10.80	99	17.8	1'692	429.7 [97]	4.08
78	Guyana	0.85	4	0.7	881	59.9	7.05
79	Haiti	7.65	276	3.3	447	60.0 [97]	0.80
80	Honduras	6.55	58	4.7	741	249.7	3.81
81	Jamaica	2.54	222	6.2	2'461	419.4 [97]	16.57
82	Martinique	0.39	353	4.1 [93]	10'747	172.2	44.27
83	Mexico	95.83	49	402.4	4'216	9'926.9	10.36
84	Neth. Antilles	0.22	279	...	...	75.9 [95]	36.59
85	Nicaragua	4.47	37	2.0	465	140.0	3.13
86	Panama	2.77	35	8.8	3'226	365.7 [97]	13.44
87	Paraguay	5.22	13	9.6	1'879	288.5	5.53
88	Peru	24.80	19	65.2	2'676	1'654.6	6.67
89	Puerto Rico	3.81	425	35.8 [93]	9'899	1'322.5 [97]	35.07
90	St. Kitts and Nevis	0.04	158	0.3 [96]	6'589	17.2 [97]	41.83
91	St. Lucia	0.15	239	0.6	3'816	39.5	26.79
92	St. Vincent	0.11	288	0.3 [96]	2'469	20.5 [97]	18.37
93	Suriname	0.44	3	0.7	1'521	67.3	15.23
94	Trinidad & Tobago	1.28	250	5.9	4'608	264.1	20.58
95	United States	270.37	29	8'083.4	30'173	172'452.5 [97]	64.37
96	Uruguay	3.29	18	20.0	6'149	823.5	25.04
97	Venezuela	23.24	25	88.4	3'849	2'712.2	11.67
98	Virgin Islands (US)	0.11	313	...	...	64.9	60.05
Americas		799.90	20	10'730.2	13'658	252'032.7	31.63

Source: Main telephone lines: ITU. Population/GDP: UN, IMF, World Bank.

Source: ITU.<sup>3</sup>

**Table 1.3: Cellular subscribers for the Americas region**

Cellular subscribers		Cellular mobile subscribers			As % of total		World
		(k)		CAGR (%)	Per 100 inhabitants	telephone subscribers	% Digital
		1997	1998	1997-98	1998	1998	1998
56	Antigua & Barbuda	1.3 [96]	...	...	...	...	...
57	Argentina	2'009.1	2'821.9	40.5	7.81	27.8	...
58	Aruba	3.4	3.4 [97]	...	3.76	9.3 [97]	...
59	Bahamas	6.2	7.9	28.3	2.67	7.0	10.0
60	Barbados	8.0	8.0 [97]	...	3.01	6.9 [97]	- [97]
61	Belize	3.0	3.4	13.7	1.49	9.8	-
62	Bermuda	8.0 [96]	...	...	...	...	...
63	Bolivia	116.0	218.0	87.9	2.74	29.0	- [97]
64	Brazil	4'400.0	7'760.6	76.4	4.68	28.0	...
65	Canada	4'346.8	5'320.0	22.4	17.56	21.7	...
66	Chile	409.7	964.3	135.3	6.50	24.0	- [97]
67	Colombia	1'264.8	1'800.2	42.3	4.91	22.0	-
68	Costa Rica	64.4	108.8	68.9	2.83	14.1	-
69	Cuba	3.0	4.1	35.5	0.04	1.0	-
70	Dominica	0.5 [96]	0.7	18.7	0.86	...	100.0
71	Dominican Rep.	133.5	255.9	91.7	3.11	25.1	...
72	Ecuador	160.0	308.0	92.5	2.53	24.4	60.0
73	El Salvador	40.2	106.1	164.2	1.76	18.0	-
74	French Guiana	-	4.0	-	2.40	7.9	100.0
75	Grenada	1.0	1.4	44.5	1.35	4.9	-
76	Guadeloupe	...	14.2	...	3.21	6.7	...
77	Guatemala	64.2	111.4	73.6	1.03	20.6	-
78	Guyana	1.4	1.5	3.9	0.17	2.4	...
79	Haiti	-	- [97]	...	-	- [97]	- [97]
80	Honduras	14.4	34.9	141.9	0.53	12.3	-
81	Jamaica	54.6 [96]	...	...	...	...	...
82	Martinique	15.0	55.0	266.7	14.14	24.2	100.0
83	Mexico	1'740.8	3'349.5	92.4	3.50	25.2	...
84	Neth. Antilles	14.0 [96]	...	...	...	...	...
85	Nicaragua	7.9	20.0	152.8	0.45	12.5	100.0
86	Panama	17.0	17.0 [97]	...	0.62	4.4 [97]	100.0 [97]
87	Paraguay	84.2	215.3	155.6	4.12	42.7	- [97]
88	Peru	435.7	743.0	70.5	3.00	31.0	...
89	Puerto Rico	169.3 [96]	...	...	...	...	...
90	St. Kitts and Nevis	0.2	0.2 [97]	...	0.50	1.2 [97]	- [97]
91	St. Lucia	1.6	1.9	18.8	1.29	4.6	...
92	St. Vincent	...	...	...	...	...	...
93	Suriname	2.3	6.0	166.0	1.36	8.2	39.4
94	Trinidad & Tobago	17.5	26.3	49.8	2.05	9.1	10.0
95	United States	55'312.3	69'209.3	25.1	25.60	28.6	28.9
96	Uruguay	149.7	196.0	30.9	5.96	19.2	39.3 [97]
97	Venezuela	1'071.9	2'015.0	88.0	8.67	42.6	...
98	Virgin Islands (US)	...	...	...	...	...	...
<b>Americas</b>		<b>72'152.8</b>	<b>95'713.2</b>	<b>33.1</b>	<b>12.07</b>	<b>27.7</b>	<b>28.0</b>

Source: ITU

Source: ITU<sup>4</sup>

The ITU's World Telecommunications Development Conferences (WTDC) have carried out activities of consequence in the area of universal access/service.

The First ITU World Telecommunications Development Conference approved the Buenos Aires Plan of Action (BAAP) with a view to increasing accessibility of telecommunication services in rural and remote areas. The Plan included a specific program

(No. 9) for the improvement of access in those areas, as well as in unserved urban areas, and for the development of community telecenters. Study Groups 1 and 2 were created at this time, to which various universal access/service topics were assigned. Reference will be made thereto below.

The aforementioned “World Telecommunications Development Report. Universal Access. 1998” was prepared to be presented at Second World Telecommunications Development Conference (WTDC), La Valetta, Malta, 1998. Its plan of action includes a specific program for rural development and universal access/service. Among its activities are the conduct and evaluation of pilot projects for community telecenters.<sup>5</sup> Resolution 3 of this conference assigned several topics to Study Groups 1 and 2, as reformulated, to be taken up in the 1998-2002 period, in particular Question 7/1: Universal Access/Service. It has been decided that Question 7/1, which is under active examination, should establish a set of best practice guidelines that the countries should take into account in preparing policies, legislation, and/or regulations on critical universal access/service issues, taking into account for this purpose work carried out in 1994 – 1998 period on Questions 2/1 (Telecommunications policies and their repercussions at the level of institutional, regulatory and operational aspects of services), 3/1 (Impact of the introduction and utilization of new technologies on the commercial and regulatory environment of telecommunications polities in matter of telecommunications); 4/2 (Communications for rural and remote areas); and 6/2 (Impact of telecommunications in health-care and other social services). It is considered that, among other topics, the relationship with other fundamental areas must be identified and analyzed at the time the countries introduce free competition, such as access rates, frameworks, interconnection agreements, and rate distribution and rebalancing.<sup>6</sup>

This is obviously not an exhaustive list of ITU actions relating to universal access/service. Such a description would exceed the scope of this work.

Finally, it should be noted that the Union’s Strategic Plan for 1999 – 2003, approved through Resolution 71 of the Plenipotentiary Conference, Minneapolis, 1998, established as "Goal 2 - In addition to the development of access to basic telecommunications and information services, worldwide connection with the Global Information Infrastructure (GII) and worldwide participation in the Global Information Society (GIS)" should be promoted for all ITU sectors.

Goal 2’s priority actions include, as general activities, facilitating access to telecommunications through promotion of profitable technologies and low-cost products for final users that meet quality standards and quality requirements. It has been provided that the ITU’s Telecommunications Development Sector will collaborate with governments to assist them in establishing policies and regulatory structures aimed, among other objectives, at guaranteeing provision of universal service and the universal access through the promotion of innovation and the introduction of new services and technologies for unserved or underserved users.

## 2. UNIVERSAL ACCESS/SERVICE HANDLING IN CITEL

### 2.1 Background

The Inter-American Telecommunications Commission (CITEL)<sup>7</sup> of the Organization of American States (OAS) was given a leading role in contributing to measures that will assure and facilitate universal access/service policies in the Americas. In this connection, the Summits of the Americas and the Meeting of Senior Telecommunications Officials (STO) issued specific mandates, discussed below. Discussion will refer exclusively to the sections dealing with universal access/service.

As background to the actions carried out, let us recall that the heads of state, meeting at the First Summit of the Americas (December 9-11, 1994, Miami, Florida), in approving a Plan of Action to further the objectives of the Declaration of Principles adopted on that occasion, recognized that a country's information infrastructure is an essential component of political, economic, social, and cultural development, and that the information infrastructure development needs in the Americas are immense. The governments of the Americas proposed to meet these needs by engaging in multiple actions, where consistent with their respective governing laws, such as ensuring universal service, so that the benefits of the information infrastructure will be available to all members of society.

At that Summit, CITEL was entrusted with developing a work program that included, *inter alia*, coordinating a meeting of senior telecommunications officials to evaluate telecommunications needs within the Region.

This led to the Meeting of Senior Telecommunication Officials (STO), held September 25-26, 1996, in Washington, D.C., where, in view of convergence and the new technologies, advances in the Global Information Infrastructure (GII), and telecommunications decisions made by the World Trade Organization (WTO), it was provided that adequate public access to telecommunications services should be a primary objective of the region's governments and that the Plan of Action should promote the supply of telecommunications services at reasonable rates, including universal access and services.

The Declaration of Quito, emanating from the Second CITEL Assembly (held March 2-6, 1998, in Quito), resolved to promote the development of projects aimed at making telephony services and the benefits of new technologies available to meet the communications needs of the most remote areas and lowest-income groups, especially telemedicine, tele-education, and Internet access.

At the Second Summit of the Americas (April 18-19, 1998, Santiago, Chile), the Heads of State entrusted governments with:

- Establishing strategies to support the development and continuous updating of a regional telecommunications infrastructure plan, taking into account national plans, the need for

universal access to basic telecommunications services throughout the region and the evolution of Global Information Society.

- Working together in close cooperation with the private sector to rapidly build the telecommunications infrastructure in the Region, adopting strategies to make affordable access available to all for basic telephone service and the INTERNET.
- Promoting, in cooperation with the private sector, the exchange and distribution of information concerning regulatory matters such as universal access/service, interconnection and the establishment of independent regulatory bodies, taking into account the commitments made in the World Trade Organization's Agreements on Trade in Basic Telecommunications Services, developments in the Free Trade Area of the Americas (FTAA) process, and the results of the 1996 Meeting of Senior Telecommunications Officials with a view to developing best practice guidelines and requesting the assistance of CITEI, other regional organizations, the International Telecommunications Union (ITU), the Inter-American Development Bank (IDB), and others as appropriate.

In this context, CITEI's Permanent Consultative Committee I: Public Telecommunications Services (PCC.I) and the Working Group on Basic and Universal Telecommunications Services (WGBUS) is helping to develop guidelines for implementing and/or increasing existing programs, in an effort to extend basic telecommunications services to every inhabitant of the Americas.

Pursuant to the mandates of the STO Meeting and the relevant COM/CITEI resolutions, and taking into account the projects existing in some countries for promoting universal service, and the fact that many other countries were privatizing and promoting competition in their markets, through resolution PCC.I/RES.36(VII-97) it was resolved that the WGBUS would become an active forum for sharing information and experiences and for studying universal service programs in the Americas. It was therefore provided, *inter alia*, that CITEI members would be asked to submit written information on their relevant programs.

Thereafter, the aforementioned mandates of the Second Summit of 1998 were produced. Thus, taking into account the responses of the countries to the request for information on their universal service programs, and CITEI's role in providing information all aspects of the processes of change and new mechanisms required by the region, a publication on Universal Service in the Americas was prepared, jointly with CITEI, ITU/BDT, and AHCIET, coordinated by the Chair of WGBUS [(resolutions PCC.I/RES.45(VIII-98) and PCC.I/RES.56(IX-98)]. In addition, for similar reasons, the CITEI Forum "Seminar on Universal Service" was held in 1998 (Buenos Aires), which published a document containing the presentations made.

It was also decided to appoint within the WGBUS rapporteurs on telemedicine and tele-education - because of the relationship of these topics to the Group's activities – for purposes of making contact with organizations that might provide financial and/or technical assistance to countries undertaking pilot projects, among other tasks.

Finally, resolution PCC.I/RES.60(X-99) established that the tasks referred to in the Book on Universal Service in the Americas would be carried out on the basis of the plan of action presented by the WGBUS Chair, who anticipated that the project would be presented about October 15, 1999.

## **2.2 Results of the Questionnaire on Universal Service Programs**

Thirteen CITEL Member Countries responded (documents PCC.I/doc.427/97; PCC.I/doc.682/98; PCC.I/doc.580/98; PCC.I/doc.669/98; and PPC.I/doc.886/99) to the request for information made through the questionnaire, the points of which were set forth in resolution PCC.I/RES.36 (VI/97). The countries thereby contributed valuable information on the regulatory background and access/universal policies and programs implemented in those countries.

As the purpose of the publication is to provide information on all the countries in the Americas, the results of the responses have been included in Section 4, Table 4.1, and in the specific developments discussed in Section 4, to which reference is made.

### **3. UNIVERSAL SERVICE IN THE WTO NEGOTIATIONS ON BASIC TELECOMMUNICATIONS**

As a result of the Uruguay Round of multilateral trade negotiations, and pursuant to the instruments signed in Marrakesh on April 15, 1994, the Agreement creating the World Trade Organization (WTO) was adopted<sup>8</sup>, including three annexes, one on trade in goods, and two on new issues in the area of trade relations, that is: intellectual property rights and trade in services. The General Agreement on Trade in Services (GATS), Annex to the WTO Agreement, constitutes the multilateral trade system's first pronouncement in the services area and is structured to include general obligations and topics: Part II, Articles II to XV (including most-favoured nation (MFN) treatment; transparency; domestic regulation; and monopolies and exclusive service suppliers) and specific commitments: Part III, Articles XVI to XVIII (market access; national treatment; and additional commitments). In the sectoral area, the Telecommunications Annex to the GATS was also adopted.

In this regulatory context, the WTO members on the respective GATS Lists in 1994 included certain specific telecommunications commitments, essentially in the value-added services segment. At the Marrakesh meeting, the ministers also adopted a Decision on negotiations on basic telecommunications, which resolved to enter into negotiations, on a voluntary basis, geared to gradual liberalization of trade in telecommunications networks and services, known as basic telecommunications. The Negotiating Group on Basic Telecommunications (NGBT) was created for this purpose and continued after April 1996 to implement these objectives under the name of Group on Basic Telecommunications (GBT)<sup>9</sup>.

As a result of these negotiations, the Fourth Protocol, annexed to the General Agreement on Trade and Services, was signed, on April 15, which included the Lists of Specific Commitments and the Lists of Exemptions (see Appendices A and B). The fact that the Fourth Protocol has been signed by 69 countries, together representing more than 90% of the world telecommunications income, indicates the negotiations' impact. The repercussions of April 1997 for telecommunications deregulation and trade in services were and still are being studied by the countries and the international organizations. In this connection, it should be mentioned that it was decided that the objective of the ITU Second World Telecommunication Policy Forum (WTPF) (Geneva, March 1998) was trade in telecommunication services.<sup>10</sup> Teledensity in the WTO member countries was also introduced for 1996, as well as that projected for 1997 and 1998, according to the analysis made in the Federal Communications Commission (FCC) report, cited therein.

During the negotiations on basic telecommunications, the so-called Reference Paper was prepared, containing the definitions and principles for the regulatory framework, among which is the universal service principle:

**"3. Universal Service.** Any Member has the right to define the kind of universal service obligation it wishes to maintain. Such obligations will not be regarded as anti-competitive *per se*, provided they are administered in a transparent, non-discriminatory and competitively neutral manner and are not more burdensome than necessary for the kind of universal service defined by the Member."

The remaining definitions and principles contained in the Reference Paper deal with key components of telecommunications deregulation, for example, competitive safeguards, interconnection, public availability of licensing criteria for granting concessions, independent regulators, and allocation and use of scarce resources.

The provisions of the Reference Paper were included by the Members in the corresponding Lists as additional commitments, as provided in Article XVIII of the GATS.

Twenty-two countries of the Americas presented Lists of Specific Commitments in April 1997 and twenty countries totally or partially adopted the Reference Paper. One of them committed itself to do so when the telecommunication law in the pipeline at the time was issued. The universal service principle was incorporated in the additional commitments by 19 Members (see Table 3.1 and Graph 3.2). It can thus be seen that the countries that undertook deregulation commitments agreed that the universal service principle constituted one of the fundamental tenets of regulation in a competitive environment.

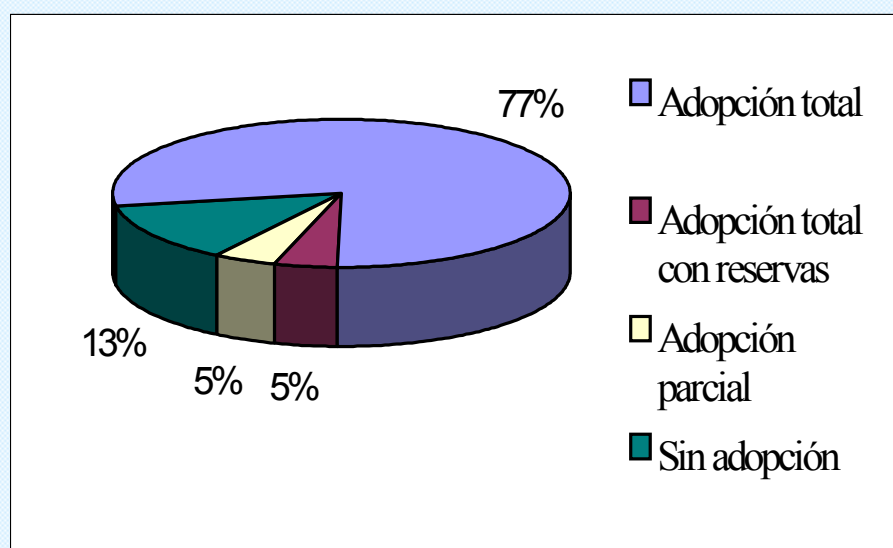
The principles of transparency, non-discrimination and competitive neutrality, also to include the establishment of explicit support mechanisms applicable to universal service, have already been written into domestic regulations by several countries of the Americas that undertook commitments (among them, Argentina, Canada, Colombia, Dominican Republic, Peru, and the United States). Other Members includes these principles in the legislation adopted after the conclusion of negotiations on basic telecommunications (e.g., Brazil), and in still other cases they are included in legislation envisaged for the country (Costa Rica and Venezuela)<sup>11</sup>.

**Table 3.1. Lists of Commitments, Fourth Protocol 1997, and the US principle**

<b>MEMBER STATES AMERICAS REGION</b>	<b>Lists of Specific Commitments</b>	<b>Lists MFN Exemptions</b>	<b>Adoption of Reference Paper</b>	<b>US Principle of the Reference Paper</b>
1. ANTIGUA AND BARBUDA				
2. ARGENTINA				
3. BAHAMAS				
4. BARBADOS				
5. BELIZE				
6. BOLIVIA				
7. BRAZIL				
8. CANADA				
9. CHILE				
10. COLOMBIA				
11. COSTA RICA				
12. CUBA				
13. DOMINICAN REP.				
14. DOMINICA				
15. ECUADOR				
16. EL SALVADOR				
17. UNITED STATES				
18. GRENADA				
19. GUATEMALA				
20. GUYANA				
21. HAITI				
22. HONDURAS				
23. JAMAICA				
24. MEXICO				
25. NICARAGUA				
26. PANAMA				
27. PARAGUAY				
28. PERU				
29. SAINT KITTS AND NEVIS				
30. ST. LUCIA				
31. ST. VINCENT				
32. SURINAME				
33. TRINIDAD AND TOBAGO				
34. URUGUAY				
35. VENEZUELA				
<b>TOTAL</b>	<b>35</b>	<b>22</b>	<b>4</b>	<b>20</b>

MFN: most favoured nation. US: universal service.

**Graph 3.1 Adoption of Reference Paper**



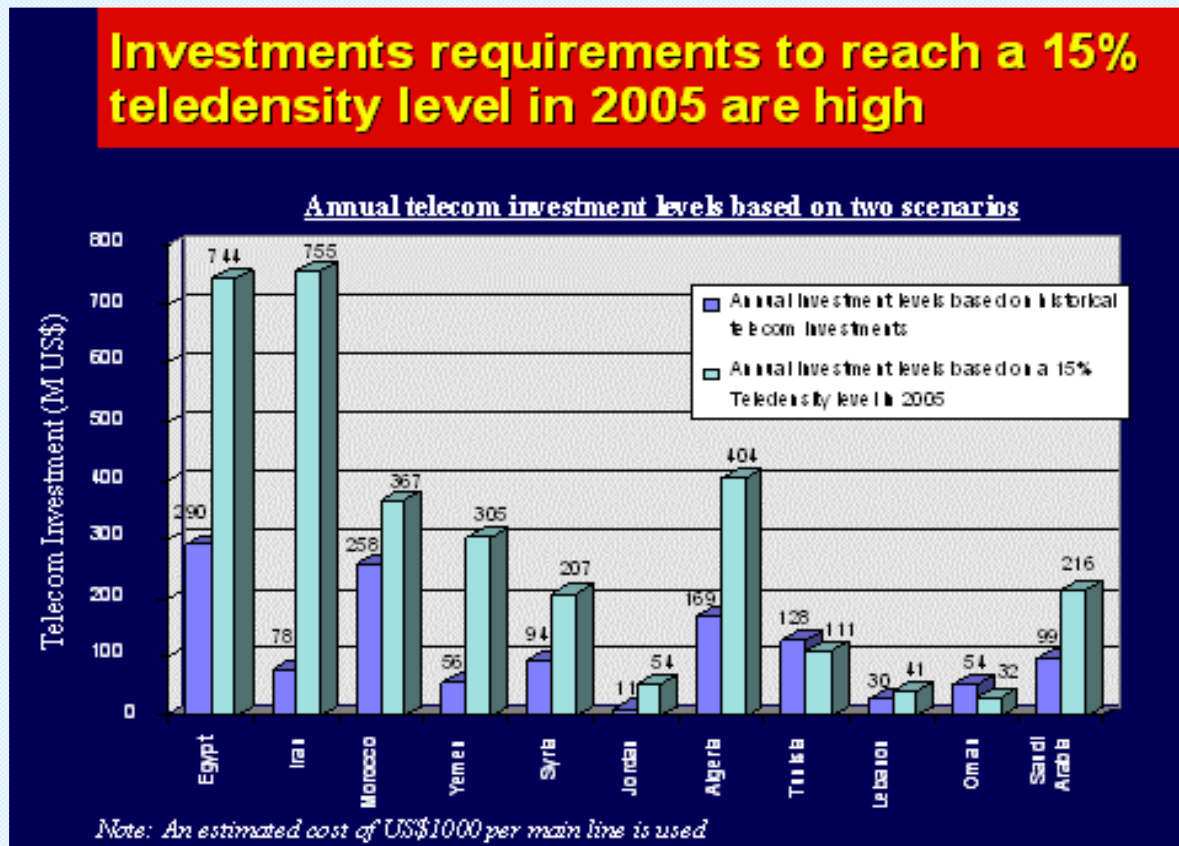
**Table 3.2 Teledensity in WTO member countries**

<b>WTO COUNTRY</b>	<b>TELEDENSITY 1996 ACTUAL</b>	<b>TELEDENSITY 1997 PROJECTION</b>	<b>TELEDENSITY 1998 PROJECTION</b>
Antigua & Barbuda	42.34	58.42	80.63
Argentina	17.38	18.94	20.64
Australia	51.88	52.91	53.98
Austria	46.89	47.21	47.54
Barbados	36.99	39.58	42.35
Bangladesh	0.26	0.28	0.3
Belgium	46.52	47.45	48.4
Belize	13.33	13.33	13.33
Bolivia	4.32	4.32	4.32
Brazil	9.57	12.24	15.67
Brunei Darussala	26.26	28.62	31.2
Bulgaria	31.26	31.88	32.52
Canada	60.24	61.44	62.67
Chile	15.59	18.4	21.71
Colombia	11.76	13.88	16.38
Cote d'Ivoire	0.88	0.96	1.05
Czech Republic	27.31	31.4	36.11
Denmark	61.79	62.4	63.02
Dominica	26.39	27.7	29.09
Dominican Republic	8.26	9.33	10.54
Ecuador	7.33	8.2	9.18
El Salvador	5.61	5.94	6.3
Finland	54.9	54.9	54.9
France	56.36	56.92	57.49
Germany	53.84	58.68	63.96
Ghana	0.44	0.55	0.69
Greece	50.87	52.4	53.97
Grenada	24.34	24.34	24.34
Guatemala	3.13	3.6	4.14
Hong Kong	54.69	56.33	58.02
Hungary	26.06	36.74	51.8
Iceland	57.61	59.91	62.31
India	1.54	1.83	2.18
Indonesia	2.13	2.68	3.38
Ireland	39.48	42.64	46.05
Israel	44.09	46.73	49.53
Italy	44.01	44.89	45.79
Jamaica	14.17	17.43	21.44
Japan	48.92	49.02	49.12
Korea	43.04	44.77	46.56

<u>WTO COUNTRY</u>	<u>TELEDENSITY</u> <u>1996 ACTUAL</u>	<u>TELEDENSITY</u> <u>1997 PROJECTION</u>	<u>TELEDENSITY</u> <u>1998 PROJECTION</u>
Luxembourg	59.16	62.12	65.23
Malaysia	18.32	20.33	22.57
Mauritius	16.21	20.1	24.92
Morocco	4.6	4.88	5.17
Netherlands	54.33	55.96	57.64
New Zealand	49.92	51.92	54
Norway	55.55	55.55	55.55
Pakistan	1.77	1.91	2.06
Papua New Guinea	1.07	1.13	1.20
Peru	5.99	7.6	9.65
Philippines	2.49	2.96	3.52
Poland	16.91	19.28	21.98
Portugal	37.49	38.99	40.55
Romania	13.98	14.96	16.01
Senegal	1.11	1.25	1.41
Singapore	51.33	54.92	58.76
Slovak Republic	23.19	25.74	28.57
South Africa	10.05	10.65	11.29
Spain	39.25	40.03	40.83
Sri Lanka	1.39	2.74	5.40
Suriname	13.16	15.4	18.02
Sweden	68.21	68.29	68.36
Switzerland	64.04	66.6	69.26
Thailand	7	8.33	9.91
Trinidad & Tobago	16.81	17.65	18.53
Tunisia	6.43	7.07	7.78
Turkey	22.36	23.7	25.12
Uganda	0.24	0.34	0.49
United Kingdom	52.76	55.4	58.17
United States	63.99	65.27	66.58
Venezuela	11.74	12.44	13.19

Source: FCC <sup>12</sup>

Graph 3.2. Investments required for 15% teledensity



Source: The World Bank<sup>13</sup>

## **4. UNIVERSAL ACCESS/SERVICE IN THE AMERICAS**

Specific information on the contents of the regulations existing in the countries of the Americas on universal access/service, issued to achieve the objectives and mandates discussed in Section 2, is provided below. Our purpose is to provide the most current information possible on the various legislation<sup>14</sup> in the region and to provide the statistical data available in order to facilitate subsequent studies of the various aspects of the complex topic of universal access/service, and the analysis of its impact.

### **Concept/Definition of Universal Service**

It should be mentioned at the outset that one of the main problems arising when discussing the subject of universal service is the definition thereof.

Considering how the term was initially used in the United States from before the end of first decade of this century to the present, at the threshold of the year 2000, we see that throughout 20<sup>th</sup> century, the concept of universal service, as expressed in policy and regulation, has undergone many transformations. Nonetheless, whatever its state of development in the countries considered and the structural options adopted to provide telecommunications services, it is evident that there has been constant concern to define the term, it having been especially important to determine the content of universal service rather than to render it verbally. Today, the usual reference is to universal access/service, concepts that are uniformly distinguished, as can be seen in the references given in Section 1 (access at a reasonable distance - a telephone in every home). It is thus evident that alternative concepts must be used to consider the different variables at play in each case.

Much work is being done both at national and international levels to find conventional expressions that will allow the fog that surrounded and surrounds the concept of universal access/service to lift. Having said this, as stated, here in Section 4, we give an overview of the treatment of these topics in United States regulations in their respective areas. By way of comparison, Table 4.1, Column 3 refers to the concept/definition of universal access/service, as it needs to be clarified. In very few cases, the formal law of the countries studied, except legislation issued after 1996 (Brazil, Dominican Republic, United States), provides expressly for universal service or specifically defines it. Nonetheless, in all countries, universal service policies have been implemented on the basis of the objectives of the laws in force or of instruments adopted to restructure the sector, in some cases set forth in the public operators' plans, the expansion goals of privatized companies, or in the obligations imposed on the operators in the reform processes, both public and private. When competition has been fully introduced, with the exclusivity concessions granted expired or about to expire, in the new international trade context, regulatory strategies are decidedly directed at establishing the rules for universal service in a competitive environment.

**Table 4.1**  
**Concept/definition of universal access/service and programs in the Americas environment**



<b>CITEL MEMBER STATES</b>	<b>ENVIRONMENT<sup>15</sup></b>	<b>CONCEPT/ DEFINITION OF UA/US</b>	<b>SOURCE OF CONCEPT/ DEFINITION</b>	<b>UA/US PROGRAMS</b>
<b>1. ANTIGUA AND BARBUDA</b>	Exclusivity of public operator established for national services. Exclusivity for another private operator for international and cellular services.	In the process of formulating national telecommunications policy	1997: (A)	
<b>2. ARGENTINA</b>	Competition among private operators in all market segments. As of October 1999, 2 private operators established for basic services and 2 private operators entering at that time.	US: Mechanism for promoting access to telecommunications services for entire population, taking into account regional and income disparities and residents' limitations or impairments. Seeks to provide customers located in expensive-to-access or maintain areas the ability to obtain communications services at prices and quality similar to those of urban areas. Dynamic concept of US, revised periodically. Principles: Competitive neutrality; transparency (explicit programs); efficiency; internal consistency; equality. 3 US Categories: high-cost areas; specific customers; and specific services	1999: General US Regulations	Initial Programs Long Distance Public Telephony in areas without local telephone service. Social Public Telephony. Service to handicapped users: hard of hearing Retirees and low consumption customers. Education, Culture, Health, Emergency Services: Schools Without Walls, Internet, public libraries, rural schools. High-cost areas
<b>3. BAHAMAS</b>	Exclusivity regime for public operator for basic and cellular services	Access to telephone service in any inhabited area in the country. Internet. Pre-pay public phones.	1998: (B)	
<b>4. BARBADOS</b>	Exclusivity regime for established private operator for basic services. Exclusivity regime for another private operator for international and cellular services	Obligations imposed on operator.	1998: (B)	
<b>5. BELIZE</b>	Exclusivity regime for private operator for all services	Access to voice telephony. Includes fax, e-mail services	1999: (C)	
<b>6. BOLIVIA</b>	Exclusivity, for basic services, until Nov. 2001, for established operator (50% capitalization, 50% pension funds for Bolivians) and for local co-operatives.	Expressed in operator expansion goals for basic services. The Act provides that concessionaires shall operate rural services (communities of under 10,000), in accordance with the time periods established in the concession.	1995: Telecommunications Act and Regulations	
<b>7. BRAZIL</b>	Competition among private operators in all market segments.	Universalization obligations make it possible for anyone or any public interest institution to access the telecommunications service, regardless of socioeconomic level. There are also obligations aimed at facilitating use of telecommunications for essential services of public interest. Obligations are subject to the Universalization Plan, and must be met by switched fixed telephone service concessionaires, provided on a public basis.	1997: Telecommunications Act  1998: Decree on General Plan for Universalization Goals	The Plan provides goals for: Individual Access Collective Access Service to educational and health institutions, including technologically advanced services. Service to people with special needs.

<b>8. CANADA</b>	Competition in all market segments	Render reliable and affordable telecommunications services of high quality accessible to Canadians in both urban and rural areas in all regions of Canada. The contribution paid by long distance operators is considered an explicit subsidy of local services.	1993: Telecommunications Act  Decisions CRTC 92-12; 97-8, 98-17, and 99-16.	High cost area programs - Incumbent's obligation to serve - Basic service objective - Service improvement plans - Quality
<b>9. CHILE</b>	Competition among private operators in all market segments.	Promote increased coverage of public telephone service in rural and low-income urban areas with low phone density.	1994: Telecommunications Act	Rural public telephony
<b>10. COLOMBIA</b>	Competition between the established public operator and entrant operators of private basic services	US: the minimum group of telecommunications services established in each case, of a specific quality, accessible to the entire population regardless of geographical location, provided at a reasonable price. UA: the right of all basic switched telephony users to communicate with any other user. The notion of social telephony access relates to an acceptable distance. The Ministry submitted a draft telecommunications law and has concluded contracts for the preparation of a national US Plan 1999-2009.	1994: Telecommunications Law and Decree on Social Telephony 1997: CRT Res. 1999: UA/US Decree	Social Telephony Plan 1997-2000 (rural and low-income urban telephony users who cannot pay the entire charge)  COMPARTEL Program 1999-2000 (rural community solutions)  Integrated Social Telephony Centers (long distance, Internet, fax)
<b>11. COSTA RICA</b>	Established public operator, operating under exclusivity regime	Public services at cost	1963: Law creating operators 1996: Law creating ARESEP	Rural Telecommunications Programs; Service in remote areas. Emergency 911 System.
<b>12. CUBA</b>	Mixed private/public operator operating under exclusivity regime for basic and cellular services.	Expressed in the Modernization Plan for basic services operator.	1997: Amendment of basic services operator's concession	8-year plan from 1997 provides for achieving 9% density nationally and 20% for Havana.
<b>13. DOMINICA</b>	Established operator (80% private) for all services, operating under exclusivity regime	Access to telephone service any inhabited area of the country. Basic telephony. Fax. Internet. Pre-pay public phones.	1998: (B)	
<b>14. DOMINICAN REPUBLIC</b>	Competition among private operators in all market segments	Guarantee affordable telecommunications services throughout the country and for all social groups, in keeping with US principles sponsored by the international organizations. US is a public and social interest objective that translate into guaranteeing access in rural and low-income urban areas to minimum, efficient telephone service at affordable prices, through market operation and legal mechanisms.	1998: Telecommunications Law	Biannual plans to be prepared by the regulatory entity INDOTEL.
<b>15. EL SALVADOR</b>	Competition among privatized established operator and new entrants for all services.	Expressed in established operator's goals. Creation of a Fund for development projects in low-income areas.	1997: Telecommunications Law and creation of the Fund.	

<b>16. ECUADOR</b>	Established public operator (broken up into two regional companies) for basic services, operating under exclusivity regime.	Expressed in obligations for fixed and mobile service concessionaires.	Concessions	Toll-free emergency telephone service provided by fixed and mobile operators. Installation of phone booths by cellular operators at rate of 0.5% of active users.
<b>17. GRENADA</b>	Established mixed (70% private) operator for basic services, operating under exclusivity regime	Basic telephone services for the entire community. Operator subject to obligations.	1999: (C)	
<b>18. GUATEMALA</b>	Competition among privatized established operator and new private entrants in all market segments.	Creation of a Fund for development of telephony in rural areas or low- income urban areas.	1996: Telecommunications Act.	
<b>19. GUYANA</b>	Established mixed (80% private) operator, operating under exclusivity regime	Telephone service provided anywhere to anyone who needs it. Fax. Pre-pay public phones. Operator subject to obligations.	1999: (C)	
<b>20. HAITI</b>	Established mixed (3% private) operator for basic services, operating under exclusivity regime.	US policy is to promote UA through privatization and deregulation. Basic telephony.	1998: (B)	
<b>21. HONDURAS</b>	Established public operator for basic services, operating under exclusivity regime	CONATEL has the function and authority to promote universalization of telecommunications services and to obtain the best quality at the lowest cost possible.	1995: Telecommunications Framework Law. 1997: Regulations to the Framework Law.	
<b>22. JAMAICA</b>	Established privatized operator for basic services operating under exclusivity regime			
<b>23. MEXICO</b>	Competition among privatized established operator and new private entrants in all market segments.	Goal: social coverage of public networks. Promotes provision of telecommunications services throughout Mexico and access to public networks for service to public and social services, units of production, and the population in general. Creation of a US Fund is envisaged for 1999.	1995: Telecommunications Act	Public telephony. Rural telephony. Cellular service for fresh produce markets Phone service for health care centers. Medical mobile satellite service.
<b>24. NICARAGUA</b>	Established public operator for basic services, operating under exclusivity regime.	The regulatory entity is responsible for monitoring that US is provided on the basis of free competition, on a stable basis, of good quality, and at reasonable rates based on actual costs.	1995: Telecommunications Act and privatization of public operator.	In the established operator's concession: public phones and rural telephony; expansion of basic telephony; network improvement. TELCOR, the regulatory authority, is promoting service in communities of

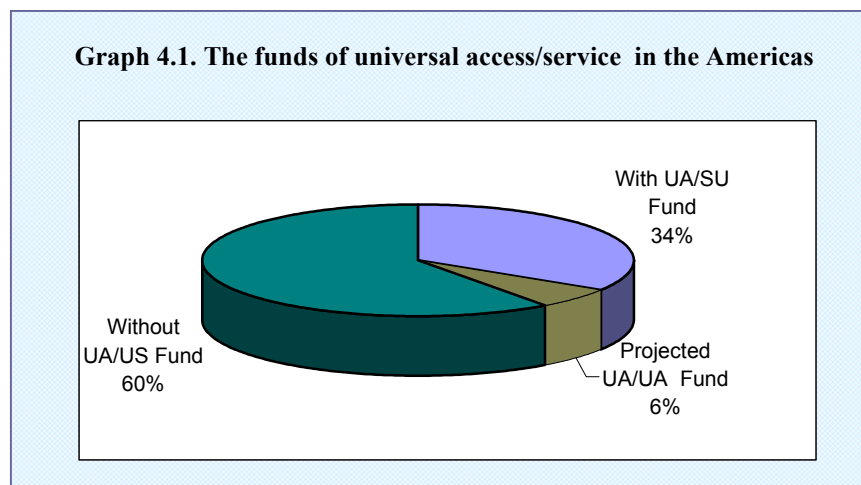
				over 500 through installation of public phone booths.
<b>25 PANAMA</b>	Established privatized operator (49%private) under exclusivity regime until 2002 for basic services	Principle of promoting UA Expressed in the goals of the established operator and in the obligation to maintain UA tariff constant during the exclusivity period.		Goals for basic services concessionaire for expansion and quality of services, including telephone service in difficult-to-access communities
<b>26. PARAGUAY</b>	Established public operator for basic services, operating under exclusivity regime.	Citizens' right to access to telecommunications services and promotion of integration of most remote areas. The Fund is to develop telecommunications services in areas that so justify.	1995: Telecommunications Law and Decree	
<b>27. PERU</b>	Competition among privatized established operator and new private entrants in market all segments.	Provision of telecommunications services based on principle of equity (to be provided within the operator's service area). The right to telecommunications services extends throughout Peru, promoting integration in the most remote areas. The policy to introduce competition implemented in 1998 defines UA as access within Peru to a set of essential services (those available to most users, provided by public operators).		The privatization process established national expansion goals for operators, provision of at least one public telephone in 1500 populated areas, and installation of public phones in the concession area, with annual and coverage goals. Creation of the Fund to develop telecommunications services in rural areas or in places considered of priority social interest. Rural projects to provide equipment, maintenance and operation services through competitive bid.
<b>28. ST. KITS AND NEVIS</b>				
<b>29. ST. LUCIA</b>	Established operator for basic services, operating under exclusivity regime.	Provision of basic telephony.	1999: (C)	
<b>30. ST. VINCENT</b>	Established operator for basic services, operating under exclusivity regime.	Not defined. Expected to define UA/US and to require contributions from operators to a UA Fund managed in a competitively-neutral way.	1998: (B)	
<b>31. SURINAME</b>	Established public operator for basic services operating under exclusivity regime.	Telecommunications policy geared toward providing at least one telephone line in every area, with the goal of achieving 20% coverage by the end of the century.	1997: (A)	

<b>32. TRINIDAD AND TOBAGO</b>	Established mixed (49% private) operator for basic services, operating under exclusivity regime.		1998: (B)	
<b>33. URUGUAY</b>	Established public operator for basic services, operating under exclusivity regime.	Constitutional right to communication. Public telecommunications services provided by public operator declared essential.	Constitution. 1974: Law creating public operator.	Executed through levels of density achieved, total network digitalization, and satisfying demand for fixed and mobile service.
<b>34. UNITED STATES</b>	Competition among private operators in all market segments.	<b>US: level of development of telecommunications services to be established periodically by the FCC, taking into account developments in technology and services.</b>  Principles: quality and just, reasonable, affordable rates; access to advanced services; access in rural and high cost areas; equitable and nondiscriminatory contributions; specific predictable support mechanisms; access to advanced services for schools, libraries, and health care; competitive neutrality.  The FCC included the following services in the concept of Universal Service for rural, insular, and high-cost areas: single-party service, voice grade access to public switched network; touch tone signaling; single-party service; access to emergency, operator, long distance, and directory assistance services; Lifeline and Link Up programs.	1996: Telecommunications Act. 1997: FCC Order on US	High cost, insular, and rural areas.  Low-income consumers: Life Line and Link Up.  Schools and libraries.  Health care center support.
<b>35. VENEZUELA</b>	Privatized established operator, operating under exclusivity regime for basic services until November 2000.	Expressed in the network expansion and modernization goals for the privatized operator. The draft telecommunications law (1999) provides a definition of US, operators' contributions, and the creation of a Fund that will allocate resources competitively.	1991: Concession for basic services operator.	Provision of basic service in rural populated areas and remote areas of over 500.

UA: Universal Access    US: Universal Service    Res.: Resolution     Competition     Exclusive basic services  
 (A) CITEL Document PCC.I/doc.426/97    (B) ITU-BDT, "Trends...", cited in footnote to this Table.  
 (C) Section 4.4 Caribbean of this document.

## Establishment of universal access/service funds

Graph 4.1 shows the percentage of countries having legislation that establishes a universal access/service fund (Argentina, Bolivia, Canada, Chile, Colombia, Dominican Republic, Ecuador, El Salvador, Guatemala, Paraguay, Peru, and United States). However, countries such as Brazil, one of the countries represented in the graph that has not created a Fund, have active universalization policies. In the Brazilian case, such policy constitutes, together with competition, the foundation of the new Brazilian law. In addition, the draft 1999 Venezuelan law provides for the creation of a Fund, and Mexico is taking steps to create a universal service Fund in 1999, with the participation of industry.



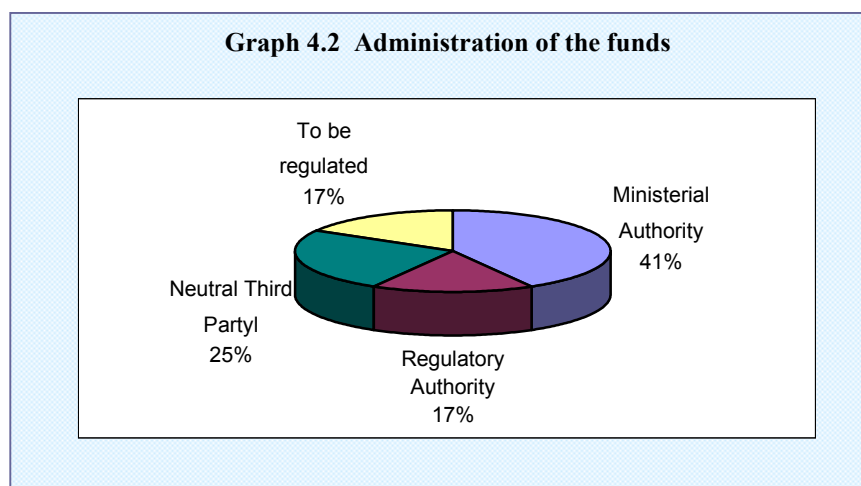
## Financing mechanisms

In order to attract resources to the Funds set up in the aforementioned 12 countries, it has been established that in most cases that resources derive from the sector, although other options are also in use. Chile, for example, has founded its model, in which operators do not have a universal service obligation, on contribution of resources from the national government to finance projects to increase public telephone coverage in rural areas. In the United States, on the basis of the 1996 Telecommunications Act and the FCC Order on Universal Service, the previous system, which contained implicit subsidies, was modified. Interstate telecommunications service carriers are now required to make explicit contribution to universal service financing, on an equitable, non-discriminatory basis, utilizing a contribution factor. In Canada, as of the issuing of the local competition rules in 1997, resources derive from contributions from long distance operators. In Argentina, the Dominican Republic, Ecuador, and Peru, universal service is financed through operators' contributions calculated as determined percentages of their income. The Dominican Republic Act provides that percentage of contribution will be calculated on the amount of final users' bills, and the amounts received from settlements for international services. In other cases, such as in Bolivia, El Salvador, and Guatemala, it is provided that resources shall be derived from the amounts paid by operators in the auctions for use of the radio spectrum or amounts paid for licenses awarded through

competitive bid or directly. In Bolivia, the law also provides that the Executive Branch may establish as possible sources of financing additional amounts for interconnection to be devoted to development projects in depressed areas. In the case of Colombia, where a system exists for contributions and subsidies among users in different socioeconomic categories, funds derive both from a charge on the income of long distance and cellular operators and from the income from auctions, competitive bids, and awards of licenses. In the Brazilian system, the costs of universalization goals are borne exclusively by the fixed switched telephone service concessionaires, provided under an exclusivity regime, in accordance with the rules of the respective concessions. There is a 1997 bill on the creation of a fund which derives resources from a contribution from the operators and from other income, such as that arising from the award of concessions and other enabling documents, which may be applied only to cover that part of the cost of universalization goals that cannot be recovered through efficient service provision.

## Fund management

Universal access/service funds are managed in various ways. In Chile, Colombia, Ecuador, El Salvador, and Guatemala, the respective Funds are managed by ministerial authorities. The regulatory authority is responsible for managing the fund in Peru and the Dominican Republic. In Argentina, Canada, and the United States, in applying the principle of competitive neutrality, it was provided at the time of introduction of competition that the funds would be managed by a neutral third party. Bolivia and Paraguay set up their funds through 1995 laws. The applicable provisions are subject to future regulation. See Graph 4.2.



Details of the regulatory situation in each country are provided in the sections that follow.

## **4.1 Argentina**

### **Introduction**

Consideration of universal service policy in Argentina has taken place in various stages, which have been accompanied by successive sectoral measures, both those adopted at the time of restructuring telecommunications services and those finally established to introduce open competition in all market segments. Thus, in the first stage of privatization of the public operator and the establishment of the exclusivity regime for basic services, the achievement of universalization of basic telephone service objectives was established in the instruments governing those processes<sup>16</sup> and translated implicitly to the penetration and quality goals established in 1990 to be met thereafter by licensees for these services. At the time the decision was made to extend the exclusivity regime and the introduction of open competition through the 1998 deregulation program was designed<sup>17</sup>, which extended exclusivity for two more years (to October/November 1999), it became necessary to consider the issue of universal service in a competitive environment. The text below will refer to the content of the regulations established in each period. It should be noted that when the General Universal Service Regulations were adopted, the law had already been passed that adopted the WTO Lists of Specific Commitments, including the reference document, which was subscribed to in its entirety, and among whose regulatory principles - as is known – is universal service.<sup>18</sup>

By way of introduction to the developments described above, a view of the situation existing in 1990 (corresponding to the first stage of universalization), and that in 1998 (when the General Universal Service Regulations were drafted to take account of the competitive environment) are presented, using the indicators prepared by the Ministry of Communications.

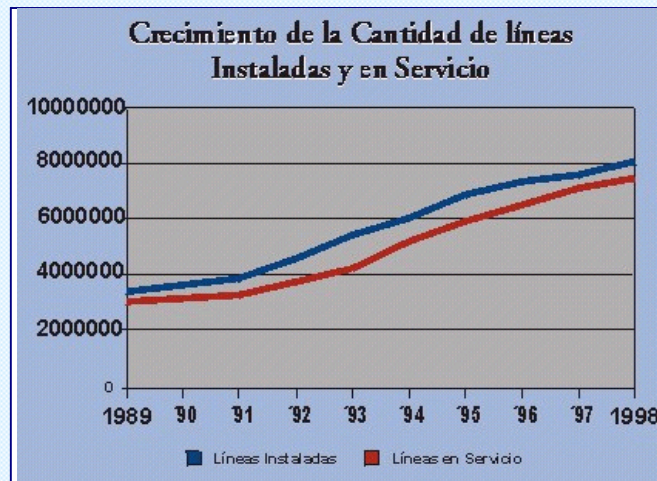
Chart 4.1.1

**MOST REPRESENTATIVE DEVELOPMENT INDICATORS WITHIN THE SECTOR**

INDICATOR	1990	1998	%
Lines installed	3,631,282	8,061,950	+122.01%
Lines in service	3,167,747	7,518,821	+137.58%
Cellular subscribers	15,200	2,800,000	+18,21%
Number of public telephones	22,549	107,580	+377.09%
Teledensity	10.66	21.13	+98.21%
Network digitalization	13.21	100%	+657.00%
Reduction in average installation cost	\$ 1.750	\$ 150	-1666.67%
Reduction in cost of billing pulse	\$ 0.06451	\$ 0.04490	-30.40%
Investment in sector since privatization	--	\$ 16,685	--
Percentage of sector in total GDP	1.62	2.31	+42.59
Percentage of sector in GDP for services	2.9	4.4	+51.72
Total number of licenses granted	--	1,512	--
Total number of independent operators	--	290	--
Number of services available	26	41	+57.69%

Source: Ministry of Communications <sup>19</sup>

**Graph 4.1.1 Growth in number of installed and in service lines**



**Lines installed**

1990 – 3,631,282 lines  
Oct. 1998 – 8,061,950

122% increase

**Lines in service**

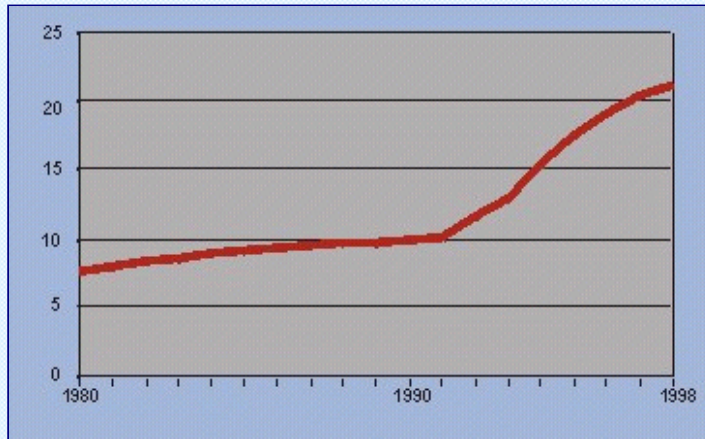
1990 – 3,164,747 lines  
Oct. 1998 – 7,518,821 lines

137% increase

Source: Ministry of Communications

**Graph 4.1.2 Growth in teledensity**

**(Lines in service per 100 people)**



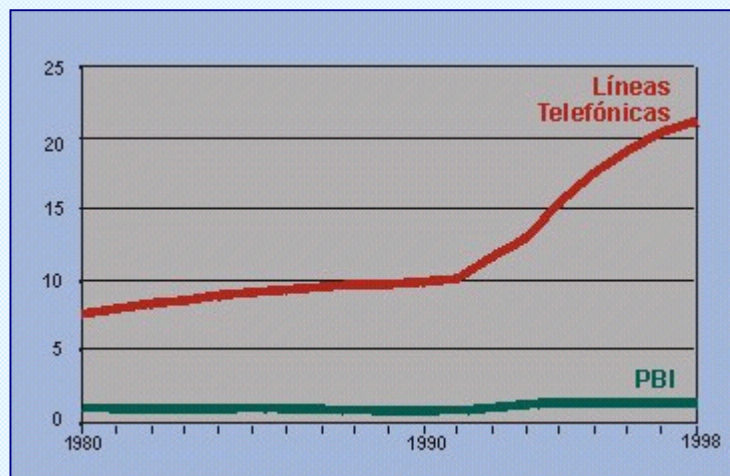
**1980 – 1998**

1990 – 10.66 lines/100 people  
Oct. 1998 – 21.13 lines/100 people

98.21% increase  
Since 1980, an increase of 178.03%

Source: Ministry of Communications.

**Graph 4.1.3 Growth rate vs. teledensity and GDP**

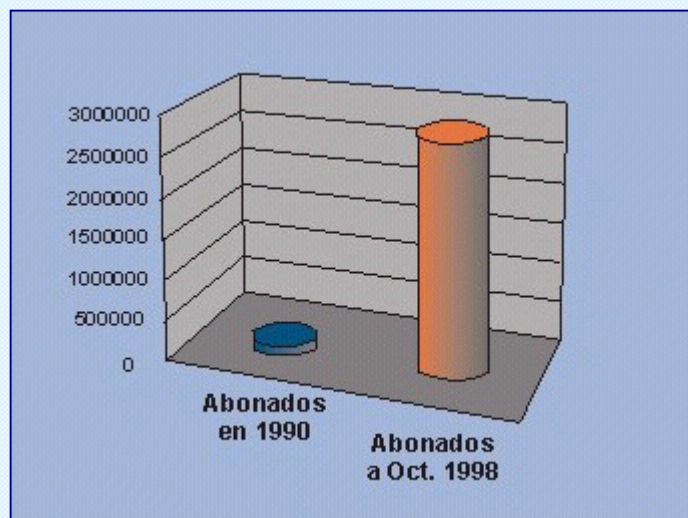


**1980 - 1998**

Teledensity increased **1,553.67% more** than GDP

Source: Ministry of Communications

**Graph 4.1.4. Cellular subscribers**



1990 – 15,200 subscribers  
Dec. 1998 – 2,800,000 subscribers

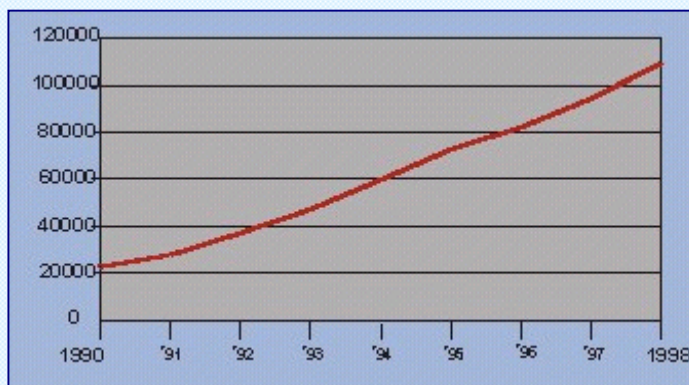
18,321.05% increase

Source: Ministry of Communications

**Graph 4.1.5 Public telephone lines**

In 1990, public telephony – with 22,500 unrepaired telephone lines – was on the brink of collapse.

The heavy investment in this service is of note, which in October 1998 achieved the installation of 107,580 public telephones, with continuously available repair service.



1990 – 22,549 telephones

December 1998 – 107,580 telephones

Source: Ministry of Communications

## **Restructuring Stage**

Universal service was included in the instruments issued to govern privatization by means of following mechanisms:

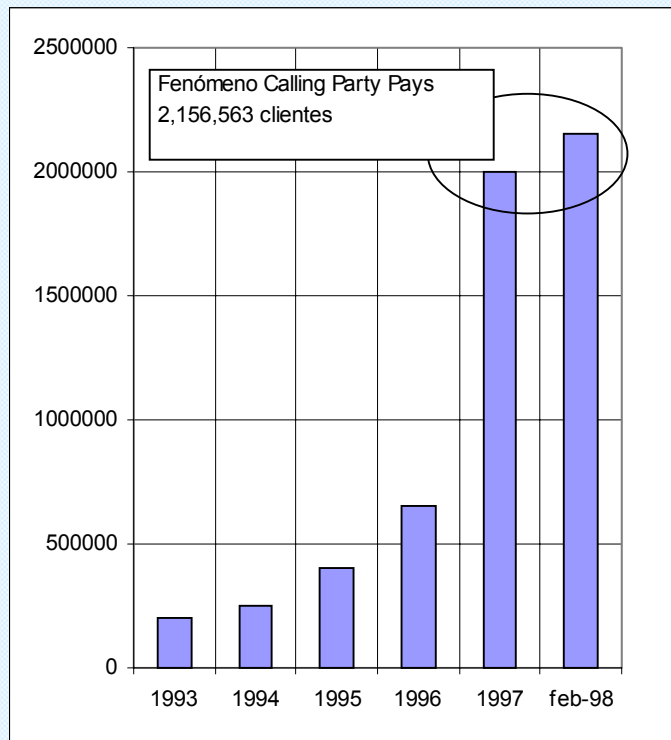
- The decree establishing the regulatory agency<sup>20</sup> imposed an obligation thereon to carry out its functions so as to guarantee, among other things, the universality of basic telephone service (BTS) through national policy as expressed in the preambles of those instruments regarding the provision of universal BTS of the highest quality at fair and reasonable prices.
- The BTS operators were required, under the exclusivity regime, to meet the expansion and quality goals emanating from Decree 731/89, which imposed the requirement of minimum service and quality plans on the successful bidders of the public operator privatization process. These goals were set forth as follows in the terms and conditions:
  - During the exclusivity period, minimum public and semi-public service plans in selected areas, to be implemented in 400 areas in the northern region and 280 in the southern region.
  - Mandatory network penetration goals, call efficiency, efficiency of operator services, number of local telephone line faults, and average waiting time for installation.
  - Non-mandatory goals for public automatic telephones (PATs): number of faults, number of faults repaired, and delays in repairs (if met, useful for the regulatory agency as a general performance record, should sanctions be applied)
- Granting of licenses through exclusivity agreements to independent operators (who had been handling areas not covered by the public enterprise) that achieved the mandatory goals established in the terms and conditions.

## **Mobile Services**

Universal mobile service<sup>21</sup> implied the imposition of obligations in terms of quality and technological advances in the case of CMRS and also population and geographic coverage obligations for mobile telephony service (MTS). The first CMRS band in the greater Buenos Aires area was awarded in 1988, before privatization, which had market implications. In 1993, in the basic services exclusivity phase, when the first MTS band was awarded in the other two regions in Argentina's interior, the aforementioned obligations of geographic and population coverage were included. The companies that subsequently entered the second band of the three regions came under the same system of obligations, so that today communities of over 500 people have cellular telephony.

As is indicated in Table 4.1.1, in the period 1990 – 1998, the number of cellular subscribers rose from 15,200 to approximately 3 million. The establishment of the calling party pays system at the beginning of 1997 led to the growth phenomenon that can be seen in Graph 4.1.6, to which the subsequently-introduced prepaid phone card also contributed. In addition, in 1999, licenses for PCS services were awarded in each of the three regions.

**Graph 4.1.6 Calling party pays phenomenon**



Source: CITEL Forum 1998. <sup>22</sup>

## Transition Stage

The following obligatory goals were set for the transition stage of the deregulation program (to October/November 1999, when two new basic service operators will enter the market):

- For basic service licensees:
  - Semi-public long distance service (SPLDS): installation in every community of 80 to 500 people in the country.
  - Communities with newly-installed telephone network: installation of domestic wireline or wireless network in communities of over 500 people in which at least 30 customers so request.
  - New penetration and quality goals. Among network penetration goals, a total of 320,000 new switched lines installed in the two regions for 1998 and 1999. As regards public telephones, a goal of a total of 10,000 and 9,000 lines in the two regions respectively was set

for 1998 and 1999. Mandatory 100% digitalization by November 1998 was included in the quality goals.

- Social public telephony implemented through the installation of 1,000 telephones for each basic service licensee (BSL) in places in urban areas indicated by the Ministry of Communications, calculable for purposes of fulfilling public telephone installation requirements.
- For cooperatives and independent operators:
- Public telephony goals to be achieved by December 1999 were established, consisting of the installation of public automatic telephones, telephone booths, and semi-public telephones equivalent to 2% of the total number of installed subscriber lines. Of that 2%, a minimum of 60% are to be public telephones. Quality goals to be met by December 1999 were also set.

### **Specific Plans**

In the period between the deregulation program and the issuing of the General Universal Service Regulations, various plans were instituted aimed at providing access to telecommunications services for specific social groups. Among others, these were:

- National Telecommunications Plan for Rural Schools,<sup>23</sup> whose objective is to connect rural schools throughout Argentina, giving priority to those located in low-income and remote communities, by means of cellular telephones (which have call-waiting and voice-mail) loaned by the operators at no charge, with service provided at a monthly discount.
- National Plan for a Volunteer Firemen Communications Network, which implies the preparation of a draft plan that makes ongoing, efficient, economic communications possible among the various firemen's associations throughout Argentina, utilizing various telecommunications services and technologies.
- National Public Library Communications Plan, whose objective is to facilitate access to telecommunications services for all public libraries in Argentina, with access to a basic telephone service line and another for Internet access.

### **General Universal Service Regulations**

The General Universal Service Regulations (RGSU) were adopted in July 1999<sup>24</sup> pursuant to the provisions of the aforementioned legal norm, which defined the deregulation program and provided general guidelines for determining, *inter alia*, on the basis of dynamic criteria: reasonable prices and the segment to be financed, and not to impose obligations or charges that might signify discriminatory treatment, with financing to be provided on the basis of proportionality. It was also provided, in keeping with the WTO commitments, that universal service obligations will not be deemed to be monopolistic per se, to the extent that they are administered in a transparent, non-discriminatory, and competitively neutral way and that they do not impose more charges than necessary for the type of universal service defined.

The RGSU consequently adopted a dynamic, flexible definition of universal service and its categories and programs, and provided that subsidies shall be explicit and shall be financed through a fee paid by the telecommunications service licenseholders for the Universal Service Fund (USF) from which payments shall be made, or into which deposits shall be credited, according to each provider's balance. The USF is to be managed by an Administrator, who is to be contracted by the Universal Service Management Committee.

### **Principles and objectives of universal service**

The principles to govern universal service set forth in the RGSU are:

- **Equal opportunity:** categories of customers and services for universal service programs are to be selected on the basis of objective criteria.
- **Flexibility and adaptability:** the universal service mechanism must be susceptible to regular review in accordance with market trends, the needs of the population, and analysis of results obtained.
- **Internal consistency:** universal service shall at all times be implemented in keeping with the availability of resources and financing alternatives so that the goals proposed are in line with resources, while taking account of the principle of self-financing.
- **Competitive neutrality:** the financing system shall not benefit specific lenders, confer exclusivity rights, hinder consumers' free choice, or favor specific technologies.
- **Transparency and stability:** universal service shall be financed through explicit, measurable, and auditable programs, for periods of no less than two years, to enable telecommunications providers to plan adequately their investments and supply of services.
- **Efficiency:** the handling and financing of universal service shall be efficient in the allocation of resources, minimizing costs and at all times observing the competitive regime for telecommunications service provision.

The established universal service objectives attempt to provide everyone with access to telecommunications services, especially those living in difficult-to-access areas and persons with disabilities; to maintain and increase the penetration of services; to promote the development of telecommunications services that permit the generation of positive externalities for society; to promote the integration of Argentina, and to promote culture, education, and public health.

### **Concept and categories of universal service**

The RGSU specifically provides that universal service is a dynamic concept, which should be reviewed periodically due to advances in available services and technologies.

Accordingly, universal service is conceived as a mechanism to:

- Seek to provide the entire population with access to telecommunications services that meet their daily needs, taking account of regional differences, income disparities, and the physical limitations or disabilities of users.
- Enable customers located in expensive-to-access or maintain areas to obtain communications services at prices and of quality similar to those of urban areas.

For purposes of implementing the various programs, three categories of universal service are distinguished:

- **Expensive-to-operate and maintain areas**

- These include local areas for which there is at least one local telephony provider, and in which service is provided at a loss. The RGSU includes in this category current local basic service licensee communities with under 5000 customers.
- Subsidies will only be granted, on equal terms, to active residential customers. The customer may choose his service provider freely and retain the subsidy.
- Specific subsidies corresponding to other programs may be added to the general subsidy for a local area.
- The subsidy will begin when 15% of all local service income received by the BSLs in their original areas of exclusivity, north or south, is received by other local providers. Without prejudice thereto, provisions may be issued that the subsidy will be applied in certain local areas where it has been established that new local service entrants are providing basic local service to 25% of business lines in that local area.<sup>25</sup>
- Local areas currently served by independent operators with under 5000 customers may receive this subsidy after December 1, 2000.<sup>26</sup>

- **Specific customers**

- These are customers clearly and precisely identified by means of objective criteria, the distinctions among which may be verified so that monitoring may take place to ensure that resources are not applied to customers not belonging to this category and to prevent customers from receiving more than one subsidy through the same program.
- Subsidies are provided directly to the customer and are to appear as a separate line item on the bill for service, so that the customer may freely choose and change his service provider, while maintaining the subsidy.

- **Specific services**

- These include all services that the regulatory authority wishes to promote and maintain at specific tariffs. The authority may establish tariff, quality, and quantity criteria for providers wishing to participate in the program.
- The subsidy will be received by the provider providing the service and participating in the program established.

## Universal service programs

These were initially defined at the time of issuing the RGSU:

- Long distance public telephony in areas without local telephone service: this program is geared to promoting the installation and maintenance of the first public or semi-public telephone for areas without telephone service. The subprogram includes:
  - Areas without local service with only one long distance public phone booth: a monthly subsidy for one telephone per area.
- Social public telephony: the objective thereof is to promote the installation of public telephones at subsidized prices in low-income areas and in areas defined by the regulatory authority.  
It includes the following subprogram:
  - Social public telephony: a monthly subsidy for telephones with predetermined tariffs.
- Service to users with physical limitations: this is the provision of special terminal equipment and any other mechanisms required.  
The subprogram includes:
  - Operator centers for the hard of hearing: a monthly subsidy to run an operator center for the hard of hearing.
- Retirees, pensioners, and low consumption customers: provides a local telephony discount.  
It includes the following subprograms:
  - Retirees
  - Pensioners
  - Low consumption customers
- Education, culture, health, and emergency services: provides discounts for access to telecommunications services to public establishments such as schools, libraries, and public health centers, the beneficiaries to be determined by the regulatory authority.  
Includes the subprograms:
  - Schools without walls
  - Internet for public libraries
  - Rural schools
- Expensive-to-operate and maintain local areas: provides a subsidy to active customers of local service providers in high-cost areas to maintain the monthly charge at levels similar to those of large urban areas, thereby promoting cultural integration and federalism.

The service provider's obligation is established to continue service at unrestricted prices, should a program be cancelled and a subsidy no longer be available.

## Financing mechanisms for universal service

The Regulations provide that telecommunications service providers shall contribute to the Universal Service Fund a percentage of total income earned for the provision of telecommunications services, net of tax and charges imposed, except as provided in this article.

The income tax rate shall be set each year by the regulatory authority in keeping with its budgeted financing requirements, and may not exceed 1% of total invoice income (0.6 % in 2000; 0.7 % in 2001; 0.8 % in 2002; 0.9 % in 2003, remaining at 1% from 2004).

## Subsidies

In the framework of the principles established for universal service, subsidies shall be explicit, measurable, auditable, and for a minimum of two years so that investment plans can be made, and shall not favor any provider or technology. They shall be calculated in keeping with the prescribed objectives, with the condition that financing requirements shall not exceed the financial capacity of the Universal Service Fund.

The regulatory authority shall establish every two years the programs and categories to be subsidized and the amount of the subsidies, in consultation with the Universal Service Management Committee, which shall carry out an annual evaluation of results to plan the programs and subsidies for the following year. Nonetheless, Article 18 provides for the initial programs to be implemented immediately.

There are various mechanisms to determine subsidies according to program category, without prejudice to the immediate implementation of the aforementioned initial programs:

- **High cost areas:** in determining the subsidies, the providers, who must give evidence of their largest costs, shall present to the Management Committee each year a cost estimate for these areas, comparing them with those calculated for urban areas of over 5000 customers. If the Committee does not reach a unanimous decision regarding the amount of the subsidies for each area, generic areas, categorized by the number of customers; model companies utilizing the most efficient technology available; and comparable international references will be utilized. Initially, models of three categories of wireline networks in local areas with under 2000 customers, 2000 – 5000 customers, and over 5000 customers will be utilized. Local areas with more than 5000 customers are taken as a cost reference, but may not receive subsidies unless they demonstrate significant deviations (greater than 10%) in relation to an average area in this category. Provision has been made for attempts to improve the models at a later date.
- **For specific customers and services:** subsidies shall be determined on the basis of an annual evaluation of results obtained, for purposes of making the corresponding adjustments. It is the responsibility of the regulatory authority to establish the categories of customers who may benefit from the respective programs, executing the budget in keeping with available funds.

All costs, direct and indirect, of the functions, elements, facilities, and assets required to provide services in a local area shall be included in the cost estimate. To calculate the value of assets, their replacement value, an efficient company model, and the most appropriate technology available shall be taken into account, considering only active customers. To determine depreciation and replacement cost factors, the values of an efficient company shall be used as parameters. An adequate return on capital shall also be considered, taking into account the cost thereof for similar companies in Argentina. Marketing costs shall include customer service costs, registration of new service, changes to service, and complaints (not to include advertising and promotion costs).

### **Management and administration**

In order to monitor, support, and promote universal service, the RGSU created the Universal Service Management Committee, chaired by the representative of the regulatory authority (with veto power) and comprised of representatives of the telecommunications service providers<sup>27</sup>, one representative of the provincial governments, and one user representative designated by associations with legal capacity.

The Committee shall agree, for approval by the regulatory authority, the statutes that cover the Administrator and shall contract the Administrator of the Universal Service Fund (USF) for a period of no more than two years, renewable. The Administrator shall have the functions of supervising, monitoring, and settlements of the USF, registration of providers, and presentation of public performance reports at least once a year.

The provider shall provide sworn statements each month setting forth the amount to be paid as its fee and the amount to be received from the Fund as payment for universal service handling. If there is a balance owed, it shall be deposited in the Fund. If a balance is owed to the provider, the provider shall request a refund, which shall be paid into its account within 10 working days.

### **Universal access to the Internet - [argentin@internet.todos](mailto:argentin@internet.todos)**

To provide universal access to the Internet and to information technology, and to promote the development of telecommunications infrastructure throughout Argentina so as to promote universal access to it on geographically and socially equitable terms, the program [argentin@internet.todos](mailto:argentin@internet.todos) was created for the development of telematics. To implement this program, the Ministry of Communications was authorized to conclude a cooperation contract with the International Telecommunication Union (ITU) for the study, design, execution, and administration of specific projects related to this program.<sup>28</sup>

This measure was adopted in a context in which it had previously been declared in the national interest of the people of Argentina to have access to the World Wide Web on geographically and socially equitable terms, at reasonable rates, and with quality parameters in line with modern multimedia applications, and Internet service was deemed to be covered by the constitutional guarantee of freedom of expression, the same considerations therefore applying to it as those for the other media.<sup>29</sup>

Among the items included in the aforementioned program are the following projects:

- **Community Technological Centers (CTC):** these are information networks connected to the Internet, with content of local interest, located in communities of a low socioeconomic level, sparsely-populated areas, or communities in geographically difficult areas. The Centers have autonomous systems for training and content development. The ITU is in the process of contracting an equipment supplier to install a CTC network, which the public would be able to access at no charge. This project provides for the establishment of more than 1000 CTCs in Argentina during 1999.
- **Argentina INTERNET 2:** a project to develop a high-speed data network for educational and scientific purposes geared to the development and use of advanced applications in the area of scientific and technological research, academic activity, telemedicine, and multimedia digital libraries, using current technological concepts and standards for the most advanced scientific and academic networks in the world.<sup>30</sup>
- **Rural schools:** to provide these schools with direct-to-home television (DTH) in order to be able to receive educational and entertainment satellite signals.
- **Virtual classrooms:** information networks connected to the Internet in universities and institutes of higher education.
- **Public libraries:** to connect public libraries to the Internet and to administer them in an integrated way.
- **Virtual museums:** developed jointly with the Ministry of Culture to transmit the cultural heritage of museums via the Internet.
- **Digital mobile unit:** to ensure all communities' knowledge of new technologies implemented through a travelling mobile unit to generate new habits of multimedia use.
- **Cybercities:** the use of information technologies for community integration and electronic government.
- **Telemedicine:** the linking of Argentina's hospitals to construct a virtual network for medical consultations and medical tele-education.

Since September 1997, as a result of a public hearing on the Internet and a national survey on the topic, new prices were set for international links (both transparent and switched) with the United States, provided on the basis of exclusivity agreements, to be used by the providers of value-added services (Internet) attempting to bring them into line with average prices in other countries (Spain, Italy, the United Kingdom, France, Brazil, and Chile are taken as references for a 1920 Kbps link).<sup>31</sup> Regarding customer access to the public telephone network, the toll was established for the access code 0610 "Internet call". This represented a discount to basic service users – according to bids submitted by the established operators – to access the Internet Service Providers, with an additional discount of 50% for schools, universities, and public libraries.<sup>32</sup>

Taking account of the costs that would be incurred from the argentin@internet.todos program, and considering the various measures regarding taxes, contributions, and employment contributions applicable to privatized services, it was established that established basic service licensees, in implementing the projects included in the program, should guarantee the provision of various communications services in the aforementioned institutions in the regions in which they provide telephony services through the fixed or mobile wireline, wireless, or satellite telephone network, or by any other alternative means of voice or data transmission.<sup>33</sup>

Measures of other types were also adopted to allocate funds to finance the aforementioned program, such as the use of the credited balances of the contributions to INTELSAT and INMARSAT on behalf of the Ministry of Communications in its capacity as Party and Signatory of those organizations and of the amounts resulting from all reductions in shareholders' equity; and in addition the option given to the regulatory authority to suspend the payment of fines, establishing alternative obligations to facilitate access to the program's projects.<sup>34</sup>

## **4.2 Brazil**

### **Introduction**

Universalization and competition are the guiding principles of the telecommunications sector reform<sup>35</sup> carried out in Brazil through implementation of the new Telecommunications Act of 1997.<sup>36</sup> The process of restructuring and privatizing federal enterprises culminated in July 1998 with the transfer of the companies resulting from the break-up of the TELEBRAS system, for which concessions to provide local and national and international long distance fixed switched telephone service (FSTS) had been granted subject to the universalization rules. Procedures were subsequently initiated to grant authorizations to provide, on a private basis, FSTS in all its forms (mirror companies).

As the aforementioned law provided that universalization obligations should be subject to goals, the General Plan for Universalization Goals was adopted, setting goals for FSTS provided under the public regime, including goals for individual and collective access, to include handling the needs of educational and health institutions by providing state-of-the-art services, as well as goals for persons with special needs. For purposes of monitoring the achievement of these goals, the National Telecommunications Agency (ANATEL) and the concessionaires signed the respective Commitment Protocol.

Tables 4.2.1.A and 4.2.1.B and Graphs 4.2.1 and 4.2.2 provide graphic representation of fixed, mobile, and public telephone density, including the indices set forth in the PGO, and telephone density by GDP.<sup>37</sup>

**Table 4.2.1.A FSTS teledensity**

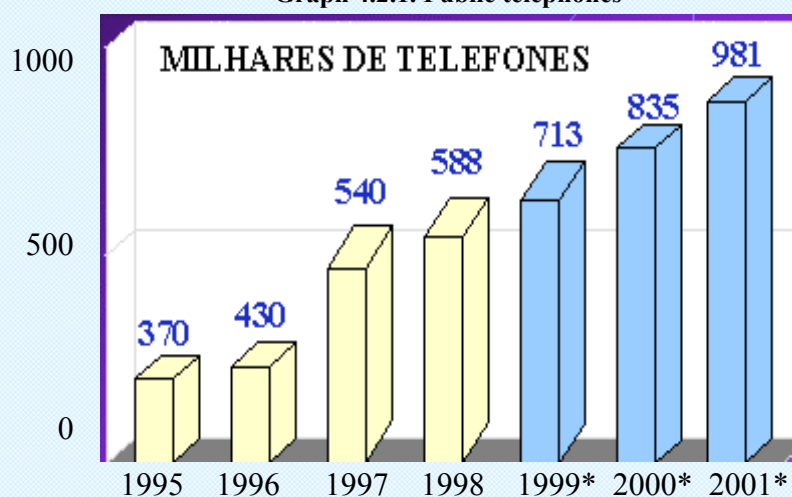
YEAR	ACCESS PER 100 PEOPLE
Dec/94	8.4
Jul/98	12.7
Dec/98	13.8
Aug/99	16.0
Dec/99	16.9
Dec/00	19.7
Dec/01	22.8
Dec/02	25.7
Dec/03	28.2

**Table 4.2.1. B Cellular Mobile Service density**

YEAR	ACCESS PER 100 PEOPLE
Dec/94	0.5
Jul/98	3.5
Dec/98	5.7
Aug/99	7.2
Dec/99	8.3
Dec/00	11.3
Dec/01	13.3
Dec/02	15.2
Dec/03	16.9

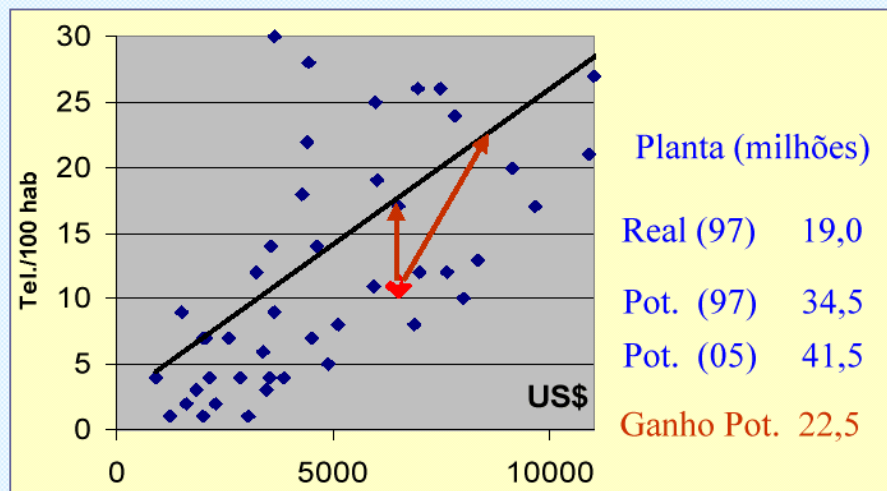
Source: ANATEL<sup>38</sup>

**Graph 4.2.1. Public telephones**



\* General Plan for Universalization Goals  
Source: Ministry of Communications<sup>39</sup>

Gráfico 4.2.2 Telephone density by GDP



Source: ANATEL<sup>40</sup>

## Universalization in the Law

The Telecommunications Act, in the section on principles, provides that Brazil shall commit itself to ensuring universalization and continuity of telecommunications services provided on a public basis and deemed to be in the public interest, such as fixed switched telephone service (FSTS). FSTS provided on a public basis requires the granting of concessions, and concessionaires are required to meet the objectives of universalization and continuity.

Universalization obligations are defined as those whose objective is:

"To provide access to telecommunications service to anyone or any public interest institution, regardless of location or socioeconomic level, as well as obligations aimed at facilitating the use of telecommunications for essential services of public interest."

The general principles of the Act are:

- Universalization obligations are subject to periodic goals, pursuant to the specific Plan, which shall refer, *inter alia*, to the availability of installations for collective or individual use and to serving persons with special needs and public or social institutions, as well as rural or slightly urbanized areas, and remote regions.
- The Plan was to provide details of sources of financing of universalization obligations, which are competitively neutral among providers in the Brazilian market.

- The resources of the Fund to be created through legislation may not be allocated to cover the costs of universalization of services which, in the terms of the concession contract, shall be borne by the provider itself.
- Supplementary funds intended to cover part of the cost attributable exclusively to meeting the service provider's universalization obligation that cannot be recovered through efficient service provision may be obtained from the national budget, the States, the Federal District and the municipalities, and the Fund to be established, so that public or private telecommunications service providers may contribute to that Fund.
- Until the Fund is set up, arrangements may be made to use the following sources:
  - Subsidization among types of telecommunications services or user segments
  - Payment of a surcharge on the interconnection charge

It is also provided that once the Fund has been created, part of the funds collected from the issuing of concessions, permits, and authorizations will be paid into this Fund, as provided in the special law that so directs.

A draft law (prepared in November 1997) creates a Telecommunication Services Universalization Fund (TSUF), existing on paper only, under the management of ANATEL, with the objective of providing resources to cover part of the cost attributable exclusively to fulfillment of the universalization obligations of public telecommunications service providers that cannot be recovered through efficient exploitation of the service. The draft law provides that the Fund's resources will be derived from a contribution equivalent to 1% of public and private telecommunications service provider invoices, in addition to other income such as that derived from payments for the right to transfer concessions, permits, and authorizations, and from contributions from public budget laws.

### **The General Plan for FSTS Universalization Goals**

The General Plan for Universalization of public FSTS<sup>41</sup> provides that, for purposes of this Plan, universalization is:

"The right of access of all persons or institutions, regardless of location or socioeconomic level, to public fixed switched telephone service for the use of the general public ... as well as the use of this telecommunications service for essential services of public interest ... through payment of charges established in the specific regulations."

The Plan establishes the goals for progressive universalization of public FSTS, to be met by the concessionaires of the service, details of which shall be contained in the contracts.

The Plan expressly provides that all costs related to fulfillment of the goals set forth therein shall be borne exclusively by the concessionaires, as provided in the concession agreements.

The goals may be modified by ANATEL to take account of technological advances and society's service requirements, and ANATEL may propose their revision, while observing the provisions of the concession agreements, and propose complementary or anticipatory goals to be met by FSTS providers.

Individual access and collective access goals are established as follows:

a. Individual access goals: FSTS concessionaires shall:

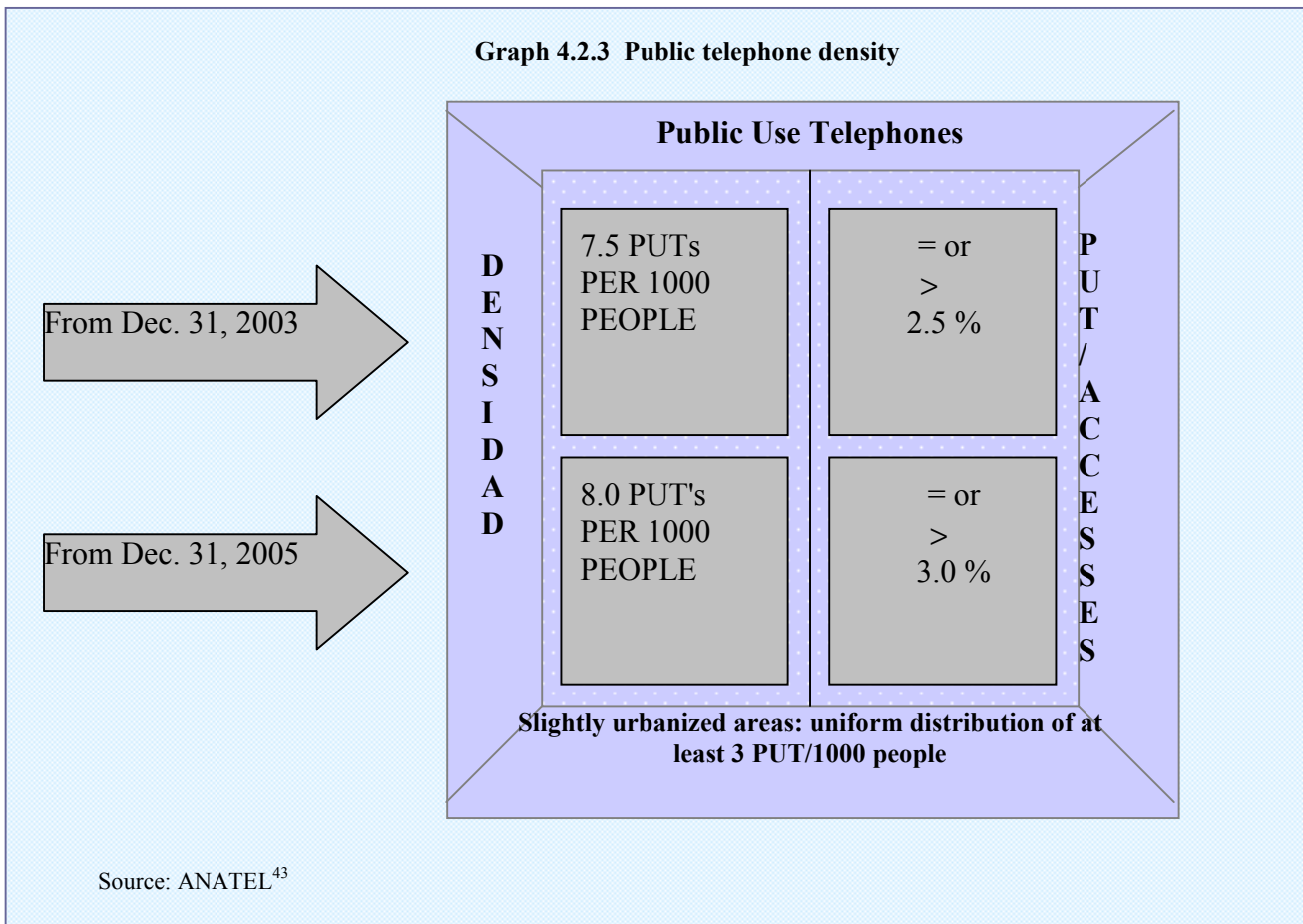
- Supply until the end of 1999, 2000, and 2001, per State, the number of installed accesses (a group made up of the total number of accesses in service plus those accesses which although not activated, have all facilities required to come into service) indicated in the Plan, whose total for Brazil for each year indicated are respectively (in 1000s): 25,100; 29,000, and 33,000.
- Install individual access FSTS as follows:
  - ✓ By December 31, 2001 in all communities of over 1000 people
  - ✓ By December 31, 2003 in all communities of over 600 people
  - ✓ By December 31, 2005 in all communities of over 300 people
- Satisfy requests for individual access in areas with FSTS within the following response times:
  - ✓ After December 31, 2001, within four weeks
  - ✓ After December 31, 2002, within three weeks
  - ✓ After December 31, 2003, within two weeks
  - ✓ After December 31, 2004, within one week
- Regarding educational establishments and health institutions:<sup>42</sup>
  - Give priority to applications for individual access
  - Institute the use of toll-free FSTS for emergency communications
  - Make individual access available to permit communication with computer networks through the use of FSTS or of the network supporting it

b. Collective access goals, in areas with FSTS. Concessionaires shall:

- Activate by the end of 1999, 2000, and 2001, per State, the number of public telephones indicated in the Plan, whose total for Brazil for each of these years (in 1000s) is: 713.2, 835.0, and 981.3.

- Activate public use telephones (PUTs) in numbers that enable a public telephone density to be achieved of:
  - 7.5 PUTs/1000 people from December 31, 2003
  - 8.0 PUTs/1000 people from December 31, 2005
- Ensure, from December 31, 1999, in communities with FSTS with individual access, access to PUTs, at the maximum distances indicated: beginning in December 1999 at 800 meters and by 2003 at 300 meters.
- Activate, in areas where local FSTS is available, PUTs for all educational and health establishments, responding to applications within maximum periods of eight weeks until December 31, 1999, reducing to one week by 2003.
- Ensure, in areas where local FSTS is available, that at least 2% of the PUTs are adapted for persons with special speech, hearing, and movement requirements, responding to the respective applications within eight weeks from December 31, 1999 and within one week by 2003.
- Until December 31, 1999, areas served only with collective FSTS access shall have at least one PUT, installed at a site available 24 hours a day, with the capacity to make and receive national and international long distance calls.
- Every area not yet served by FSTS shall have at least one PUT installed at a site available 24 hours a day, with long distance calling capacity, according to the following timetable:
  - Until December 31, 1999: in all areas of more than 1000 people
  - Until December 31, 2001: in all areas of more than 600 people
  - Until December 31, 2003: in all areas of more than 300 people
  - Until December 31, 2005: in all areas of more than 100 people.

**Graph 4.2.3 Public telephone density**



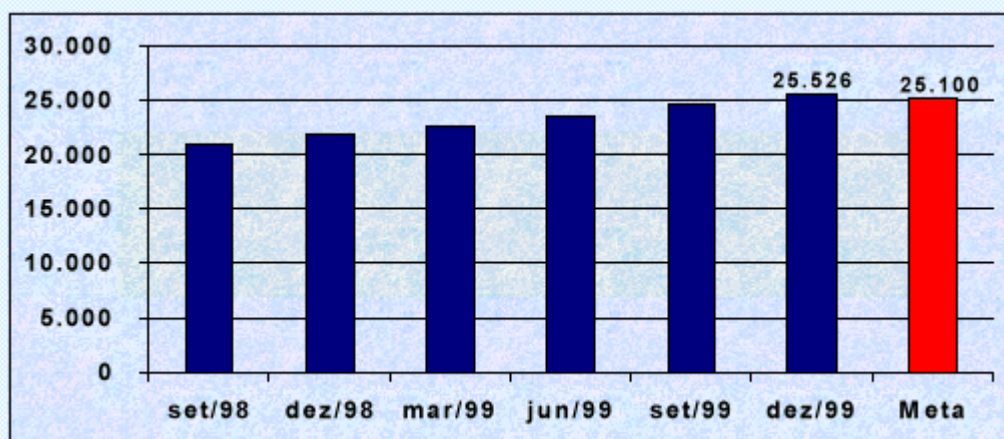
## The Commitment Protocol

The Commitment Protocol to monitor provision of FSTS is an instrument for this service concluded between ANATEL and the concessionaires to agree the indicators and respective goals established in the General Plan for Universalization Goals and the General Plan for Quality Goals.

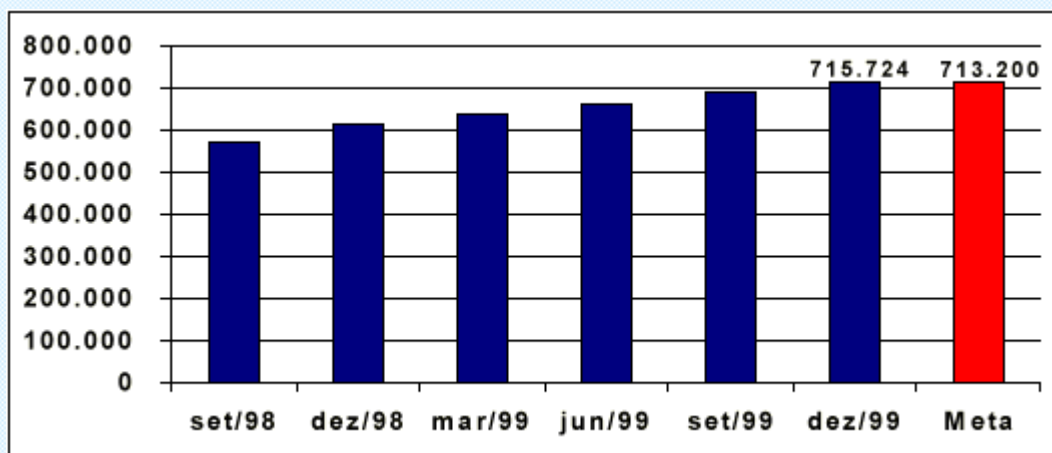
The goals must ensure the gradual development of each indicator and the corresponding improvement in service provision. Compliance is monitored monthly; the concessionaires must submit to ANATEL the report on goals to which they are committed and, if necessary, corrective action.

Graphs 4.2.4.A and 4.2.4.B show installed fixed access and the number of PUTs in service, taking account of the provisions of the aforementioned Commitment Protocol.

**Graph 4.2.4.A Commitment Protocol - Fixed Installed Access ( $10^3$ ) - National**



**Graph 4.2.4.B Public telephones in service - National**



Source: ANATEL<sup>44</sup>

## **4.3 Canada**

### **Introduction**

At the beginning of the 1990s, Canada began implementing a pro competition policy. Canada's policy had always focused on making universal service affordable and accessible to all. The regulatory framework mainly comprises the 1993 Telecommunications Act<sup>45</sup> (there is also a 1998 Radiocommunications Act) and the Decisions and Orders issued by the Canadian Radio–Television and Telecommunications Commission (CRTC).

Competition was introduced by segments, beginning with long distance in 1992, followed by local service in 1997, and ending with international services, pursuant to the regime adopted in 1998.

In this environment, the market operators are the local carriers – LECs - made up by the incumbent carriers, ILECs, (mainly the Stentor<sup>46</sup> companies and the so-called independent companies), the competitive entrants to the local market (CLECs), and the long distance carriers (IXCs). There are also wireless service operators and resellers.

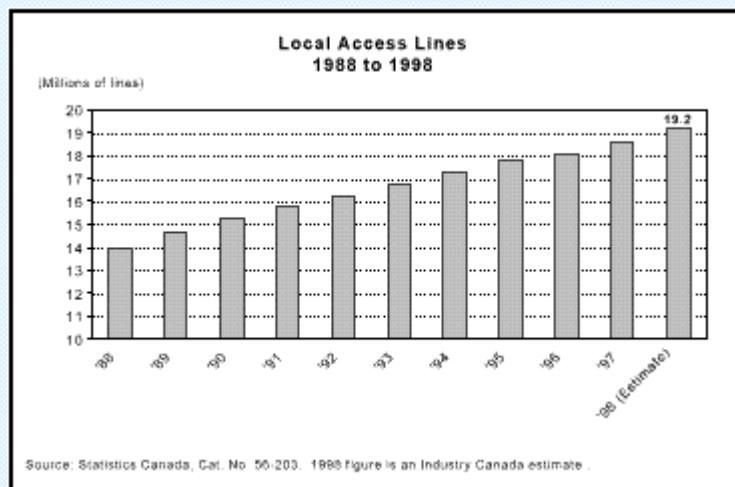
Canada has achieved a high penetration rate, as shown in Table 4.3.1. Figures 4.3.1, 4.3.2, 4.3.3, and 4.3.4 illustrate the number of access lines, growth of residential and business lines, and mobile service customers.

**Table 4.3.1.**

<b>NUMBER OF TELEPHONES AND TELEPHONE PENETRATION RATES</b>	
Telephone penetration rates 1996	98.7 % of households have access to one network access line (NAS) in 1996. There were an estimated 16 million NAS.
Teledensity in 1995.	59.6
<b>INCREASE TELEPHONE PENETRATION RATE</b>	
1986	98.1 %
1996 The rates for basic residential phone service have been increasing since 1996 through rate rebalancing and restructuring.	98.7 %

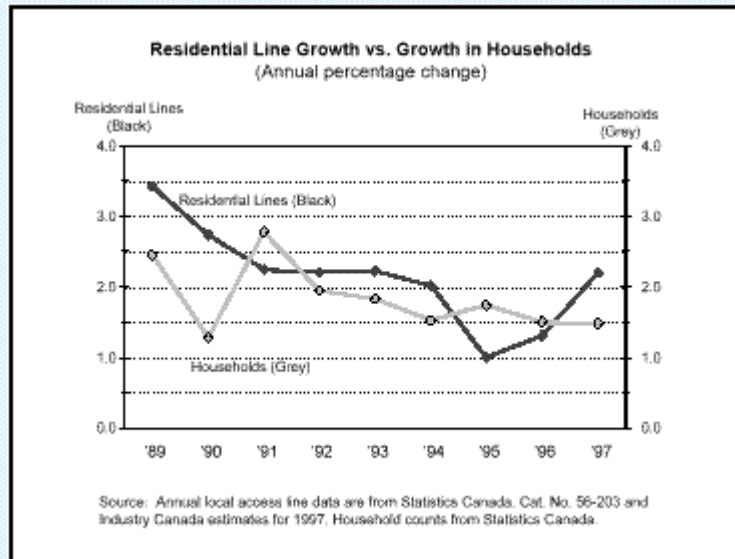
Source: PCC I/doc.426/97<sup>47</sup>

**Graph 4.3.1.**



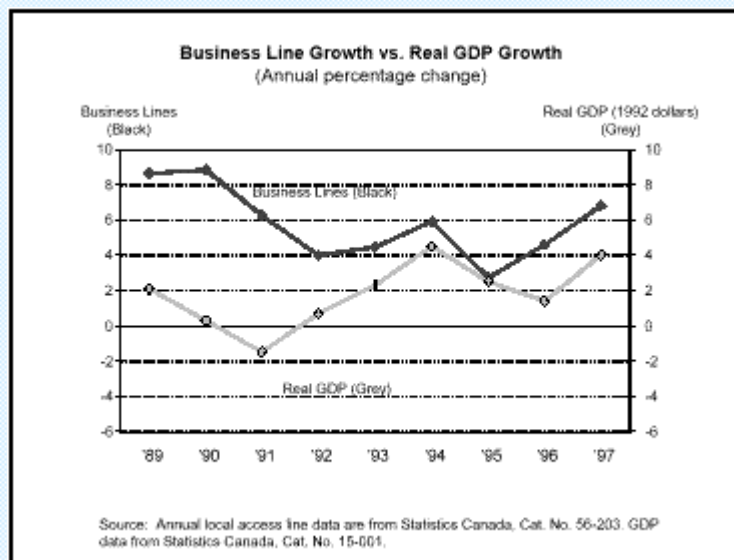
Source: Industry Canada <sup>48</sup>

**Graph 4.3.2.**



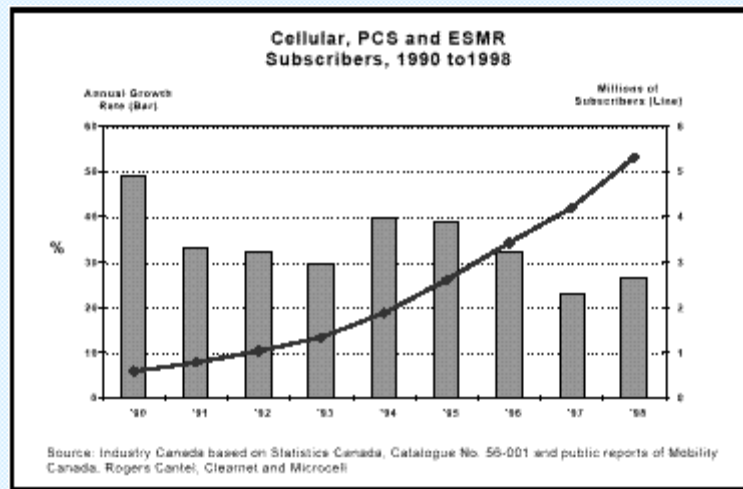
Source: Industry Canada.

**Graph 4.3.3.**



Source: Industry Canada.

**Graph 4.3.4.**



Source: Industry Canada.

### **Affordability/Accessibility**

Affordability and accessibility of universal services has always been one of Canada's universal service policy objectives. That principle is expressed under section 7(b) of the 1993 Telecommunications Act that reads:

"To render reliable and affordable telecommunications services of high quality accessible to Canadians in both urban and rural areas in all regions of Canada." [English original not available].

Historically, in a monopoly environment, objectives were met by cross-subsidizing local services by long distance, business, and other specific services. In the new competitive environment, this system was replaced by an explicit subsidy from long distance operators to local services.

### **Contribution**

At the time of drafting the regulations governing competition in the long distance telephone service market, the CRTC issued Decision 92-12<sup>49</sup>. Among other competition-related issues, the CRTC considered the contribution by IXC's to be a subsidy of long distance services so as to make local service rates affordable. The contribution collection procedure estimated per telephone circuit was considered the most appropriate system for the stage then being initiated.

The contribution system was also extended to independent companies and to wireless service providers (WSPs) interconnected with the public switched telephone network (PSTN) to

transmit long distance traffic, since it was considered that they should contribute on equal terms with wire carriers providing long distance services.

In 1994, the CRTC issued Decision 94-19,<sup>50</sup> which provided for review of the regulatory framework with a view to promoting telecommunications infrastructure development and providing universal, affordable access to all, as provided in the 1993 Act. The Decision encouraged competition in the provision of services and basic and advanced information and communications products to allow users to choose the package of services best meeting their specific needs. To that end, it was necessary to reduce entry barriers - technical, regulatory and economic.

Taking penetration rate (98%) as the best indicator of affordability, it was considered that universality had practically been achieved. Decision 92-12 had already established that the contribution by long distance operators constituted a subsidy to local services. In the new competitive environment, the CRTC considered that the appropriate contribution procedure applied to all long distance companies should be calculated per minute and not per telephone circuit, as this was more appropriate than the existing system.

Under Decision 96-10,<sup>51</sup> the CRTC ordered telephone companies to provide customers with restricted international calling service, at no charge, and to allow customers to pay installation charges and safety deposits in six-month installments.<sup>52</sup> These payments were the largest obstacle to access to telephone service by low-income users.

Decision 96-10, in considering, *inter alia*, how rate rebalancing might evolve, provided that the issue of high-cost service areas (remote/rural) could be subject to future review. It established a program for monitoring penetration levels, should future action be required.

At the time of drafting the regulations for local competition, Decision 97-8<sup>53</sup> provided specifically for the contribution of long distance operators to local service subsidies, and for fund management. The CRTC decided that the contribution was to be preserved as an explicit subsidy and that contribution rates for Stentor long distance operators<sup>54</sup> were to be frozen during the price cap enforcement period. This would ensure that residential rates in high-cost areas would continue to permit universality of access and that distortion in a competitive market would be minimized.

Likewise, the CRTC decided residential subsidy requirements would be based on ILEC costs and revenues. The Commission also established that, in a competitive environment, ILECs should still be required to meet the "obligation to serve."<sup>55</sup> This was the subject of an additional public inquiry in order to identify the best service approach in high cost areas in a fully deregulated environment.<sup>56</sup> In addition, the rate band structure proposed by the various telephone companies was provisionally approved.

In the framework of those decisions, the need to create a Central Fund was examined. The fund in principle was to be managed by a third party. However, to avoid delay in the allocation of subsidies to new market entrants, it was agreed that the Fund would be temporarily managed by the association representing the incumbents until a third party administrator was finally appointed.

Decision 97-9<sup>57</sup> provided for price cap regulation for telephone companies, as from January 1, 1998 for a period of 4 years, to be reviewed before the end of the period. It also established that companies would be allowed, during the price cap period, to increase their local residential rates up to a maximum of \$3, up to the annual increase in the inflation rate. Decision 98-2<sup>58</sup> established the final 1997 contribution charges for telephone companies and finally approved the band allocation and structure, thereby implementing the price cap regulations.

The contribution mechanism was modified in 1998, when Decision 98-17<sup>59</sup> established the regulatory regime for deregulated international service provision. The Decision established that the contribution would be calculated per minute instead of per telephone circuit, consistent with the criterion applied to domestic long distance providers.

Public proceeding PN 99-6<sup>60</sup> is currently in progress to gather proposals on a review of contribution collection procedures and to study possible alternative procedures (e.g. revenue-based, end-user, etc.) and, in general, to consider all related aspects, namely, the type of services subject to contribution, the type of service providers that should contribute, and the role of the Central Fund Administrator (CFA).

### **High-Cost Service Areas**

After a long consultation process that began in 1997,<sup>61</sup> on October 19, 1999, the Canadian Radio Television and Telecommunications Commission (CRTC) issued Decision 99-16,<sup>62</sup> regulating telephone service in high-cost service areas.

In view of statistical data shown in Figure 4.3.1, the Commission considered the level of telecommunication services in Canada to be very high. Canada, in fact, was one of the best served countries in the world, except for its high-cost service areas (HCAs), which in general include remote, rural regions and the far north of the country.

**Chart 4.3.1 Telecommunications 1999**

Based on the record of this proceeding, it is estimated that over 18 million telephone lines are connected to the public switched telephone network. Over 99 per cent of these lines represent "single line" service. More than 97 per cent are connected to a digital switch, provide touch-tone telephone service, and can connect, via low speed data transmission, to the Internet without incurring long distance charges. Some telephone companies offer this level of service on 100 per cent of their lines. These figures indicate the success of Canadian telecommunications, which has grown steadily over the last century, in providing millions of Canadian residences and businesses with high quality service.

Existing service improvement programs will enhance the level of basic telephone service to about 90,000 more Canadians. The Commission notes that when these existing programs are complete, it is estimated that only 7,700 currently served customers will not have access to single line service. In addition, incumbent local carriers have identified, in total, approximately 13,000 residences and/or businesses, in over 700 locations, that will still not have any access to telephone service.

Source: Decision CRTC 99 - 16.

The CRTC defined HCAs as clearly identified geographic areas where ILEC monthly costs to provide basic services are greater than the associated revenues generated by an affordable rate, set as stipulated by the Commission.

In order to meet the final objectives set forth by section 7(b) of the 1993 Telecommunications Act, the CRTC will balance priorities in order to improve service, maintain reasonable rates, and minimize subsidies to promote fair competition. The following are the objectives for HCAs:

- To extend service to the few areas still not served
- To improve the level of service in places where customers at present do not have access to the basic services Canadians in other areas have
- To maintain the level of service and ensure that existing levels do not negatively affect competition

In order to meet the objectives proposed by Decision 99-16, the Commission drafted a Plan to include the following:

- **“Basic service objective”:** The “basic service objective” is established for LECs, to be pursued regardless of the technology employed and which may vary from time to time in accordance with the trend in services. This includes<sup>63</sup> :
  - Local individual service, including touch-tone and Internet access
  - Improved calling features, such as emergency call numbers, voice mail, etc.
  - Access to operator services and directory assistance
  - Access to the long distance network
  - A copy of the local telephone directory
- **“Obligation to serve”:** To achieve reasonable access to telecommunication services for the whole population, the Decision maintained the “obligation to serve” for ILECs in the southern territories<sup>64</sup>. This implies that ILECs must provide service at reasonable prices in their territories, on a non-discriminatory basis<sup>65</sup>. The ILECs’ “obligation to serve” and the terms on which service will be extended are established in the rates approved for the ILECs. The terms include the part of the cost to extend the service to be paid by the company, and the part to be paid by the customer. The necessary rate modifications will be introduced so as to reflect this situation. Carriers were requested to propose rates in their plans giving customers the option of paying the charges for extension of service in reasonable installments. In this context, it was considered reasonable to allow terms to vary from one company to another and from one territory to another.
- **Service improvement plans:** Despite the arrival of competition, the CRTC decided to continue with service improvement plans (plans which had already been implemented successfully) and that service to HCAs had to be improved. All ILECs must submit multi-annual service improvement plans to meet this objective throughout their service areas. The plan must describe the way ILECs intend to strengthen their networks, and where service must be improved or extended to unserved areas. The CRTC considers that the least-cost technology shall be introduced and that larger areas or communities must be served first, as well as permanent households as opposed to seasonal ones. Plans may vary and will be discussed in the aforementioned proceedings, in which the public and interested regions or communities may participate.

As the Stentor companies have programs for the price cap period, the procedure reviewing this price regulatory system will consider programs to be implemented no later than January 1, 2002.<sup>66</sup> With respect to independent companies, the CRTC had previously established that they were to increase their rates before the end of the year 2001.<sup>67</sup> The CRTC therefore ruled that plans to improve productivity and reduce subsidy by at least 25% of the companies’ total revenues must be submitted by them on January 1, 2000. The plans must be implemented by the year 2002 at the latest.

- **Monitoring program:** A program will be set up to monitor plans and the implementation thereof.

- **Redefining cost bands:** It was announced that a future proceeding would give ILECs the opportunity to redefine their cost bands. The CRTC shared the view of most parties that redefining the existing band structure based on switched exchanges would be better than subsidies focusing on high-cost service areas. At the beginning of 2000, the CRTC will begin a proceeding to examine proposals by the Stentor companies for new bands to be based on cost. Independent companies do not have cost bands at present. However, when competition is permitted in those territories, the CRTC will have to establish some mechanism to distribute subsidies.

The CRTC announced, when companies redefine their cost bands, an explicit subsidy will be utilized specifically to preserve the “basic service objective” in HCAs. In view of this, the following rules have been established for the distribution of implicit subsidies:

- Explicit subsidy procedures will be maintained until January 1, 2002 (the price cap period).
  - As the “obligation to serve” still applies for ILECs, after January 1, 2002, the explicit subsidy will be available for ILECs that submit a service improvement plan that indicates how they will meet the “basic service objective”. CLECs will be eligible for subsidy for customers that a level of service meeting the “basic service objective”. Additionally, if a service provider other than the incumbent offers services in an area not covered, in order to be eligible, it must offer the service at affordable rates.
- **Special consideration of the Northern territories:** With respect to the northernmost territory, which has its own special characteristics (vast spaces, adverse weather conditions, and scattered population representing less than 0.50% of the total population), it was decided that the operator serving that area should be treated differently from companies in the south of Canada. There is very low teledensity in the north. International service rates are much higher than in the south in order to generate the necessary revenues to provide local service in those territories. There is still no competition for long distance. Also, some northern users do international by-passing. Consequently, the operator there cannot meet the “obligation to serve” in the same way as do operators in the southern territories. A proceeding will therefore be implemented to evaluate the revenue needed to meet the “obligation to serve” in that territory, to determine the terms and conditions to allow long distance competition in that area (which has not yet been introduced) and to determine whether additional funding is required. If so, it will be determined how the subsidy is to be collected. To be eligible for any supplementary subsidy, the established operator in the north must prove that the “basic service objective” cannot be met through traditional financing mechanisms such as those employed by the southern companies. The northern ILEC company must also submit its service improvement plan to meet the “basic service objective” and maintain its “obligation to serve,” as do ILECs in the other territories.
  - **Maintaining quality levels established in the south:** The proceeding considered whether the CRTC was to regulate service quality in high-cost areas and, if so, the way in which regulation should be implemented. Some parties proposed introducing existing indicators into the HCAs<sup>68</sup>. The CRTC considered that, in the framework of the band review process, it would be appropriate for the Stentor companies to identify the service quality indicators

where standards might vary in high-cost serving areas and to propose appropriate standards for those areas. Existing quality indicators were considered adequate for independent companies. However, the CRTC will review this issue in the future.

## **4.4 Caribbean**

### **Executive Summary**

A survey on the status of universal service in the Caribbean was conducted in July 1999. The survey consisted of: questionnaires sent to 12 of the English-speaking Caribbean countries; data compiled from the Caribbean Telecommunications Union (CTU); data published by the Caribbean Association of National Telecommunication Organisations (CANTO); data from statistical organizations compiled via the Internet; and direct communication with telecommunications permanent secretaries and officials of some of these countries.

The basic telephony penetration rate for residential users of various countries of the Caribbean and the affordability of this service for the average citizen were used to measure universal service. Survey data showed that universal service has not been achieved even at the basic telephone service level. The 28 country-average was 24% telephone penetration. However, only half of the countries in the region have penetration of 25% or more while the other half has less than 25%. For the rural Caribbean, average telephone penetration was 13%, while only half of the countries had a telephone penetration rate of over 9%.

The situation is similar with respect to affordability, with average monthly access rates of US\$9.61; local call rates of US\$0.13 per call; and international calls averaging US\$1.46 per minute. In the context of a minimum wage of approximately US\$1.50 per hour, these charges can be an obstacle to access for many, especially in rural areas.

While the promise of wireless telephony may appear to offer improved access, such expectations have not been realized as introduction has been slow, concentrated in urban areas, and expensive. Only half of the 24 countries offering this service have more than 2,820 customers.

Public telephones have also failed to alleviate the access problem, as they tend to be found in urban areas and in many cases require pre-paid phone cards. These phone cards are usually available in denominations too high for the average user. The number of public telephones is also limited, with only half of the 27 countries with this service having over 279 installed public phones.

With respect to WTO commitments, it appears that not many commitments have been undertaken, as the monopoly providers will continue to operate in the future, although their terms will begin to expire in some countries in the 2001-2020 period. Some countries are beginning to take steps towards deregulation. Universal service will apparently continue to relate to basic telephony in most instances.

## **Introduction**

Data was obtained from 28 countries in the Caribbean, with a population of some 33.2 m people with four different languages - 19 English-speaking, two Spanish-speaking, two French-speaking, and five Dutch-speaking. The area has some 2.88m telephones; 414,246 cellular phones; and 24,541 public telephones.

The survey on the status of universal service in the Caribbean was conducted in July 1999. It was carried out using various data collection methods:

- (a) Questionnaires sent to 12 of the English-speaking Caribbean countries;
- (b) Data collected by the Caribbean Telecommunications Union (CTU);
- (c) Data published by the Caribbean Association of National Telecommunication Organizations (CANTO);
- (d) Data from statistical organizations compiled via the Internet;
- (e) Direct communication with telecommunications permanent secretaries and officials of some of these countries.

The report covered access, affordability, and WTO commitments. Three main telecommunication services (wireline telephony, wireless cellular telephony, and public telephony) were examined.

## **Access**

### **PSTN (Public Switched Telephone Network)**

The data showed that the average penetration rate in the Caribbean countries was about 34%. This, however, gives the false impression that one in three residents has access to a telephone. The true average is about 24% when business lines, always included in the total line figure, are subtracted. However, the average penetration for rural residents was 13%, taking into consideration the countries' urban/rural demographics.

To gain a better idea of telephone penetration, one must look at other statistical measures. The study showed that a median of 36%, that is, half of the 28 Caribbean countries surveyed, have an apparent telephone penetration of more than 36% (including business lines) and half have less than that percentage. The true residential penetration median was 25% (exclusive of business lines). Half of the countries have over 9% telephone penetration in rural areas and the other half have less than 9% (compared to an estimated median of 40% telephone penetration for urban residents). This indicates a great disparity in accessibility of telephone service between urban and rural residents. The disparity between urban and rural areas seems to be increasing when one considers that additional telecommunications services continue to be concentrated in urban areas for reasons of profitability - services such as pay phones, cellular phones, and Internet access are offered almost exclusively in urban areas.

Comparisons between countries reveal large discrepancies in penetration from one country to another. The lowest rural penetration was that of Haiti, with 0.2%, while the highest was that of Guadeloupe, with 68% penetration.

If penetration is looked at in terms of household penetration, the results are slightly better. The apparent average household penetration is 124%, with true household penetration being 81%. In the rural areas, household penetration is 32%.

## **Cellular Telephony**

There are 24 countries with cellular telephone service in the Caribbean with a total of 414,246 cellular telephones. The countries not reporting cellular service were Antigua, Haiti, Tortola, and the U.S. Virgin Islands. The country average is 17,260 cellular phones. This again gives a false impression as the median figure shows that half of the countries had more than 2,820 cellular phones, while the other half had less than this figure. The country having the fewest phones was 316 (St. Kitts/Nevis) while the country with the most was 148,600 (Dominican Republic). It should be noted that most, if not all, of these cellular phones are concentrated in urban areas and are priced considerably higher than the PSTN service, being, therefore, less accessible.

## **Public Telephones**

The total number of public telephones in 27 countries of the Caribbean was 24,541 (Haiti was the only country not reporting any public telephones). The country average was 909, while half of the countries had more than 279; the other half had less than 279. The country with the fewest public phones was Bonaire (14) and the country with the most was Cuba (6,158). In this case, a large portion of the public phones are also in urban areas and call charges are usually higher than PSTN tariffs. Considering that the rural population of the Caribbean is about 13 million people, accessibility to public phones is clearly limited by such numbers.

## **Affordability**

In terms of affording telephone service, the median monthly access cost was US\$8.89, i.e., half of the countries surveyed charge \$8.89 or more while the other half charge less than that figure. The lowest monthly charge was that of Bonaire, at US\$0.36 per month, while St. Maarten had the highest monthly charge, US\$22 per month.

The local call rate was difficult to assess as some countries have no local call charges. Local calls are timed in some countries and not timed in others. Some countries have no intra-country long distance rates. Data was obtained on 14 countries' local call rates, which show the following pattern: the average call rate for local calls was US\$0.13 cents per call. The median call rate for the fourteen countries was US\$0.07 cents per call, with a minimum call rate of US\$0.04 and a maximum local call rate of US\$0.60 per call. The picture here is not clear as some countries have many intra-country long distance rates, which were not obtained.

The international rates for the Caribbean appear to be high as the average charge per minute was US\$1.46, with a median charge, that is, what half of the countries charge, of US\$1.48, per minute.

The minimum charge was US\$0.28 (U.S. Virgin Islands) and the maximum charge was US\$3.28 (Jamaica). This range between the maximum and the minimum shows a wide disparity among countries in terms of charges. An interesting statistic emerging from the data is that 90% of the countries charge more than US\$0.66 per minute for international calls.

Taking an average minimum wage rate of US\$1.50 per hour for the Caribbean, some interesting figures can be obtained, which explain why there is a great imbalance in incoming traffic from the USA to the Caribbean. A worker earning the minimum wage worker has to work an average of 6 hours and 24 minutes to pay his monthly access charge. He is required to work an average of 5.5 minutes to pay for a local call. For international calls to the USA, he has to work for 58 minutes to pay for a 1-minute international call. Given the great community of interest between the Caribbean and the United States, this is where a citizen of a Caribbean country is most likely to call.

## **WTO Commitments**

Only five of the 12 countries to which a questionnaire was sent responded. The responses came from telecommunications permanent secretaries and officials of the various countries. The responses indicated that universal service has been limited to basic telephony services in the countries responding and it does not appear that such service will be redefined. Two countries stated that new technologies will be included as part of universal service in the future. The responses also indicated that the monopoly providers would continue to dominate from 2001 to 2020. These providers appear to dominate in all services except cellular services in one country. The telecommunications providers in the respective countries have provided the financing for this service. From the sample that responded, it also appears that not many commitments have been made to the WTO. As regards deregulation, there appears to be some hope, as two of the five countries plan to introduce some form of competition or regulation that would be a prelude to deregulation.

**Table 4.4.1 Population Data**

<b>Country</b>	<b>Pop</b>	<b>Urban Pop</b>	<b>Rural Pop</b>	<b>Households</b>
Anguilla	11000	1232	9768	3029.22037
Antigua	67000	24120	42880	18500
Aruba	91000	63154	27846	28000
Bahamas	293000	254617	38383	80687.41531
Barbados	267000	127626	139374	94000
Belize	237000	109968	127032	52500
Bermuda	60000	32811.42857	27188.57143	27500
Bonaire	14500	10063	4437	2900
Cayman	36000	36000		15900
Cuba	11000000	8393000	2607000	3029220.37
Curacao	151000	104794	46206	46000
Dominica	75000	52275	22725	20000
Dominican Republic	8175000	5117550	3057450	1901000
Grenada	99000	35838	63162	28000
Guadeloupe	422000	419890	2110	116211.9087
Guyana	750000	269250	480750	150000
Haiti	6731000	2180844	4550156	1853607.483
Jamaica	2500000	1355000	1145000	688459.175
Montserrat	4000	668	3332	1500
St Kitts/Nevis	42000	14238	27762	12000
St Lucia	155000	57660	97340	43000
St Maarten	38000	26372	11628	13000
St Vincent & Grenadines	111000	54945	56055	30000
Suriname	434000	215698	218302	86600
Tortola	19000	10849	8151	5232.28973
Trinidad	1300000	938600	361400	324000
Turks & Caicos	19000	8341	10659	5232.28973
U.S. Virgin Islands	110000	49830	60170	30000
Total	33211500	19965233.43	13246266.57	8706080.152
Average	1186125	713044.051	490602.4656	310931.434
STD	2783901.488	1858078.064	1129504.656	735646.2401
Median	110500	56302.5	46206	30000
Min	4000	668	2110	1500
Max	11000000	8393000	4550156	3029220.37

**Table 4.4.2 PSTN data**

Country	Main lines	Res Lines	Urb Res lines	Rur Res lines	Bus Lines	Lines/Pop	Lines/Res pop	Rur Res/ rur pop	Lines/ House	Res lin/ house	Res lin/ rur res house	Res lin/ urb pop	Res lin/ rur pop
Anguilla	5400	3388	2710	678	985	49.09%	30.80%	6.94%	178.26%	111.84%	44.74%	49.28%	6.94%
Antigua	33000	24750	19800	4950	8250	49.25%	36.94%	11.54%	178.38%	133.78%	53.51%	59.10%	11.54%
Aruba	36000					39.56%			128.57%				
Bahamas	105869	74108	59286	14822	31761	36.13%	25.29%	38.62%	131.21%	91.85%	36.74%	40.47%	38.62%
Barbados	112859	75851	60681	15170	35586	42.27%	28.41%	10.88%	120.06%	80.69%	32.28%	45.45%	10.88%
Belize	30775	22304	17843	4461	8471	12.99%	9.41%	3.51%	58.62%	42.48%	16.99%	15.06%	3.51%
Bermuda	55246	30308	24246	6062	23667	92.08%	50.51%	22.29%	200.89%	110.21%	44.08%	80.82%	22.29%
Bonaire	5150	4635	3708	927	515	35.52%	31.97%	20.89%	177.59%	159.83%	63.93%	51.14%	20.89%
Cayman	25110	14820	11856	2964	10350	69.75%	41.17%		157.92%	93.21%	37.28%	65.87%	
Cuba	360217	223334	178667	44667	136887	3.27%	2.03%	1.71%	11.89%	7.37%	2.95%	3.25%	1.71%
Curacao	64600	57940	46352	11588	6660	42.78%	38.37%	25.08%	140.43%	125.96%	50.38%	61.39%	25.08%
Dominica	20253	16547	13238	3309	2741	27.00%	22.06%	14.56%	101.27%	82.74%	33.09%	35.30%	14.56%
Dominican Rep	725665	463195	370556	92639	209214	8.88%	5.67%	3.03%	38.17%	24.37%	9.75%	9.07%	3.03%
Grenada	25818	22720	18176	4544	3098	26.08%	22.95%	7.19%	92.21%	81.14%	32.46%	36.72%	7.19%
Guadeloupe	189300	142700	141273	1427	46600	44.86%	33.82%	67.63%	162.89%	122.79%	2.46%	66.95%	67.63%
Guyana	60673	42157	33726	8431	18516	8.09%	5.62%	1.75%	40.45%	28.10%	11.24%	8.99%	1.75%
Haiti	64000	43500	34800	8700	15000	0.95%	0.65%	0.19%	3.45%	2.35%	0.94%	1.03%	0.19%
Jamaica	456174	348792	279034	69758	107792	18.25%	13.95%	6.09%	66.26%	50.66%	20.27%	22.32%	6.09%
Montserrat	2200	1580	1264	316	620	55.00%	39.50%	9.48%	146.67%	105.33%	42.13%	63.20%	9.48%
St Kitts/Nevis	18007	13145	10516	2629	4160	42.87%	31.30%	9.47%	150.06%	109.54%	43.82%	50.08%	9.47%
St Lucia	39297	28737	22990	5747	8715	25.35%	18.54%	5.90%	91.39%	66.83%	26.73%	29.66%	5.90%
St Maarten	16676	10163	8130	2033	6513	43.88%	26.74%	17.48%	128.28%	78.18%	31.27%	42.79%	17.48%
St Vincent & Gren	19987	15941	12753	3188	4046	18.01%	14.36%	5.69%	66.62%	53.14%	21.25%	22.98%	5.69%
Suriname	67308	53846	43077	10769	8077	15.51%	12.41%	4.93%	77.72%	62.18%	24.87%	19.85%	4.93%
Tortola	11108	7222	5778	1444	3742	58.46%	38.01%	17.72%	212.30%	138.03%	55.21%	60.82%	17.72%
Trinidad	263699	216697	173358	43339	44905	20.28%	16.67%	11.99%	81.39%	66.88%	26.75%	26.67%	11.99%
Turks & Caicos	5300	2594	2075	519	2706	27.89%	13.65%	4.87%	101.29%	49.58%	19.83%	21.84%	4.87%
U.S. Virgin Islands	63435	43546	34837	8709	19889	57.67%	39.59%	14.47%	211.45%	145.15%	58.06%	63.34%	14.47%
Total	2883126	2004520	1630729	373791	769466	9.7173379	6.5038156	3.4393932	32.557004	22.24212	8.430234771	10.534603	3.4393932
Average	102969	74241	60397	13844	28499	34.70%	0.2408821	13.23%	116.28%	82.38%	31.22%	39.02%	13.23%
STD	166221	114355	92259	22866	48969	0.2148187	0.1375594	0.1433622	0.5821668	0.4252356	0.176358729	0.2252093	0.1433622
Median	37649	28737	22990	4950	8471	35.83%	25.29%	9.48%	124.17%	81.14%	32.28%	40.47%	9.48%
Min	2200	1580	1264	316	515	0.95%	0.65%	0.19%	3.45%	2.35%	0.94%	1.03%	0.19%
Max	725665	463195	370556	92639	209214	92.08%	50.51%	67.63%	212.30%	159.83%	63.93%	80.82%	67.63%

**Table 4.4.3 Cellular data**

Country	Cellular Phones
Anguilla	707
Antigua	
Aruba	5280
Bahamas	8072
Barbados	12000
Belize	3472
Bermuda	12572
Bonaire	561
Cayman	5170
Cuba	2013
Curacao	15911
Dominica	647
Dominican Rep	148600
Grenada	1326
Guadeloupe	85000
Guyana	1459
Haiti	
Jamaica	75907
Montserrat	480
St Kitts/Nevis	316
St Lucia	1100
St Maarten	2168
St Vincent & Grenadines	420
Suriname	8005
Tortola	
Trinidad	22000
Turks & Caicos	1060
U.S. Virgin Islands	
Total	414246
Average	17260,25
STD	36234,5558
Median	2820
Min	316
Max	148600
90 Percentile	59734,9
10 percentile	504,3
50 percentile	2820
25 percentile	971,75
75 percentile	12143

**Table 4.4.4. Public telephony data**

Country	Public Phones
Anguilla	74
Antigua	328
Aruba	523
Bahamas	856
Barbados	566
Belize	244
Bermuda	1526
Bonaire	14
Cayman	189
Cuba	6158
Curacao	286
Dominica	279
Dominican Rep	4911
Grenada	210
Guadeloupe	1494
Guyana	272
Haiti	
Jamaica	2752
Montserrat	16
St Kitts/Nevis	180
St Lucia	447
St Maarten	120
St Vincent & Grenadines	167
Suriname	260
Tortola	144
Trinidad	2097
Turks & Caicos	65
U.S. Virgin Islands	363
Total	24541
Average	908.9259259
STD	1521.217735
Median	279
Min	14
Max	6158
90 Percentile	2359
10 percentile	70.4
50 percentile	279
25 percentile	173.5
75 percentile	711

**Table 4.4.5 Call rate data**

	Mthly Res access	Hrs worked at min wage	Call rate	Hrs worked at min wage	Int min	Hrs worked at min wage
Anguilla	10	6.67	0.6	0.4	2.02	1.35
Antigua	11.04	7.36	0.05	0.03	1.98	1.32
Aruba	13	8.67	0.045	0.03	1	0.67
Bahamas	17.5	11.67			0.99	0.66
Barbados	14	9.33			2.65	1.77
Belize	4	2.67	0.05	0.03	1.58	1.05
Bermuda	16	10.67	0.15	0.1	1.1	0.73
Bonaire	9	6	0.08	0.05	0.65	0.43
Cayman	7.53	5.02			1.68	1.12
Cuba	6.25	4.17	0.3	0.2	2.45	1.63
Curacao	7.78	5.19	0.0225	0.02	0.66	0.44
Dominica	8.58	5.72	0.1	0.07	0.76	0.51
Dominican Rep	7.36	4.91			0.72	0.48
Grenada	14.07	9.38			1.67	1.11
Guadeloupe	12.3	8.2			0.68	0.45
Guyana	1.506	1			1.4	0.93
Haiti	4.12	2.75			2.46	1.64
Jamaica	2.73	1.82	0.004		3.08	2.05
Montserrat	8.8	5.87	0.05	0.03	1.77	1.18
St Kitts/Nevis	8.15	5.43	0.074	0.05	1.67	1.11
St Lucia	8.98	5.99			1.85	1.23
St Maarten	22.23	14.82	0.22	0.15	0.66	0.44
St Vincent & Gr	6.29	4.19			1.56	1.04
Suriname	0.36	0.24	0.06	0.04	1.12	0.75
Tortola	9	6			1.35	0.9
Trinidad	4.92	3.28			1.27	0.85
Turks & Caicos	15	10			1.75	1.17
U.S. Virgin Islai	18.55	12.37			0.28	0.19
Count	28	28	14	13	28	28
Total	269.046	179.364	1.8055	1.201	40.81	27.2066667
Average	9.608785714	6.4058571	0.128964	0.0923846	1.4575	0.97166667
STD	5.283211266	3.5221408	0.157768	0.1065904	0.688577	0.45905118
median	8.89	5.93	0.07	0.05	1.48	0.99
min	0.36	0.24	0.004	0.02	0.28	0.19
max	22.23	14.82	0.6	0.4	3.08	2.05333333
90 percentile	16.45	10.966667	0.276	0.1893333	2.453	1.63533333
10 percentile	3.619	2.4126667	0.02925	0.0306667	0.66	0.44
50 percentile	8.89	5.9266667	0.067	0.0493333	1.48	0.98666667
25 percentile	6.28	4.1866667	0.05	0.0333333	0.9325	0.62166667
75 percentile	13.25	8.8333333	0.1375	0.1	1.79	1.19333333

**Table 4.4.6 Response to WTO survey**

<b>Question</b>					
1. Country	Guyana	Grenada	Anguilla	Saint Lucia	Belize
2. How is universal service defined in your country? Are levels of access included in the definition?	Service to anyone requesting it, anywhere	Basic telephone service in every area New OSCE strategy to include access.		Provision of basic voice telephony	Access to voice telephones
3. How is universal service being financed?	By the service provider	Revenue from international traffic	monopoly operator	By monopoly operator Cable and Wireless	By the national telephone company
4. What services are included as part of universal service?	Telephone service using appropriate technology	At present, basic telephony	basic telephony to homes	Only voice telephony	Telephone, fax, e-mail
5. What is the scope of universal services?	Same as 2 above	Basic telephony, flexible definition included in the new policy			
6. Are there any timeframes for defining or redefining universal services?	120,000 telephone lines by 2000 After 2000, another 50,000 would be required	No	No	New definition being studied	No
7. Are universal services designed to benefit specific sectors, areas, institutions, or groups of people?	All sectors, areas, institutions, and groups of people	Rural and low-income groups	No	Yes	
8. How are public telephone services provided? Telephone booths, telecenters, community telephones?	Telephone booths	Booths, lines	Telephone booths	Telephone booths	Telephone booths, community telephones

9. Are there any special services being provided? E.g., services for the blind?etc	No	No	No	No	No
10. Are new technologies being included as part of universal service? E.g., Internet, E-commerce?	No	New policy will include new technologies	No	No	Yes
11. What telecommunications sectors are currently under monopoly control? Until what date will the monopoly continue?	All sectors except wireless The present license extends to 2020 and the licensee has the option of extending for another 20 years	All services excluding those of C/W up to 2013	All until 2018	Domestic and international telephony until 2001	All telecommunications sector under BTL until 2002
12. What are the market access limitations on the various telecommunications subsectors?		Total limitation		Cable and Wireless monopoly agreements	
13. What other limitations are placed on the various subsectors?		Total limitation			
14. What telecommunications sectors are not currently under monopoly control?		None	None	Cellular/Mobile	None
15. What is the status of the country's WTO commitments regarding developing telecommunications competition/liberalisation policy ?	No commitment	January 2000	No commitments	Commitments have been forwarded to WTO	Steps are currently being taken towards competition and liberalization
16. What is the status of the country's WTO commitments regarding telecommunications interconnection policy?	None made, The regulatory authority is authorised to order interconnection.	January 2000	No commitments	New Telecommunications Laws being drafted to include interconnection.	

17. What is the status of the country's WTO commitments regarding telecommunications licensing criteria?	None made	Phased liberalisation program beginning with the introduction of value added services.	No commitments	same as 16 above	Licensing criteria in effect are being reviewed
18. What is the status of the country's WTO commitments regarding developing telecommunications regulatory policy?	A regulatory authority has been established since October 1990. No WTO commitments.	OCSE telecom reform project development of national regulatory units and a regional telecommunications authority.	No commitments	same as 16 above	serious consideration being given to this; positive action to be taken shortly.

## 4.5 Andean Community

### Introduction

In recent years, the Andean Community countries have begun to define and implement policies aimed at achieving universal access, ranging from public telephone installation to community centers.

There is consensus at regional level among the member countries on the right of all end-users of telecommunications services to receive equal, non-discriminatory treatment, to choose their service providers freely, and to be informed of tariffs<sup>69</sup>.

For handling and management of universal service, the member countries agreed that every country has the right to determine the type of universal service obligations it wishes to maintain, but that obligations must be established in a transparent and non-discriminatory manner<sup>70</sup>.

Apart from Colombia, to date universal access and service have not been defined at legislative and regulatory level in the Andean Community countries. In most countries, the telecommunications operator has been privatized, and the respective concession contracts have established coverage commitments and service expansion goals, as well as measures geared to increasing telephone penetration rates.

Taking account of the stage of network development in each country and the telephone penetration rate achieved, the goals established first seek to cover basic requirements in those communities or rural areas without telephone service and then to extend coverage to other information services, to the extent permitted by resources available.

Service financing mechanisms are being implemented through the creation of Funds for universal service financing, managed independently of the operator companies.

In countries such as Peru, the Telecommunications Investment Fund (FITEI) has been created and set up, the objective of which is to promote and finance universal service. This Fund is devoted to financing telecommunications services in rural areas and in places considered to be of priority interest to society.

Thus the trend in the Andean Community countries is to promote and execute programs that, first, enable the network to be extended to unserved rural areas, meet the demand for subscriber telephone lines, and provide affordable telecommunications services to low-income users, and then, to the extent the aforementioned goals and objectives have been achieved, offer other telecommunications services that permit the development of tele-education and telemedicine by Andean Community member countries.

### 4.5.1. Bolivia

**Table 4.5.1.1 Population and telephone penetration**

YEAR	POPULATION	FIXED LINES IN SERVICE	FIXED TELEPHONY PENETRATION	MOBILE LINES IN SERVICE	MOBILE TELEPHONY PENETRATION
1990	6,165,930	183,128	2.97%	0	0.00%
1991	6,295,010	204,588	3.25%	295	0.00%
1992	6,426,792	208,228	3.4%	1,551	0.02%
1993	6,564,824	273,753	4.17%	2,659	0.04%
1994	6,713,202	302,765	4.51%	4,056	0.06%
1995	7,413,827	368,467	4.97%	7,229	0.10%
1996	7,588,391	348,595	4.59%	33,400	0.44%
1997	7,767,059	384,530	4.95%	118,433	1.52%
1998	7,949,933	379,333	4.77%	182,848	2.30%

YEAR	TOTAL LINES IN SERVICE	TELEPHONE PENETRATION	RATE OF INCREASE OF LINES IN SERVICE
1990	183,128	2.97%	-
1991	204,883	3.25%	11.88%
1992	209,779	3.26%	2.39%
1993	276,412	4.21%	31.76%
1994	306,821	4.57%	11.00%
1995	375,696	5.07%	22.45%
1996	381,995	5.03%	1.68%
1997	502,963	6.48%	31.67%
1998	562,181	7.07%	11.77%

Source: Bolivian Telecommunications Superintendence

The Telecommunications Act<sup>71</sup> does not define universal access and service, but the sectoral regulatory system law<sup>72</sup> provides that the purpose of the regulatory entities is to regulate, control, and supervise telecommunications, electricity, hydrocarbon, transportation, and water sector activities and those of other sectors which by law are included in the system, ensuring that the activities under their jurisdiction operate efficiently, contribute to the development of the national economy, and are designed to promote the access of all inhabitants of Bolivia to services.

The concessionaires handle access to basic telecommunications services through the coverage goals set in their respective concession contracts.

## **Universal Service Handling By Telecommunications Service Concessionaires**

### **Coverage obligations**

Basic telecommunications service concessionaires are required to meet expansion goals for the local service area, and to operate, maintain, and expand the rural service network, as provided in their concession contracts.

For concessionaires for basic local service or basic mobile service, service obligations for rural communities extend to the limits of the extended rural areas covered by their concession<sup>73</sup>.

Rural communities are defined as those with less than 10,000 inhabitants within the community limits.

Basic long distance concessionaires are required to connect all communities with more than 350 people in extended rural areas or remote areas beyond local and rural areas by means of at least one publicly-accessible terminal device.

Expansion goals in the local service relate to the satisfaction of demand for service. The Telecommunications Superintendence verifies that response has been made within a specified time to a minimum percentage of service requests received by the company in a six-month period.

Expansion goals in the extended rural area were set by the telephony companies providing service on the basis of exclusivity agreements, such as ENTEL S.A., which is the principal long distance service operator, providing fixed local service in communities not reached by the rest of the concessionaires; COTEL, the local telephone company serving La Paz; COTAS, local telephone company serving Santa Cruz; and COMTECO, which provides service in Cochabamba.

Goals have been set for gradually increasing coverage until 2000. A total of 1413 communities of under 350 people are to have telephone service at the end of this period.

## Fulfillment of expansion goals and requirements in extended rural area

**Table 4.5.1.2.A Fulfillment of goals**

Operator	Areas	Total extended communities at Dec./96	Total no. communities to be served from 1997 to 2000	Communities served Jan. – June 97	Communities served Jan. – June 97 in %	No. to be installed by Dec. 2000	To be installed by Dec. 2000 in %
COMTECO	Cochabamba	25	54	7	13%	47	87%
COTAS	Santa Cruz	59	130	40	31%	90	69%
COTEL	La Paz	35	130	13	10%	117	90%
ENTEL	Departments	136	963	168	17%	795	83%
	Beni	9	39	9	23%	30	77%
	Cochabamba	49	151	23	15%	128	85%
	Chuquisaca	7	156	22	14%	134	86%
	La Paz	39	194	34	18%	160	82%
	Oruro	5	32	22	69%	10	31%
	Pando	1	4	1	25%	3	75%
	Potosí	2	231	23	10%	208	90%
	Santa Cruz	18	102	8	8%	94	92%
	Tarija	6	54	26	48%	28	52%
TOTAL		255	1277	228	18%	1049	82%

Operator	Areas	Communities to be served according to contract terms June 97	Contract goals June 97		Contract goals Dec. 97		Contract goals for 1998	
COMTECO	Cochabamba	5	10%	8	15%	14	25%	14
COTAS	Santa Cruz	20	15%	20	15%	26	20%	33
COTEL	La Paz	13	10%	13	10%	33	25%	33
ENTEL	Departments	0	15%	165	15%	275	25%	275
	Beni	-	-	9	-	-	-	-
	Cochabamba	-	-	-	-	-	-	-
	Chuquisaca	-	-	-	-	-	-	-
	La Paz	-	-	-	-	-	-	-
	Oruro	-	-	-	-	-	-	-
	Pando	-	-	-	-	-	-	-
	Potosí	-	-	-	-	-	-	-
	Santa Cruz	-	-	-	-	-	-	-
	Tarija	-	-	-	-	-	-	-
TOTAL		38	2.97%	206	-	348	-	355

ource: Bolivian Telecommunications Superintendence

**Table 4.5.1.2.B Expansion requirements in extended rural area**

	Areas	Contract goals for 1999		Contract goals for 2000		Cumulative contract goals at Dec. 2000	OBSERVATIONS (Communities served at Dec. 96)
COMTECO	Cochabamba	25%	14	25%	54	100%	
COTAS	Santa Cruz	25%	33	25%	130	100%	
COTEL	La Paz	25%	39	30%	130	100%	
ENTEL	Departments	25%	275	25%	1,099	105%	Goal to 1996: 10%
	Beni	-		-	-	-	Annual goal 1997: 15%
	Cochabamba	-	-	-	-	-	
	Chuquisaca	-	-	-	-	-	
	La Paz	-	-	-	-	-	
	Oruro	-	-	-	-	-	
	Pando	-	-	-	-	-	
	Potosí	-	-	-	-	-	
	Santa Cruz	-	-	-	-	-	
	Tarija	-	-	-	-	-	
TOTAL		-	361	-	1,413	-	

Source. Bolivian Telecommunications Superintendence

## Service Financing Mechanisms

The Telecommunications Act provides that the charge for frequency allocation and use rights, fines, consideration for new concessions, and surpluses resulting from transfers to new concessionaires shall be deposited in a National Regional Development Fund bank account, to be used for co-financing of basic telecommunications service projects in rural areas on application by any interested party meeting the technical requirements that does not demonstrate adequate levels of profitability. In addition, external financing resources may be paid into this Fund.

Distribution of these resources shall be determined by means of regulations to be issued by the Ministry of Economic Development, within the framework of the sector's development policies.

## Plan to Provide Services on a Competitive Basis

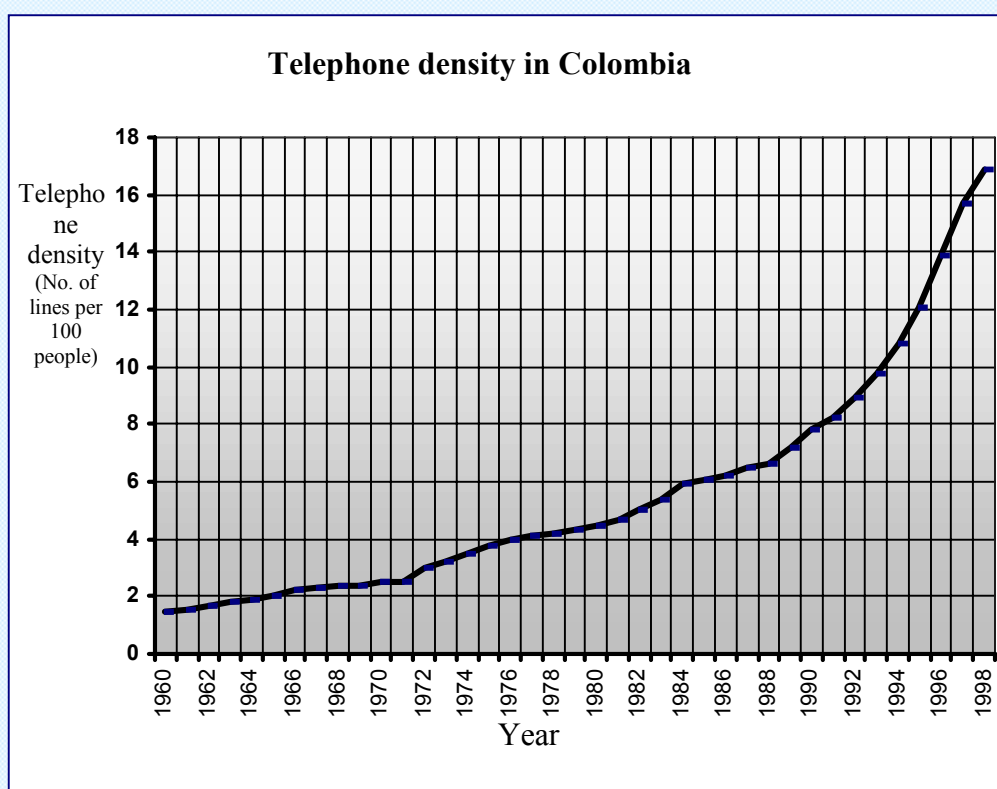
No later than five years after ENTEL's capitalization,<sup>74</sup> a Plan shall be issued to introduce competition in the telecommunications sector.<sup>75</sup> This Plan shall take into account, *inter alia*, the state of development of the basic telecommunications network, technological advances, and the social and economic needs of Bolivia<sup>76</sup>.

## 4.5.2 Colombia

The telecommunications sector in Colombia has grown significantly within the national economy during the 1990s, with increasing investment, which rose from 1991 to 1998 from 0.77% to 1.24% of the GDP<sup>77</sup>.

The number of inside plant lines installed rose from 3.0 million at the beginning of 1991 to 7.5 million lines at the end of 1998, thereby achieving a telephone density of 18.62 lines per 100 people.

Graph 4.5.2.1 Historical development



Source: Ministry of Communications

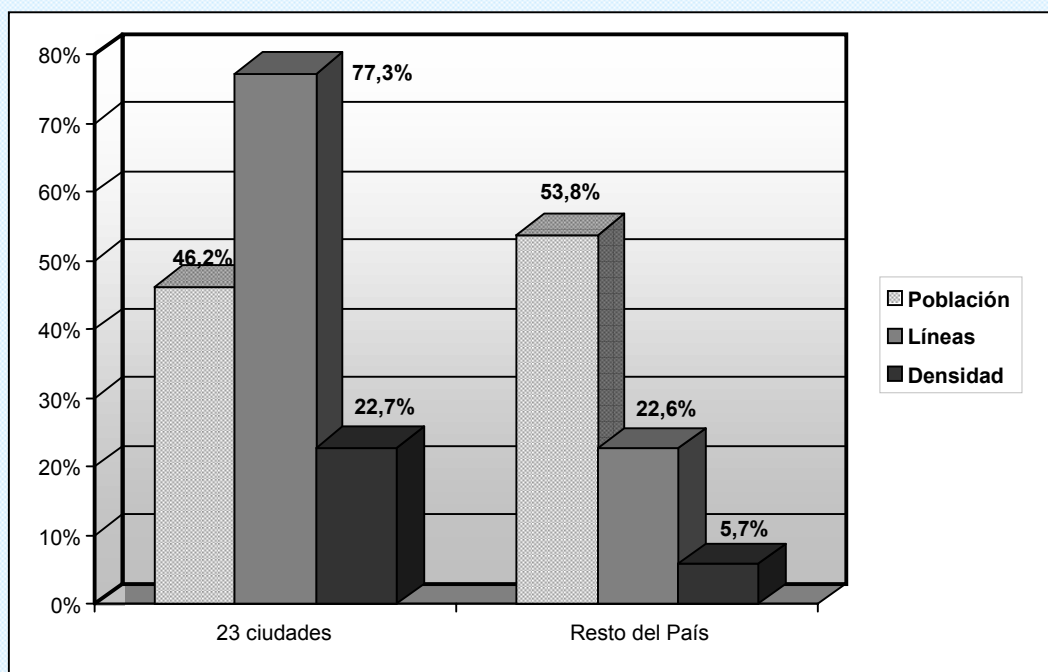
**Table 4.5.2.1. Statistics since 1991**

YEAR	Inside Plant installed capacity	% Increase	Population	Density (Lines/100 people)
1991	3,071,628	-	36,092,470	8.51
1992	3,374,143	9.84%	36,762,586	9.18
1993	3,839,545	13.79%	37,664,711	10.19
1994	4,281,027	11.49%	38,132,974	11.23
1995	4,904,746	14.56%	38,814,162	12.64
1996	5,696,480	16.14%	39,510,657	14.42
1997	6,308,313	10.74%	40,124,508	16.26
1998	7,593,419	20.37%	40,772,994	18.62

Source: Ministry of Communications, National Planning Department

Despite the telephone density achieved, installed capacity has been concentrated in some departments of the country, while in other areas, telephone density of less than five lines per 100 people has been recorded.

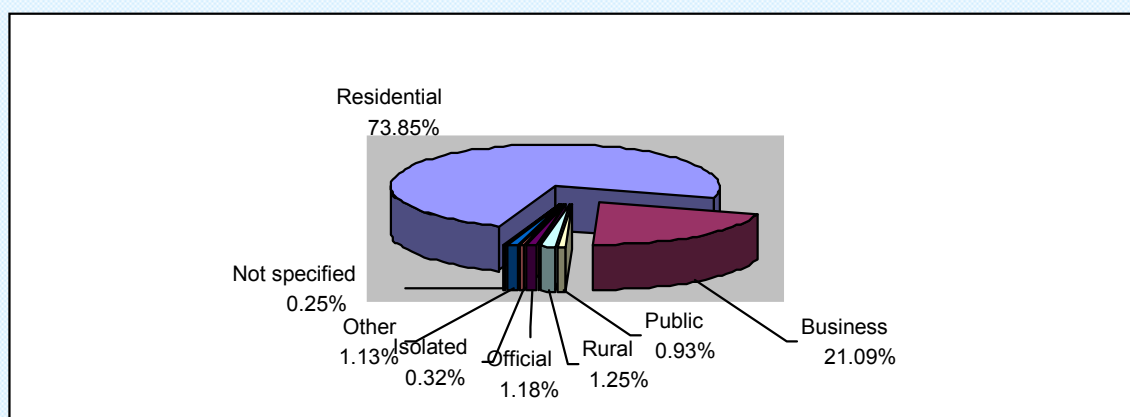
**Graph 4.5.2.2. Distribution of population, lines installed, and density**



Source: COMPARTEL Program Publication. Ministry of Communications

The largest percentage of the lines installed are urban lines concentrated in the principal cities, whereas lines installed in rural areas represent 1.25% of the national total.

**Graph 4.5.2.3 Distribution of lines by subscriber type**



Source: COMPARTEL Program publication. Ministry of Communications.

This fact has made evident the need to establish within the National Development Plan,<sup>78</sup> as one of the Colombian Government's commitments to society, a guarantee to all citizens that access to telecommunications services will be provided as a right rather than a privilege, and for such purposes the Ministry of Communications has been charged with preparing and endorsing the National Universal Service Plan to determine Colombia's social telephony and other telecommunications service requirements.

## Market Structure

Communications services have been provided in a competitive regime since 1994, and foreign investment is permitted except that investment in the sound radiobroadcasting service is limited to 25% and in the television service to 15%.

There are five large entrepreneurial groups operating in the local switched basic public telephony (LSBPT) market<sup>79</sup>, which are public, mixed, and private enterprises.

Fifty-five companies have been authorized to provide LSBPT, of which 16 have not yet begun to operate. Most of the companies operate in department capitals and principal cities. Eighty percent of local telephone traffic is generated in Colombia's main cities; only five companies have more than 200,000 lines in service; and approximately 88% are relatively small, local companies<sup>80</sup>.

Three operators provide national and international long distance telephone: two public companies and one mixed<sup>81</sup>.

## **Definitions<sup>82</sup>**

Definitions of universal access and service, their financing mechanisms, operators' obligations to contribute to universal service and access, and social telephony programs to be developed in the short term have been included in legislation and regulations issued by the Colombian Government and the Telecommunications Regulatory Commission (CRT).

**Universal Access.** This is the right of all users of basic switched public telephony (BSPT) to communicate with any other user of the state telecommunications network and any other telecommunications network abroad.

For purposes of social telephony plans, universal access is the population's facility to access telecommunications services at a reasonable distance from their homes. The definition of acceptable distance shall depend on the means of transportation available to the user to access telecommunications services.

**Universal Service.** This is a minimum package of telecommunications services that may be established at any time, of a specific quality, accessible to the entire population regardless of geographic location, at a reasonable charge.

Universal service as defined in the regulations issued by the Colombian Government to promote social telephony programs is service that seeks to provide general access to basic telecommunications services to homes, beginning with telephony services, and then including other services to the extent permitted by technological advances and the availability of resources.

In addition, the draft telecommunications bill<sup>83</sup> devotes one title to the social function of telecommunications, and provides that telecommunications should seek to enhance the quality of life, especially in rural, depressed, or remote areas, and contribute to meeting the basic needs of the community by extending new and existing service coverage.

Accordingly, it established the obligations of the operators to provide the following services:

- Emergency telecommunications. In states of emergency, disasters, and other emergencies, telecommunications operators have the social obligations to provide facilities to enable users, on a priority, brief, toll-free basis, to notify and transmit messages to authorities, medical and health centers, and disaster relief and prevention centers.
- Life-threatening situations. All priority services<sup>84</sup> are required to provide facilities for brief communication with the police, fire stations, medical centers, and hospitals.
- Telecommunications for education, health, and safety. Operators are required to install in state agencies, and education and health centers, on a priority basis and on equal terms, the services for which the operators are responsible, provided such agencies and centers have met their financial obligations for such purposes.

- Telecommunications for minors, persons with disabilities, and senior citizens. Priority service operators are required to provide facilities for persons with disabilities, minors, and senior citizens so that such persons may use their services in a manner consistent with their condition.

This shall include the supply of appropriate terminal equipment, provision of specially designed and purpose-built premises, and the establishment of user-friendly options to compensate for their condition.

## **Objectives and Policies**

In recent years, government action in the telecommunications sector, particularly in developing programs to handle universal access and service, has aimed at extending coverage, modernizing infrastructure, and diversifying the supply of services.

Accordingly, various social telephony programs have been implemented and medium- and long-term plans have been approved that include objectives and goals to extend telecommunications service coverage and access to all services to community users, whether urban or rural, in all areas of Colombia.

## **Plans for Universal Access and Service Handling**

Until 1994, social telephony plans in Colombia, that is, the provision of telephone service to urban and rural users who, due to their income level, are unable to pay all service charges, was financed by cross-subsidization among users and among local and long distance telephone services. Under this system, local operator companies employed cross-subsidization among users to finance new lines in low-income urban areas, and TELECOM, which was the only long distance service operator, handled service in rural and urban areas in more than 500 towns, using cross-subsidization among services.

Law 142 of 1994<sup>85</sup> authorized the introduction of competition for local telephone service, and established the basis for setting the requirements and conditions to provide long distance service on a competitive basis.

To maintain and develop the social telephony programs within the established competitive regime, various plans have been adopted wherein new operators are linked in their provision of service, and provision is made for the financing thereof.

## **National Telecommunications Plan 1997-2007**

This Plan, which was adopted by the Colombian Government in April 1997, deals with universal access and service, and identifies four long-term objectives for the development of social telephony programs<sup>86</sup>:

- Provision of community telephones in all locations that do not at present have basic local telephone service, thereby achieving national service coverage

- Achievement of penetration of 75% of category 2 homes and 25% of category 1 homes throughout Colombia, both urban and “suburban.” This corresponds to 15 and 5 lines per 100 people respectively.<sup>87</sup>
- Increase in telephone service in homes outside the capitals of the department subdivisions (*municipios*) which corresponds to an increase in rural service coverage in areas that are not remote and do not correspond to regions.
- Promotion of database access lines for schools, hospitals, and public libraries.

To meet the aforementioned social telephony objectives, the Plan indicates that it is necessary to establish systems, based on criteria of effectiveness and efficiency, for the execution and financing thereof. Such systems shall be compatible with development towards a competition-based market, which also make additional resources available to bring telecommunications services to users unable to meet the full cost, while at the same time permitting and fostering competition within the sector.

According to projections, a density of 30.1 lines in service per 100 people is anticipated for 2007, with a total of 12,827,000 lines, which represents an average annual growth rate of 6.7% from 1996 to 2006. Most of the growth in basic telephony will take place outside the five principal cities, as density in these cities is close to that sought for 2007.

### **Social Telephony Plan 1997-2000**

Pursuant to the policies of the National Telecommunications Plan 1997-2007, the Social Telephony Plan 1997-2000<sup>88</sup> was geared to meeting telephone requirements in Colombia’s urban and rural areas. The Plan included an installation goal of 975,239 urban and rural telephone lines, for not all of which contracts could be concluded because income received was less than projected and credit policy did not permit external financing<sup>89</sup>.

In developing this Plan, 52,080 lines in urban areas and 21,020 in rural areas were contracted for, charged against the Communications Fund. It is expected that operations will begin in the second half of 1999.<sup>90</sup>

### **National Development Plan for 1998-2002, “Change to Build Peace”<sup>91</sup>**

The Plan’s basic objectives are to be implemented through the following strategies, among others, geared to providing general access by Colombian citizens throughout Colombia to communications services.

#### **Strategies**

##### **1. National telecommunication service coverage**

It is considered that there is need for clear, reliable, long-term policy that ensures an increase in coverage and universalization of services in order to guarantee all citizens access to telecommunications services. The Plan therefore provides that the Ministry of Communications shall prepare and implement a long-term National Plan for Universal Service, which is linked to the private sector for project financing and operation.

The Plan gives special priority to the development of community social telephony and promotes the development of rural telephony service, so that all capitals of the department subdivisions (*municipios*), as well as all capitals of *corregimientos*, police inspectorates (*inspecciones de policía*), and villages are handled.

The Plan stipulates that the Communications Ministry shall seek to provide Colombia's persons with disabilities with access to telecommunications services.

2. Strengthen the sector's regulatory and institutional framework.

The Plan provides for the establishment of a general telecommunications system, whose ultimate objective is to benefit and protect the user and to promote the development of telecommunications based on an institutional organization for planning, regulation, and control to promote and preserve the efficient operation of the various service operators.

3. Consolidate the introduction of competition in the telecommunications market.

Competition shall be promoted for all telecommunications services, including basic international telecommunications services<sup>92</sup>.

4. Promote private participation by new service providers.

Participation by new service providers, and private investment in the sector shall be encouraged to promote the development of telecommunications in Colombia.

5. Promote the development of the Colombian information infrastructure.

The Plan provides that the state shall promote specific policy activity, coordinated and carried out jointly with the private sector, which accelerates the use of the currently installed information infrastructure and promotes its development.

Regulation must therefore generate incentives to and obligations of telecommunications service operators that facilitate and promote the use of the network infrastructure and its services by education centers, community organizations, health centers, and other groups that promote the development of society.

In meeting these objectives, the Communications Ministry contracted the consultancy services of a specialized firm, which will prepare the National Plan for Universal Service 1999-2009 for the Colombian Government.

The consultancy will deal with the study and development of the following topics<sup>93</sup>:

- Broad definition of universal service in the framework of the three ITU principles (availability, accessibility, and affordability) for conventional telephony, fax, Internet, data, television, and radio.
- Coverage and investment objectives and goals for a ten-year period.

- Study of supply.
- Study of demand.
- Determination of execution mechanisms in a competitive market, linking various providers.
- Determination of the role of operators handling local telephony and other services in the provision of universal service.
- Economic analysis of the rate structure and the contribution and subsidy scheme, and proposals for modification.

### Investments in social telephony

The Plan includes investment to develop social telephony with public and private sector participation.

**Table 4.5.2.2 Investment in social telephony**

	1999	2000	2001	2002	2003	2004
National Public	-	-	-	-	-	0.00%
RAPE Public	64,086	87,095	101,449	129,564	382,195	0.07%
National Decentralized Public	-	-	-	-	-	0.00%
Regional Decentralized Public	-	-	-	-	-	0.00%
Private	-	5,000	5,000	10,000	20,000	0.00%
TOTAL SOCIAL TELEPHONY	64,086	92,095	106,449	139,564	402,195	
% of GDP	0.05%	0.07%	0.08%	0.09%	0.07%	

Source: National Planning Department.

### Sector goals

**Table 4.5.2.3. Population**

	1998	1999	2000	2001	2002
POPULATION	40,772,994	41,539,011	42,299,301	43,035,394	43,775,839

**Table 4.5.2.4. Investment**

	1998	1999	2000	2001	2002
Total in telecommunications (millions of US\$)	1,003.09	1,471.24	1,301.28	1,362.96	1,466.03
Public (%)	27.66	48.59	52.57	49.08	52.8
Private (%)	72.34	51.41	47.43	20.92	47.2
Total as % of GDP	1.24	1.79	1.53	1.54	1.57

**Table 4.5.2.5. Telephone service**

	1998	1999	2000	2001	2002
Inside plant lines installed	7,593,419	8,231,889	8,949,279	9,351,823	9,935,212
Density (per 100 people)	18.62	19.82	21.16	21.73	22.70

**Table 4.5.2.6. Cellular Mobile service**

	1998	1999	2000	2001	2002
Number of subscribers	1,800,229	2,227,000	2,620,000	2,937,000	3,237,000
Density (per 100 people)	4.41	5.35	6.19	6.82	7.38

**Table 4.5.2.7. Trunk line services**

	1998	1999	2000	2001	2002
Number of subscribers	30,000	54,770	69,260	85,370	103,080
Density (per 100 people)	0.07	0.13	0.16	0.20	0.24

**Table 4.5.2.8. Pager service**

	1998	1999	2000	2001	2002
Number of subscribers	112,000	164,690	220,650	271,730	312,790
Density (per 100 people)	0.27	0.40	0.52	0.63	0.71

Source: Ministry of Communications.

## Social Telephony Programs

Policy for social telephony programs and the financing mechanisms to develop them have been undergoing a process of adjustment.

The Ministry of Communications, through the Communications Fund, the Telecommunications Regulatory Commission, and the National Council for Economic and Social Policy (CONPES), is involved in the structure, scope, and allocation of resources.

Social telephony programs have been defined as those whose objective is to promote and finance projects to provide telecommunications services in rural and urban areas of Colombia where the unsatisfied demand figures are high<sup>94</sup>.

These programs have the priority objective of guaranteeing universal access to telecommunications services, and subsequently of developing universal telecommunications service.

The program's objectives are:

- To guarantee to Colombians universal access to telecommunications services through the provision thereof in all areas without such access, and by increasing telecommunications service coverage to those populated areas where service provision is inadequate.
- To seek to satisfy the telecommunications needs of Colombians, particularly those living in rural areas, through the development of universal service.

o obtain program approval, the Communications Fund submits to CONPES multi-year social telephony programs that are included in the National Development Plan.

The programs must evaluate the execution of previous plans and analyze demand for services, and include coverage goals, method of prioritizing requirements, cost estimates of projects to be undertaken, projections of available income, procedures for project contracting, and types of services to be provided.

When programs have been approved, the Communications Ministry submits them to the Telecommunications Regulatory Commission for it to determine their scope.

The Communications Fund reviews, evaluates, and updates social telephony programs on an annual basis, executes resources through the mechanisms established in the law on public agency contracting (public competitive bids, or direct contracting, as is the case), and concludes the agreements or contracts it deems necessary to meet its objectives.

The funds shall mainly be drawn from:

- Income from consideration provided for concession contracts for long distance telephony services and other telecommunications services<sup>95</sup>
- Contributions from the Colombian Government deriving from payments made by cellular mobile telephony operators for expansion plans on special terms in towns with the highest unsatisfied demand figures<sup>96</sup>
- The contributions from the national budget
- Resources deriving from international cooperation agreements
- Other contributions allocated to it

Resources from the Communications Fund may be used to cover installation, operation, and maintenance costs of social telephony programs and other components of comprehensive business plans.

## COMPARTEL Program 1999-2000<sup>97</sup>

The COMPARTEL program was designed by the Communications Ministry while developing the guidelines for social telephony programs. The program is designed to find a solution to the problems involved in providing universal access to telecommunications services for Colombians in rural areas without telephone service or where it is inadequate.

**Scope.** The Communications Fund established, based on an economic, social, and demographic analysis, the locations to be considered for installation of COMPARTEL points.

In identifying the locations,<sup>98</sup> information reported by the National Administrative Department of Statistics (DANE) current to December 1997 was used; information was requested from governments of departments and *municipios*; and written surveys of the town halls of *municipios* were conducted

The first priority will be installation of community telecommunications points in all populated areas of Colombia where there is no telephone service and in areas where community service coverage is inadequate.

Secondly and third, the most populated, scattered rural areas that do not have telephone service, or where it is inadequate, will be handled, using *inter alia*, population criteria, the existence of education centers or health stations, and geographic location, seeking to achieve geographic coverage of telephony services throughout Colombia.

**Table 4.5.2.9. Locations**

	PRIORITY 1	PRIORITY 2	PRIORITY 3	TOTAL
	Populated areas	Sparsely populated rural areas already determined	Sparsely populated rural areas to be determined	
TOTAL	1,839	2,519	2,207	6,565

Source. Ministry of Communications. COMPARTEL Program

**Implementation of the Program.** The Program will support, through financial incentives, the business plans of the public service companies already formed or with commitments to do so, which will install and operate the COMPARTEL points. These companies will be chosen by the Communications Fund through an objective process of selection. The operators selected will own the installed infrastructure.

The participating operators shall prepare a 10-year business plan which sets down the rate of return they consider appropriate for their investments in building, operating, and maintaining the COMPARTEL points. The invitations to bid shall be organized by groups of departments so as to generate projects attractive to the operators. A bidder may participate in more than one group.

In addition, an attempt shall be made to utilize efficiently the telecommunications infrastructure installed throughout Colombia. To achieve this, the participation of the established operators will be sought to develop the rural areas, either individually or through the formation of strategic alliances and associations.

Access to essential installations of the established operators' networks will be guaranteed to new operators. The adoption of new communications technologies in executing the COMPARTEL program will be promoted, enabling services of high standards of technical efficiency to be provided at reasonable cost.

Price caps will be established for calls made from COMPARTEL points to allow for profitable operation, ensure service provision to end-users at reasonable cost, and prevent dominant-position abuses.

Operators also have the right to pay reduced tariffs<sup>99</sup> for the use of the radio spectrum and special access and interconnection charges to minimize universal service development costs<sup>100</sup>.

**Financing.** The Communications Fund and the Development Projects Financial Fund (FONADE) have resources of \$153,565 million Colombian pesos to finance the COMPARTEL Social Telephony Program.

A project administration agreement was signed with FONADE for it to provide technical and administrative assistance during the process of structuring the COMPARTEL program, and during the bidding and operator selection processes.

**Bidding process.** Bids were accepted by the Communications Fund and FONADE from May 28, 1999 through August 18, 1999.

Selected public service workers will undertake to install, maintain, and operate the COMPARTEL points designated by the Communications Fund in the various regions of Colombia. Successful bidders will have the option of providing services in addition to those required by the Communications Fund.

It is established in the terms and conditions of bidding that after it has been determined that the bidder meets the legal, financial, and technical requirements, the contract will be awarded to the bidder that requests the smallest contribution in the group for which it submitted a bid, provided that the contribution requested is not greater than the maximum contribution set for that group.

It is envisaged that contracts will be awarded in October 1999, and execution is expected to begin in January 2000.

## **Financing Mechanisms for Universal Access and Service**

### **Contributions and subsidies among users**

The residential public services law prohibits cross-subsidization among services, and for these purposes requires operating companies providing several services to keep separate accounts for each service and to record explicitly the cost and type of operations within each service.

The current tariff regime for the local telephony service permits cross-subsidization among users<sup>101</sup>.

The principle of solidarity in the tariff regime develops the mechanism through which residential users in categories 5 and 6 and users in the industrial and business category subsidize, through the payment of contributions, the subsistence consumption of residential users in categories 1, 2, and 3 in urban and rural areas<sup>102</sup>.

Non-profit hospitals, clinics, health stations and centers, and educational and medical centers are exempt from payment of contributions.

The contribution element of subsidies may not be greater than 20% of the value of the service and may not include additional elements for user sales or consumption.

Contributions are billed and collected by the local public telephony service operators providing services in the same territorial area as the contributing user. These contributions shall be used by companies in the same territorial area as the contributing user to pay on a quarterly basis the subsidies for the subsistence consumption of residential users in categories 1, 2, and 3 in urban and rural areas.

Any surpluses after making the corresponding contribution to the quarterly coverage of all subsidies required in the respective territorial area shall be transferred by the telephony service providers to the Communications Fund of the Communications Ministry, which shall allocate it to social investment to pay the subsidies of residential users in categories 1, 2, and 3 handled by the deficit service providers.<sup>103</sup>

Provisions for granting subsidies were set forth in Law 142. Such subsidies in no case may exceed 15% of the average cost of supply for category 3; 40% for category 2; and 50% for category 1.

The Colombian Constitution<sup>104</sup> provides that the central government, departments, districts, *municipios*, and decentralized entities may grant subsidies in their respective budgets for low-income groups to pay the tariffs for residential public services meeting their basic needs.

Based on the following considerations, the Telecommunications Regulatory Commission has issued various resolutions<sup>105</sup> to regulate the procedure for calculating rates by socioeconomic category and for applying contributions and subsidies. The subsidy percentages have been adjusted gradually, depending on results obtained.

### **Allocation of national resources to the Communications Fund**

To finance universal services, and particularly to develop social telephony programs, the Colombian government allocates resources to the Communications Fund from the income received for concessions granted to provide cellular mobile telephony and long distance telephony services.

The Communications Fund is administratively subordinate to the Communications Ministry, with legal capacity, whose function is to invest through social telephony programs

geared to rural and urban areas where figures of unsatisfied demand for basic services are high.<sup>106</sup>

The Telecommunications Regulatory Commission proposes to the National Council for Economic and Social Policy (CONPES) how income from concession rates for cellular mobile telephony services and national and international long distance services is to be distributed. CONPES, in the draft budget, determines the percentage that will be allocated to the aforementioned Fund and the percentage that will be paid into the national budget as ordinary resources.

Cellular mobile telephony operators paid US\$135m allocated for service expansion plans and for expansion of networks in *municipios* with the highest figures of unsatisfied demand for basic services within the respective concession area.

In addition, cellular mobile telephony and long distance telephony operators pay quarterly to the Communications Fund 5% of their total gross income less charges paid for access and use of local telephony networks and payments to international carriers for connecting the call.

### **Contributions made by telecommunications service operators**

Operators of the other telecommunications services (carrier, value added services, etc.) must pay into the Telecommunications Fund each year a counterpart equal to 3% of net accrued income from provision of services provided through concessions, pursuant to regulations issued by the Colombian Government<sup>107</sup>.

### **Obligations of switched basic public telephony (SBPT) operators**

**Regulation.** The Telecommunications Regulatory Commission has set forth the obligations of public telephony operators and defined user rights in the area of universal access and service<sup>108</sup>.

Switched basic public telephony operators<sup>109</sup> are required to ensure the existence of sufficient supply in relation to demand for their respective services.

They are also required to ensure the continuity, access, technical capacity, and coverage of universal telecommunications services within their geographic sphere of operations.

The Telecommunications Regulatory Commission has stipulated the following objectives for universal service provision:

- Citizens may request and obtain publicly-available telephone service. Such connection shall make it possible for the user to transmit voice, fax, and data, to the extent technically possible in each area.
- Users shall have the right to a unified, printed telephone directory. Users shall have the right to appear in such directories and to access an information service thereon, without prejudice to the rules and regulations governing the protection of personal information and privacy.

- A single, current, printed telephone directory shall be available in all areas, even when several switched basic telephony operators (SBPT) provide the same service.
- There shall be a sufficient and appropriate number of in-service public telephones.
- All users with disabilities shall have access to telephone service in forms that facilitate its use.

Regarding the obligation to promote universal service through public telephones, the regulations provide that operators are required to offer and install the number of lines required to provide such service, on non-discriminatory terms, and to guarantee the following user rights:

- A sufficient number of working public pay telephones shall be installed.
- Toll-free access to directory information services shall be provided.
- Universal access to and from all national and international switched basic public telephony and cellular mobile telephony networks, excluding receipt of collect calls, shall be provided.
- Toll-free access to the following emergency services: police, public prosecutor's office, the Red Cross, *Brigada Nacional*, DAS (*Departamento Administrativo de Seguridad*), telephone repair service, civil defense department, departmental traffic office, CAI (local police kiosks), disaster services, and the fire department shall be provided.
- The technical capacity to provide the blind with access to services shall be available.

The regulations also provide that, in keeping with technological developments, the demand for services on the market, or any other criteria that it may establish, the TRC may revise or extend the scope of universal telecommunications services, and may stipulate the quality standards and rate-setting criteria that ensure the affordability of such services.

The regulations provide that in cases where the imposition of universal service obligations implies inequitable charges for an operator, such charges may be paid by the Communications Fund, pursuant to the provisions of the Law and the commitments made by Colombia to the WTO.

**Coverage obligations.** Local telephony operators do not require a concession to provide service<sup>110</sup>; however, they must pay a fee to the Communications Fund for use of the radio spectrum and must apply to the Communications Ministry for a permit<sup>111</sup>. To obtain this permit, they present a project to the *municipios* where service is to be provided setting forth the number of lines they expect to install. The percentage of lines to be installed in categories 1, 2, and 3 shall be equal to the percentage of lines installed by the existing operators.

National and international long distance telephony (LDSBPT) operators have the following service coverage obligations<sup>112</sup>:

- The are required to interconnect all local switched basic public telephony (LSBPT) and extended local switched basic public telephony (ELSBPT) operators<sup>113</sup>, existing or which may come to exist in Colombia, on the following terms:
- To commence operations, long distance operators must be directly interconnected, at a minimum, with the LSBPT and ELSBPT operators that on December 31, 1996 had more than fifty thousand (50,000) installed in-service lines and with all cellular mobile telephony (MCT) operators in Colombia. If direct agreement is not reached, this requirement shall be deemed to have been met when the LDSBPT operator submits to the TRC its application for the imposition of easement for access, use, and interconnection.
- By the end of the first year of operation, long distance operators shall be interconnected with all LSBPT and ELSBPT operators that on December 31, 1996 had over twenty thousand (20,000) installed and in service lines.
- By the end of the second year of operation, long distance operators shall be interconnected with all LSBPT and ELSBPT operators in the country.
- All LDSBPT operators shall interconnect their networks with those of new LSBPT and ELSBPT operators no later than six months after such operators begin operation.

It is provided that when a LSBPT or ELSBPT operator has interconnection with a long distance operator, all users of the local operator or extended local operator may access the long distance services offered by the long distance operator.

In addition, the operator is required to build and operate integrated social telephony centers (ISTCs) in those *municipios* that do not at present have local telephony service.

ISTCs<sup>114</sup> must offer the following services:

- Automatic national and international long distance service, offered to the entire community and with minimum capacity for five simultaneous users, with access to the switched public telephone network
- Two computer terminals allowing the community to have direct Internet access, with e-mail, giving priority to the student population
- Two terminals allowing the community to have direct fax service, giving priority to the student population

In choosing the locations for the ISTCs, preference must be given to public education centers that are required to be available to the public on a continuous basis.

The *municipios* to be handled by operators through ISTCs shall be determined by the Communications Fund, giving preference to those *municipios* with the highest figures of unsatisfied basic service demand figures. The handling of these *municipios* shall be divided, by common agreement, among operators. In the absence of such agreement, handling shall be

assigned equitably by the Communications Fund. The ISTCs shall be set up within three years and operate throughout the period covered by their permit.

Failure to comply with these obligations is grounds for revocation of license.

### Estimation of Communications Fund Resources

According to the National Telecommunications Plan 1997-2007, it is expected that Fund income will approach US\$2,000m within the next 10 years. In terms of present net value, this represents more than US\$1,000m available for investment, mainly in social telephony projects.

The assumptions on which this estimate is based are the amount of the charges paid by all operators for telecommunication service concessions granted by the Ministry of Communications, with the exception of television and local telephony services.

**Table 4.5.2.10 Budget appropriation and obligations for social telephony programs**

YEAR	GOVERNMENT CONTRIBUTIONS		OWN RESOURCES*	
	Final allocation	Obligations	Final allocation	Obligations
1995	4,825,700,000	4,825,700	-	-
1996	15,813,684,000	15,813,100,000	6,000,000	6,000,000
1997	7,761,454,000	7,761,454,000	21,968,212,000	21,968,212,000
1998	13,516,947,215	-	88,693,675,000	-
1999	-	-	114,534,700,000	-
TOTAL	41,917,785,215	28,400,254,000	231,196,587,000	27,968,212,000

YEAR	TOTAL BUDGET	
	Final allocation	Obligations
1995	4,825,700,000	4,825,700
1996	21,813,684,000	21,813,100,000
1997	29,729,666,000	29,729,666,000
1998	102,210,622,215	-
1999	114,534,700,000	-
TOTAL	273,114,372,215	56,368,466,000

\*Figures in Colombian pesos.

Source: National Planning Department

**Table 4.5.2.11 Distribution of resources for social telephony programs**

YEAR	RESOURCES *1	LINES CONTRACTED *2	
		Urban	Rural
1995	10,198		7,820
1996	16,440	41,846	2,872
1997	30,834	10,818	4,180
1998*3	27,808	41,262	12,660

\*1 In millions of pesos. \*2 Cofinancing. \*3 First six months.

Source: National Planning Department

In 1995 and 1996, CONPES<sup>115</sup> distributed \$10,198m and \$16,440m Colombian pesos respectively to cofinance the installation of lines in rural and urban areas. In 1995, contracts were concluded for the installation of 7,820 lines and in 1996, the Communications Fund cofinanced, through the conclusion of interadministrative contracts, the installation of 2,872 rural lines and 41,846 urban lines. In 1997, the Communications Fund's budget was \$30,834m<sup>116</sup>, which was obligated in its entirety through eight interadministrative contracts concluded with TELECOM and other local operators. In 1997, the Fund concluded contracts for the installation of 10,818 urban lines and 4,180 rural lines

In the first half of 1998, the Communications Fund obligated \$27,808m pesos<sup>117</sup> for social telephony projects through interadministrative contracts for the installation of 41,262 lines in urban areas and 12,660 lines in rural areas of Colombia.

In addition, given that it was provided, regarding execution of resources allocated to cellular service operators, that the expansion plan would be implemented utilizing cellular technologies<sup>118</sup>, and subsequently, Law 422 of 1998 envisaged the possibility that the Ministry of Communications would determine the form of service provision, the technology, and type of telephone service other than cellular mobile service that could be used to invest resources in expansion plans, the resources allocated to cellular mobile service operators will be allocated from 2001 to social telephony programs<sup>119</sup>.

### 4.5.3 Ecuador

**Table 4.5.3.1 Number of telephones and telephone penetration rates**

YEAR	1990	1991	1992	1993	1994	1995	1996	1997	1998
Telephones	539,569	540,533	543,689	609,252	669,669	760,890	871,390	952,260	964,427
Main lines	490,508	491,394	531,349	598,287	658,115	748,167	857,000	910,242	949,239
Telephone density	4.8	4.7	5	5.4	5.9	6.5	7.3	7.62	7.78

Source: Conatel. Ecuador

#### **Universal Service Handling by Telephony Services Concessionaires**

The special telecommunications law does not specifically refer to universal service.

Local telephony and long distance services are provided by the companies that resulted from the break up of EMETEL S.A., ANDINATEL S.A, and PACIFICTEL S.A. for a regulated exclusivity period of 60 months from the date of sale of 35% of the shares of each of the companies that were broken up. However, the sale has not yet taken place and the ending date of the exclusivity period is not known. In addition, the company ETAPA provides service on an regulated exclusivity basis in the city of Cuenca.

The cellular mobile telephony operators are required to keep in service a number of telephone booths equal to 0.5% of the number of active users. Seventy percent of these booths are to be installed in rural and suburban areas<sup>120</sup> and the remaining 30% in urban areas.

The concession contracts for fixed and mobile telephony service provide for toll-free emergency calls.

#### **Development of Programs for Universal Service Handling**

When the regulated exclusivity period has ended, telephony service operators are required to provide telecommunications services within their concession area through the use of one telecommunications network terminal device: either a private terminal or a public telephone, within a radius of five kilometers in towns of over 500 people within the concession area, in accordance with a five-year plan to be agreed between the operators and the Telecommunications Administration of Ecuador.

Given that the regulated exclusivity period has not yet ended, the Plan envisaged for universal service enabling telephone penetration rates to be increased has not been developed.

## **Resources for Service Handling in Rural Areas**

The concession contracts for fixed telephony service operators establish an obligation to devote 4% of net profits to projects in rural areas<sup>121</sup>. These resources are allocated to the Marginal Rural Fund by means of a trust.

The National Telecommunications Secretariat proposes which projects are to be executed in rural areas, to be charged against funds received. Such projects shall be approved by the National Telecommunications Council.

Regulations for carrier services,<sup>122</sup> for which concessions may be granted when the regulated exclusivity period has ended, provide that 90% of the amount derived from concession rights shall be allocated to a solidarity fund.

#### 4.5.4. Peru

**Table 4.5.4.1 Numbers of telephones and penetration rates**

Year	Installed Fixed Lines	Penetration (lines in service per 100 people)
1990	573,900	2.66
1991	594,200	2.69
1992	613,700	2.50
1993	670,400	2.70
1994	874,760	2.94
1995	1,309,908	4.70
1996	1,764,809	5.90
1997	1,918,691	6.70
1998	2,012,141	6.30

Source: OPSITEL - PERU

According to 1993 population and housing census data, there are more than 70,000 rural populated areas of less than 3,000 people in Peru. Taken together, they house 30% of the population of Peru and are some of the poorest areas of the country, areas that lack basic services such as electricity, water, and sewerage<sup>123</sup>.

#### **The Telecommunications Environment**

The Ministry of Transportation and Communications (MTC) is the policy-making and license awarding authority. The supervisory body for private investment in telecommunications (OPSITEL) is responsible for regulating the sector and works in coordination with the Ministry, recommending urban and rural areas to be handled by the Telecommunications Investment Fund (FITEL). Universal access provision is financed through FITEL.

#### **Universal Service Handling by the Concessionaire**

TELEFONICA, as the monopoly operator, was permitted an exclusivity period through June 1999 to provide local telephony, and national and international long distance service.

The concession contracts concluded with TELEFONICA establish the obligation to expand services in rural areas. In the five years following 1994, the company undertook to install at least one public telephone in 1,486 areas with a population of over 500. In addition, it had a preferential right for the next six months in other populated areas.

When the period ended, the company exercised its right in 32 additional populated areas, its obligation thereby reaching 1,518 populated areas.

The concession contract also provided that by 1998, this operator would install 1,100,000 additional lines to be distributed by region in the north, south central, and eastern parts of Peru.

On August 5, 1998 were issued Supreme Decree 020-98 MTC, which established policy guidelines for the introduction of competition in the telecommunications market, and Supreme Decree 021-98 MTC, which ended the period of limited competition of Telefónica del Perú.

### **Definition and View of Universal Service and Access**

The relevant concept is universal access, which deals with the scope or coverage of basic services.

Legislation prior to 1998<sup>124</sup> did not refer explicitly to universal service and access, but rather established the principle of equitable supply of service.

Given the introduction of competition in June 1999, the policy guidelines for introduction of competition in the telecommunication market, defined universal access as: “Access within the territory of Peru to a package of basic telecommunications services. Basic services are those provided by public telecommunications operators and available to most users”<sup>125</sup>.

New objectives were established for 1999-2003, including goals for the installation of public telephones in 5,000 populated rural areas currently without service, with low speed voice, fax, and data transmission capacity, and toll-free calls to emergency services.

In establishing these goals, the following objectives were set: provision to the rural population of access to reliable, modern means of communications at an average distance of 5 km and the provision of services having a positive economic impact.

Providing universal access with Internet access capacity will be a supplementary objective in areas where it is appropriate from the cost-benefit point of view.

Consideration is also being given to developing a second goal: promotion of improved levels of basic service penetration (public telephones) and higher speed Internet access in the provincial capitals.

It is hoped that the universal access policies developed by OSIPTEL through FTEL in Peru will contribute to the welfare of residents of rural areas.

### **Scope of Programs for Universal Service Handling**

Activities to fulfill universal access goals established by the Ministry of Transport and Communications have been carried out.

The Telecommunications Investment Fund (FTEL), administered by OSIPTEL,<sup>126</sup> has been created to finance telecommunications services in rural areas and in places considered of priority social concern.

FITEL's objectives are:

To promote enhanced access to public telecommunications services by the rural population and in places of priority social concern;

To promote private sector participation in the provision of public telecommunications services in rural areas and places of priority social concern;

To promote the participation of the target population in identifying its needs;

To allocate its resources efficiently.

FITEL's managers are responsible for preparing the Rural Projects Program (RPP) each year. The objective is to determine in advance the rural telecommunications projects to be developed and financed the following year.

To supplement the policies and activities developed by OSIPTEL through FITEL, the Peruvian Government has created the "Special Information and Telecommunications Infrastructure Project for Education, Health, and other areas," which will be designed to integrate these areas under a single telecommunications platform so as to establish tele-education, telemedicine, and telematics services in general.

### Programs for Service Handling in Rural Areas

**Table 4.5.4.2. Program for service handling in rural areas**

Project area	Departments	Number of populated areas
East central	Huanuco, Junin, Lima-Callao, Pasco, Ucayali	1083 (Estimated)
South central	Apurímac, Ayacucho, Cusco, Huancavelica, Ica, Madre de Dios	1029
Northern border	Amazonas, Cajamarca, Piura, Tumbes	980 (Estimated)
North	Ancash, Lambayeque, La Libertad	747 (Estimated)
Northern jungle	Loreto, San Martín	374
South	Arequipa, Moquegua, Puno, Tacna	534

Source: OPSITEL. PERU.

The Rural Projects Program covers six regions and projects: North, North Jungle, East Central, South Central, South, and Northern Border. In preparing each project, account was taken of geographic divisions and areas with relatively similar characteristics in terms of economy, geography, population, and culture.

Execution of these projects, whose investment is to be financed by FITEL, is expected to generate direct benefits to 5000 populated rural areas throughout the country that at present lack this basic service.

On April 15, 1999, the Ministry of Transportation, Communications, Housing, and Construction (MTC)<sup>127</sup> approved the execution of the first three RPP projects, which had been presented in September 1998. These are those for North Jungle, South Central, and South, which together will benefit approximately 2000 populated areas.

The objective is to see that in each of the selected areas, at least one public telephone and fax, and in the included district capitals, in addition at least public booth with Internet access, is installed.

Installation and commissioning of telephones and fax in the first areas is to begin in 2000, and given the deadlines for each project, is to be completed in 2001.

Concessions are awarded to companies for 20 years for the provision of local fixed public telephony service, public telephones, local carrier and national long distance carrier in the rural concession areas.

In addition, OPSITEL approved the “Universal Policy Guidelines”<sup>128</sup> for services provided in rural areas and in places considered of priority social concern, regulating issues such as rates, interconnection, expansion plans, etc.

Rates for local fixed public telephone telephony services will be established by the concessionaires within the maximum rates determined by OPSITEL.

In negotiating the interconnection, operators will take into account that rates established for calls from and to public telephone users in rural areas and places considered to be of priority social concern may not exceed the maximum rate established by OPSITEL. The higher costs of providing these services will also be taken into account.

The principle of neutrality and non-discrimination is established, according to which, if one service provider subject to the foregoing guidelines receives more favorable treatment than another concessionaire providing the same services, the terms under which the latter operates shall be the same as those of the former.

## **Financing Mechanisms**

As competition was introduced in June 1999 in the services market, telecommunications policy has undertaken the gradual elimination of cross-subsidization among services. The policy adopted was elimination of cross-subsidization through a rate rebalancing program, ending in August 1998, as a means to develop and finance service in rural areas.

Therefore, for rural expansion, a direct subsidy is being given that is covered by FITEL resources.

The Telecommunications Act provides that carrier service operators in general and providers of public services shall allocate a percentage of their total annual invoices to a Telecommunications Investment Fund, which will be used exclusively for financing telecommunications services in rural areas or places of priority social concern.

The financial resources of the fund created (FITEL) derive from a special duty contributed by the carrier services operators in general and the final public service operators of 1% of total annual gross invoice income received for each fiscal year deducted from the general sales tax or other taxes for similar purposes. Such resources are part of the basis on which income from settlements among companies for international incoming and outgoing traffic from Peru is calculated.

Existing operators and the new entrants contribute to the Fund, with the exception of broadcasting companies, television or cable television, and value added service operators such as Internet service providers.

In addition, the Fund receives resources from the application of sanctions deriving from failure to comply with network expansion and service quality requirements<sup>129</sup>.

### **Resource Allocation and Distribution Criteria**

When the Ministry of Transportation, Communications, Housing, and Construction has approved the projects, FITEL issues an international request for proposals. The objective is to select a private operating company to provide telecommunications services in the each project's areas.

The basic obligation established for the companies is to install, operate, and maintain the specific services requested in the terms and conditions of bidding in the selected areas selected. The private operator owns the installed network.

The private operator is free to choose to install additional lines in any of the areas covered by the project, and may also extend service to new rural areas located within the concession area. In this case, the cost of the new lines is covered by the operator.

Companies may use the most efficient technology to provide the services requested, satisfying the minimum technical specifications and service quality and reliability requirements. The award will be made to the operator requesting the lowest subsidy – the least payment by the Government - to operate the service.

Concessions are granted through a contract concluded with the Ministry of Transportation, Communications, Housing, and Construction. The life of the concession is 20 years.

The subsidy covers all items involved in service provision. It is disbursed in keeping with fulfillment of the goals established in the terms and conditions of bidding. Criteria for disbursement are: signature of contract, arrival of equipment, installation of systems key-in-hand, and proper operation and maintenance. The subsidy is disbursed over a five-year period.

For the installation of public telephones and other telecommunications services, FITEL has implemented a method for selecting populated areas, the objective of which is to ensure the greatest possible social impact, by selecting, with district authorities and representatives, the unserved areas of each department in Peru.

Selection criteria are:

- a. District capitals without telecommunications services.
- b. Towns with under 3000 people.
- c. Towns where services will have the greatest direct and indirect population coverage.
- d. Towns with a primary and secondary school, and/or a medical station.
- e. Populated areas located centrally in relation other neighboring towns or communities.
- f. Populated areas that are isolated and far from the nearest telephone.

The RPP also takes account of the concerns and views of the investors.

## 4.5.5 Venezuela

**Table 4.5.5.1 Statistics on telephone lines installed by CANTV**

YEAR	RESIDENTIAL LINES	NON RESIDENTIAL LINES	PUBLIC TELEPHONES	TOTAL UTILIZATION
1993	1434752	648094	50185	2133031
1994	1589058	745160	55000	2389218
1995	1672952	790213	57266	2520431
1996	1829167	837678	56409	2723254
1997	1963087	840890	70012	2873989
1998	1852760	664460	74437	2591657
1999*	1859891	656099	74651	2590641

\* Number corresponding to utilization of the plant accumulated to March 1999.

Source: CONATEL Venezuela.

**Table 4.5.5.2 Telephone Density – Residential Lines - 1998**

STATE	RESIDENTIAL LINES CANTV                      INFONET		POPULATION	DENSITY (%)
Federal District	487,560		2,282,797	21.36
Miranda	111,441		2,485,744	4.48
Carabobo	160,200		1,992,022	40.21
Cojedes	11,717		248,257	23.60
Aragua	127,079		1,427,526	8.90
Guarico	36,403		616,988	5.90
Amazonas	3,608		98,125	3.68
Apure	12,879		431,922	2.98
Lara	99,841		1,522,042	6.56
Portuguesa	35,704		786,232	4.54
Yaracuy	23,898		498,017	4.80
Zulia	202,211	4,000	3,051,644	6.76
Falcon	45,756		729,151	6.28
Táchira	79,675		998,498	7.98
Mérida	54,957		719,796	7.64
Trujillo	34,673		578,502	5.99
Barinas	31,824		557,896	5.70
Anzoátegui	99,134		1,098,690	9.02
Bolívar	77,678		1,240,466	6.26
Monagas	37,939		582,807	6.51
Nueva Esparta	33,240		358,633	9.27
Sucre	40,746		808,479	5.04
Delta Amacuro	4,597		128,201	3.59
NATIONAL TOTAL	1,856,760		23,242,435	7.99

Source: CONATEL Venezuela.

## Definition of Universal Service and Access

The telecommunications law in effect, which dates from 1941, does not make specific reference to the concept of universal service.

The telecommunications law currently being drafted for submission to the Venezuelan Congress defines universal service and its objectives.

Universal service is defined as the set of special obligations through which the specific objectives of penetration, access, quality, and affordability of telecommunications services will be achieved in those areas where no provision is made to meet such objectives within a specified time.

The objective set forth is to maximize access to information, and thereby to educational and health service development, and to reduce inequalities in access to telecommunications services. Efforts are directed mainly at non-urban areas and areas considered of social concern.

## Programs for Universal Service Handling

The basic telecommunications services concession contract concluded between the Ministry of Transportation and Communications of Venezuela and the *Compañía Anónima Nacional de Teléfonos de Venezuela* (CANTV) establishes the concessionaire's obligations regarding network and service expansion and modernization<sup>130</sup>.

The concession contract establishes an exclusivity period for provision of basic services, from October 14, 1991 to November 27, 2000.

Among the concessionaire's obligations is to present to the Ministry three plans: an annual plan, a plan to the year 2000, and a 15-year plan, which will be updated annually within the three months prior to the expiration of the annual plan.

**Table 4.5.5.3 Goals of the national network expansion and modernization plan**

YEAR	1992	1993	1994	1995	1996	1997	1998	1999	2000
INSTALLATION OF LINES									
NEW DIGITAL LINES	169,800	260,900	300,000	390,000	470,000	470,000	450,000	280,000	220,000
MODERNIZATION	40,600	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
TOTAL THIS YEAR	2,196,240	2,382,140	2,607,140	2,922,140	3,317,140	3,712,140	4,087,140	4,292,140	4,437,140
TOTAL PUBIC TELEPHONES	45,000	50,000	55,000	60,000	65,000	70,000	75,000	80,000	85,000

Source: Compañía Anónima Nacional de Teléfonos de Venezuela (CANTV)

The concession contract also establishes the concessionaire's obligation to undertake a basic service development program at the request of the Ministry, in remote and rural populated areas of under 5000, provided that mechanisms are created to cover the costs which are to be distributed among the Ministry, the concessionaire, and other entities supporting the provision of those services. This program must include the annual installation of at least one public telephone in at least twenty populated areas.

For these purposes, reports published by the Central Office of Statistics and Information Technology (OCEI), or those certified by that office, are used.

Until 2000, the three plans must indicate the growth figures broken down by national level, region, and city, and must be based on the principle of uniform growth for all regions.

In preparing and reviewing network expansion plans, the concessionaire and the Ministry shall take account of market demand.

In applying the principle of uniform growth, the concessionaire shall compensate, in absolute numbers, for failure to meet the expansion goals, up to 20% of the net increases in annual network expansion goals for each region, by providing, in another region or other regions in the same year, up to 20% of the net increase in number of public telephones. The compensation arrangement must be approved by the Ministry.

So that the Ministry may monitor fulfillment of annual plans, the concessionaire submits to it a report showing fulfillment of the goals established in the annual plan for the preceding year.

Among the requirements for subscriber or user service, the concessionaire's obligation is established to:

- Have the technical capacity to provide toll-free local emergency services accessed by the same telephone number throughout Venezuela.
- Provide a telephone guide or directory to each subscriber at no charge.
- Provide a directory information service through which all switched telephone subscribers may obtain information regarding telephone numbers in the directory or directories for the area or areas handled.
- Provide directory information, at reasonable cost, in response to requests made by other national or foreign telecommunications network operators, as well as from companies that prepare and publishing directories.
- Handle applications for basic services at no charge.

The concessionaire is required to provide basic services of the quality standards established in the goals of the concession contract.

Service quality standards relate to obtaining a dial tone, call efficiency, operator service efficiency, services for breakdowns and problems reported by subscribers, waiting time to obtain service, invoice efficiency, and user satisfaction.

The service quality program is reviewed and updated annually by the concessionaire and the Ministry following the same procedure as that for network expansion and modernization, taking account of levels achieved, basic service needs and requirements, and rights of the concessionaire.

For purposes of service handling in rural areas<sup>131</sup> where CANTV does not provide basic services, Venezuela was divided into three regions: western, eastern, and central, and CONATEL awarded the region to one telecommunications operator each: INFONET in the western region, ELCA in the eastern region, and DIGITEL in the central region.

Long distance telephone traffic handled by telecommunications operators must be sent through the CANTV network as long as this operator is the monopolistic concessionaire.

Execution of the concession contract with INFONET has begun, and its objective is the installation, maintenance, administration, operation, and commercial exploitation of a rural telecommunications service<sup>132</sup> which includes switched and non-switched services, point-to-point, and point-multipoint, for the transmission of voice, text, image, video, and data signals.

## **Review of Universal Service Programs**

The draft telecommunications law provides for the creation within CONATEL of a division to monitor, review, and evaluate programs for universal service handling.

Provision is also made gradually to provide all people of Venezuela with access to voice, and subsequently to data, telecommunications services, which does not discriminate on the basis of geography, social or economic level, or disability.

## **Mechanisms to Finance Universal Service**

The draft telecommunications law provides for the creation of a National Fund to manage resources for universal service financing.

Fund resources will be derived from:

- Contributions of for-profit telecommunications service operators of 1% of annual gross income.
- Donations given by any natural person or legal entity.

Provision is also made that the Fund will pay to operators subject to service handling obligations an amount corresponding to the net amount of service provision, which shall be set each year in accordance with the average net profit that the operator would obtain if it were providing service on a profit-making basis.

It is envisaged that there will be an open selection process to award concessions through a competitive bid. If the bid is declared void, the National Telecommunications Commission shall directly designate one or more telecommunications service providers to fulfill such obligations.

## 4.6 Chile

### Introduction

In 1982, Chile passed the General Telecommunications Act<sup>133</sup> governing the introduction of competition in all market segments, promoting private initiative and the free market, and forming the basis for privatizing the public enterprises at the time, a process that was completed in 1989.<sup>134</sup>

Provision was made for free competition for long distance services in the 1994 amendment to the Act,<sup>135</sup> which introduced the multicarrier system, thereby establishing regulated vertical integration of the market. The 1994 amendment also created the Telecommunications Development Fund as a mechanism to ensure universal access/service.

Table 4.6.1 shows the evolution from universal access to universal service in Chile, giving estimated indicators for 1999.

Table 4.6.1. From universal access to universal service			
CHILE FROM UNIVERSAL ACCESS TO UNIVERSAL SERVICE?			
	1988	1996	1999
Telephone lines (10 <sup>6</sup> )	0.5	2.2	3.8
Lines/100 people	4	14	25
Outstanding applications (years)	7	0.3	-
Households with telephone (%)	14	53	>80
Population with access to Telephone (%)		90 <sup>136</sup>	>98

Source: The World Bank Group<sup>137</sup>

### The Telecommunications Development Fund (FDT)

Operators in Chile are not expressly required to provide universal service. Concessionaires are required to provide service within two years to those who request it within the limits of their concession area, except due to acts of God or circumstances beyond their control<sup>138</sup>.

The purpose of the Telecommunications Fund, created for a four-year period from March 1994, is to promote an increase in public telephone service coverage in low-income rural and urban areas with low telephone density.<sup>139</sup>

The Fund is constituted by contributions made each year in the Budget Act and other contributions, and is managed by the Telecommunications Development Council, chaired by a representative of the Ministry of Transportation and Telecommunications, and composed of representatives of the Ministries of Economics and Planning, and the Treasury, and by three professionals with telecommunications experience and knowledge of the various regions of Chile, who are appointed by the President of Chile. The Council Secretariat is administratively subordinate to the Telecommunications Secretariat.

Once a year, the Secretariat receives specific project proposals made by the telecommunications service concessionaires, city councils, neighborhood associations, or third parties, to prepare the program of projects eligible for subsidies to be executed during the following year.

The annual program includes the following types of project:

- In areas for which public telephone service handling is mandatory, public telephones or calling centers. Such services may be supplemented with others; and
- Outside these areas, the same types of projects will be considered, which may also include subscriber lines not eligible for subsidy.

Projects are awarded and subsidies are allocated by public competitive bid,<sup>140</sup> generally described as follows :

- The terms and conditions of bidding specify, *inter alia*, the area and quality of service, execution periods, maximum rates to be charged to users, and the amount of the subsidy.
- Any legal entity may submit bids, or, if it is a subsidiary or an association, controlled by or is a public service concessionaire, or an intermediate owner of more than 20% of its capital, it must be constituted as a publicly-offered company.
- Projects are awarded to bidders requesting the least one-time subsidy, in accordance with a pre-established formula.

When the project has been awarded, the Secretariat shall award the corresponding public telephone service concession and the concessionaire may collect the subsidy allocated after obtaining the corresponding certificate that works and installations have been executed in accordance with the awarded project.

Subsidies are financed with FDT resources and do not represent income for their beneficiaries.

## **Program Results<sup>141</sup>**

The general results and results by region of the competitive bids in the 1995 – 1998 period are given in Tables 4.6.2 and 4.6.3.

On August 31, 1999, the FDT Council awarded a total of 35 additional projects as a result of the 1999 competitive bid, which will benefit 587 new communities, some of which, because of their high cost, had not been invited to bid previously. The total subsidy for the 1999 competitive bid was 2,293m Chilean pesos, broken down as shown in Table 4.6.4; therefore, including the 1999 subsidy, the total amount awarded by the FDT was 9,440,948,672 Chilean pesos.<sup>142</sup>

**Table 4.6.2 Telecommunications Development Fund: General results of 1995, 1996, 1997, 1998 bidding processes**

PROCESS	TOTAL NO. PROJECTS AWARDED	TOTAL NO. LOCATIONS AWARDED	TOTAL RESIDENTS	SUBSIDY ALLOCATED (Chilean pesos)	AVERAGE SUBSIDY BY LOCATION (Chilean pesos)
1995	34	726	240,067	835,791,803	1,151,228
1996	18	1,632	761,893	370,900,544	227,267
1997	70	2,146	772,153	3,396,124,968	1,582,537
1998	27	858	228,869	2,544,970,610	2,966,166
<b>TOTAL</b>	<b>149</b>	<b>5,362</b>	<b>2,002,982</b>	<b>7,147,787,925</b>	<b>1,333,045</b>

Source: Document PCC. I/doc. 668/98<sup>143</sup>

**Table 4.6.3 Telecommunications Development Fund. Results by Region**

REGION	PROJECTS AWARDED	LOCATIONS AWARDED	RESIDENTS	SUBSIDY ALLOCATED (Chilean pesos)	AVERAGE SUBSIDY BY LOCATION (Chilean pesos)
I	5	68	11,908	920,098,327	13,530,858
II	6	21	3,221	220,151,626	10,483,411
III	5	52	12,321	428,915,820	8,248,381
IV	11	392	115,257	794,700,613	2,027,297
V	14	427	167,880	328,743,668	769,891
VI	9	490	250,015	350,408,349	715,119
VII	14	944	368,368	379,564,703	402,081
VIII	20	861	269,708	641,903,889	745,533
IX	23	877	272,708	1,236,600,823	1,410,035
X	26	696	205,812	999,070,174	1,435,446
XI	10	31	13,818	382,050,153	12,324,198
XII	4	20	2,775	295,801,621	14,790,081
R.M.	10	483	309,191	169,778,159	351,508
<b>TOTAL</b>	<b>157 (*)</b>	<b>5,362</b>	<b>2,002,982</b>	<b>7,147,787,925</b>	<b>1,333,045</b>

(\*) The total number of projects awarded was 149 (34 in 1995, 18 in 1996, 70 in 1997 and 27 in 1998). The table shows 157 because 7 projects include more than one region.

Source: Document PCC. I/doc. 668/98.

**Table 4.6.4 Telecommunications Development Fund. 1999 Competitive Bidding**

COMPANY	NUMBER OF PROJECTS	SUBSIDY ALLOCATED (millions of Chilean pesos)
CTC	5	145.1
CTR	7	681.0
GVT	5	120.4
Megacom	16	1,346.7
Geneva	2	0

Source: SUBTEL<sup>144</sup>

### **Community Telecenters**

In 1998, the terms of reference were prepared and studies were begun with the University of Chile to justify the possible expansion of the FDT to provide services of greater added value to rural communities, including Internet access.

The possibility is being studied of allocating, through competitive bid, subsidies to private companies to finance telecenters or information kiosks. The establishment of such a program would make it necessary to amend the Telecommunications Act. Preparation of a draft amendment of the Act is being considered for the end of 1999.<sup>145</sup>

## 4.7 Costa Rica

### Introduction

The Costa Rican Electricity Institute (ICE), in its capacity as a public operator with a legal concession of indefinite length,<sup>146</sup> provides telecommunications services in Costa Rica and has undertaken various programs to achieve universal access. A draft telecommunications law is currently being debated, produced on the basis of national consultation, which specifically includes the concept of universal access/service.

Telephone density and public telephone density, as well as projected increases in the number of telephones and penetration rates, are shown in Tables 4.7.1, 4.7.2, and 4.7.3.

**Table 4.7.1 Telephone density**

TELEPHONE DENSITY 1987 – 1997	
YEAR	DENSITY
1990	10.40
1991	10.60
1992	10.70
1993	13.20
1994	14.50
1995	16.20
1996	17.89

Source: Document PCC.I/426/97<sup>147</sup>

**Table 4.7.2 Public telephone density**

PUBLIC TELEPHONE DENSITY BY LINES AND BY INHABITANTS 1990 – 1996		
	N° OF PUBLIC TELEPHONES PER	
YEAR	1000 LINES	1000 INHABITANTS
1990	19.20	2.00
1991	20.00	2.10
1992	20.10	2.20
1993	18.20	2.30
1994	15.50	2.30
1995	14.10	2.30
1996	12.96	2.32

Source: Document PCC.I/doc.426/97

**Table 4.7.3 Projected increase in number of telephones and penetration rates**

SUMMARY – INCREASE IN URBAN PUBLIC TELEPHONES 1998 – 2003 PERIOD								
AREA	INST. CAPA- CITY 1997	TELEPHONES TO BE INSTALLED						INST. CAPA- CITY 2003
		1998	1999	2000	2001	2002	2003	
METROPOLITAN	4.732	2130	2118	1974	1974	1974	1973	16875
NORTHEAST	1634	495	547	584	585	584	584	5013
SOUTHEAST	1834	588	548	655	654	655	654	5588
TOTAL	8200	3213	3213	3213	3213	3213	3211	274776
TELECOMMUNICATIONS PLANNING DEPARTMENT								

Source: Document PCC.I/426/97

## **Universalization of Service**

Although legislation in force, essentially the law creating the ICE,<sup>148</sup> does not contain express provisions on universal service, it established that telecommunications services shall be provided as public services at cost<sup>149</sup> in order to promote the entire population's access thereto. The law also provides for the creation of the Public Services Regulatory Authority (ARESEP),<sup>150</sup> which deals with public services in general included in the aforementioned legislation, and defines services at cost as the rate-setting principle so as to include only the costs required to provide the service and to obtain a competitive return and adequate development of the activity.

In this context, universal service has been defined as follows:

"Universal service is the availability of all telecommunications services at reasonable prices so that they are affordable to all inhabitants of Costa Rica, taking account of public service principles."<sup>151</sup>

The Report of the Telecommunications Commission to the National Consultation Forum<sup>152</sup> states that a decree should be issued that provides that the goal of universal service is in the "national interest".

The aforementioned report includes the apt proposal that the regulatory body to be created should promote effective universal service at reasonable prices and of reasonable quality and should create a Universal Service Fund for the least socially- and economically-advantaged population, to be funded in the first four years through 15% of the amount collected from auctions of frequencies. After the four-year period, 40% of such income will be allocated to the Fund (in both cases, the remaining percentages are transferred to a single state fund).

One of the participating entities put on record its view that in general differs from the foregoing in terms of percentages and collection sources (from auctions of spectrum allocations: the first four years, 50% for the Fund and 50% for the single state fund; then 100% for the Fund; from other sources, such as income from permits, licenses, contracts, etc: 100% for the Fund).

Another organization represented on the Commission stated that Fund resources should be distributed: 60% for Universal Service, 20% to the single state fund, and 20% for research and technology transfer.

## **Programs in Execution**

To achieve universal access, the ICE has developed rural telecommunications programs so that in 1973, there were 4930 installed lines for residential service on rural exchanges, and at the end of 1977, a capacity of 13830 such lines had been achieved, and 313 rural public telephones in communities of over 500. In 1979, financing from the Inter-American Development Bank was obtained, and in 1989, an agreement was concluded with the Canadian International Development Agency. The result of such activities was that in 1996, there were 1425 rural public telephones and 229 semi-public telephones in centers of agricultural production. The remotest areas of the country have begun to be served in recent years through public cellular service.

Moreover, by virtue of the creation of the 911 emergency system,<sup>153</sup> with national coverage and administratively subordinate to the ICE, emergency intervention programs are being handled. To cover the investment and operating costs of this service, it was established that these costs would be included on the telephone bills of subscribers covered by the system at the rate of 1% of the amount of the bill. The amount to be contributed each month for this item will be established in keeping with the costs determined by ARESEP. The system will be financed by the contributions of the member entities, budget allocations made, and other sources, such as donations and legacies that the system may receive.

## **4.8 Cuba**

### **Introduction**

National and international basic telecommunications services are provided by the Telecommunications Company of Cuba (ETECSA), the holder of a concession granted in 1994 with exclusivity for a 25-year period. Cellular services are provided by CUBACEL, to which a 20-year concession was granted in 1992.<sup>154</sup>

### **Universal Access/Service**

The general objective established in the ETECSA concession is general public access to telephone service, particularly residential service and public telephones.

The concession therefore provides that ETECSA shall take account of the demand for telephone services, the plans approved by the Ministry of Communications, and its financial capacity.

The modernization plan for the first eight years (beginning in 1997) establishes density goals for the country and for Havana of 9% and 20% respectively, and achievement of access to telephone service in all communities of over 500 people, and in any areas with smaller populations that the Ministry of Communications may indicate to ETECSA each year, in keeping with the availability of resources and ETECSA's financial capacity.

## 4.9 Dominican Republic

### Introduction

In the Dominican Republic, telecommunications services have been provided under a pro-competitive regime since 1990, when the Dominican Telephone Company (CODETEL) was established and Telepuerto San Isidro (TRICOM) and All América Cables and Radio (AAC&R) were authorized to enter the market.

This was the context in 1998 when the General Telecommunications Act was passed,<sup>155</sup> among whose objectives was reaffirmation of the principle of universal service and consolidation of fair, effective, and sustainable competition.

Table 4.9.1 shows the figures available to 1997, prior to the drafting of the Act, for telephones and telephone penetration rates in the Dominican Republic.

**Table 4.9.1 Number of telephones and telephone penetration rates**

<b>Year</b>	<b>Number</b>	<b>Penetration: Lines</b>
<b>1992</b>	<b>479,840</b>	<b>7</b>
<b>1993</b>	<b>522,400</b>	<b>8</b>
<b>1994</b>	<b>604,688</b>	<b>8</b>
<b>1995</b>	<b>669,430</b>	<b>9</b>
<b>1996</b>	<b>734,101</b>	<b>10</b>

Source: Document PCC.I/doc.426/97<sup>156</sup>

### The Universal Service Principle

The aforementioned General Telecommunications Act was created because of the government's manifested interest in guaranteeing telecommunications services on affordable terms throughout the Dominican Republic for all social groups, in accordance with the universal service principles promoted by the international organizations of which the Dominican Republic is a member.

Among its public and social interest objectives, the Act first reaffirms the principle of universal service, implementation of which is also a principal objective of the regulatory authority, through:

- Guaranteeing in low-income rural and urban areas access to minimum effective telephone service at affordable prices, through free market operation and legal mechanisms.
- Meeting the demand for public services in a deregulated environment, ensuring the continuity, universality, equality, and neutrality of such services.
- Free access to networks and public telecommunications available on transparent, non-discriminatory terms.

Measures established to implement the universal service principle are: the Contribution to Telecommunications Development; development projects; and the Project Development Financing Fund.

### **Contribution to Telecommunications Development**

This contribution (henceforth CDT) was created by the General Telecommunications Act by the means described in general terms below:

- A 2% income tax on amounts received, before tax, from billing of final users<sup>157</sup> of public telecommunications services<sup>158</sup> (except radiobroadcasting) and from settlements for international services (except radiobroadcasting).
- Providers of public telecommunications services and resellers shall be the CDT collection agents. On the bills of the final users, collection agents shall charge the corresponding amount of the CDT, which is to be deposited in a special account of the Dominican Telecommunications Institute (INDOTEL).
- A fixed percentage of the CDT shall be applied to financing INDOTEL and another fixed percentage to development projects, in keeping with such regulations as are issued in the future.
- In the first year after the regulatory authority has been set up, the entire amount collected by the CDT will be allocated to INDOTEL.

Through Resolution 98-01 of August 1, 1998,<sup>159</sup> the General Telecommunications Directorate, which was in operation since the recent installation of INDOTEL, approved the regulations for applying and collecting the CDT, and established a transitory procedure to remain in effect until the regulatory authority issues provisions in this area. The aforementioned regulations establish provisions on matters such as the services tax base and payment procedures, and provide that until Law 153-98 has been implemented, the General Internal Taxation Directorate shall collect the Contribution.

### **Development Projects**

Development projects are the biennial plans to be formulated by the regulatory authority for the specific projects to be financed.

Projects will be awarded by public competitive bid to the qualified bidder requesting the least subsidy, calculated on the basis of uniform, pre-established rules. The bid shall indicate the service areas, service quality, maximum applicable rates, if any, periods for provision of service, and penalties for non-compliance. INDOTEL will monitor the projects awarded.

Any interested party that meets the requirements may participate in the aforementioned competitive bid, the objective of which may be installation of systems, the provision of services, or both.

### **The Development Projects Financing Fund**

The Act provides that the Development Projects Financing Fund shall be managed by INDOTEL, which shall do so independently of other regular activities and shall open a special account for this purpose.

In the framework of Project DOM/96/008, "Consolidation of the Regulatory Framework of the Telecommunications Sector," the International Telecommunications Union (ITU), in April 1997, prepared the project "Telecommunications Development Fund and Universal Service Regulations," which are detailed regulations for the procedures to manage the Fund and to select and administer projects subsidized by the Fund. Among the provisions therein:

- Of a CDT of 2%, 0.4% shall be allocated to the regulatory authority and 1.6% to project funding.
- The purpose of the Fund shall be to promote private investment in the geographic areas specified; to promote socioeconomic development through private investment in telecommunications; and to reduce socioeconomic inequities through private investment.
- The purpose of the Fund is to subsidize directly investment in the projects selected.
- Funding shall not be reimbursable and may cover up to 100% of the investment.
- The Fund shall be constituted by contributions from the CDT, income from duties, rates, charges, and taxes imposed by law, from funds allocated to it in the national budget, and other international and national resources it may receive, including surplus funds of the regulatory authority.
- There shall be a "multicriteria approach" to project selection, which includes analysis of the economic non-viability of the investment, insufficient penetration, the geographic area's economic potential, the area's social and demographic criteria, and implementation of telemedicine, veterinary, education, commerce, or other similar projects.
- There shall be a two-year transition period to begin financing, during which the regulatory authority shall define general universal service policy and prepare the first development plan and pilot projects.

## **4.10 El Salvador**

### **Introduction**

Telecommunications services in El Salvador are provided in a deregulated environment. In 1997, the Telecommunications Act<sup>160</sup> now in force was issued and the public operator was privatized. The operator was broken up into two companies for these purposes: the Telecommunications Company of El Salvador (CTE) and the International Telecommunications Company (INTEL), it being the responsibility of CTE to provide local and long distance telephone service, and INTEL to provide cellular telephony.

### **Universalization**

The Salvadoran regulatory framework has introduced competition in the market, without restriction as to number of operators, there being no specific universal service obligation as such.

The Telecommunications Act provides that access service providers that were operating on the date the Act came into force cannot discontinue the services that they were providing to the public in any community in El Salvador.

The General Electricity and Telecommunications Superintendence (SIGET) was authorized to conclude investment contracts for five-year periods with network access operators controlling more than 10% of the market. Such contracts establish goals to be met for the installation of new telephone lines and provide for approval of maximum charges for national services, and for annual adjustments.

Legislation was also passed to create the National Electricity and Telecommunications Investment Fund (FINET), whose resources derive in part from income from privatization and in part from fees for concessions, authorizations, and licenses for use of the radio spectrum.

Fund resources are devoted to the development of telecommunications projects in low-income areas, to be awarded to interested parties submitting, during the auction process, the bid implying the least subsidy

The sales contract for the Telecommunications Company of El Salvador (CTE) contains telecommunications service goals to be met, as well as requirements for increasing the number of public telephones.

## 4.11 United States

### Introduction

The primary goals of the new Federal Telecommunications Act, passed in the United States on February 8, 1996,<sup>161</sup> amending the Communications Act of 1934,<sup>162</sup> are open competition in all telecommunications markets and access for all Americans to current and future telecommunications services and information.<sup>163</sup>

In the area of universal service, Section 254 of the 1996 Act specifically provides,<sup>164</sup> in keeping with other provisions of the Act, that the Federal Communications Commission (FCC) and the Federal-State Joint Board should initiate procedures to implement the new provisions adopted, including a definition of the services that would be supported by federal universal service support mechanisms. This Section determines the principles to guide provision of universal service in a competitive market context, including the principle that subsidies should be explicit, and contributions to universal service should be made by all telecommunications carriers that provide interstate telecommunications services, on an equitable, non-discriminatory basis. In keeping with the Act, universal service should be available to all at fair, reasonable and affordable prices, including to low-income users and those who live in rural or remote areas where it is very costly to provide service. In addition, the terms for provision of universal service to schools, libraries and health care centers are established.

On May 8, 1997, the FCC issued the universal service Order<sup>165</sup> ("In the Matter of Federal-State Joint Board on Universal Service," FCC 97-157), to establish a plan that would satisfy all legal requirements and establish the universal service support system for an increasingly competitive market.

Before moving on to a brief discussion of the provisions of the Order, Tables 4.11.1 through 4.11.5 are provided below, which include data on demographics, telecommunications infrastructure, total U.S. telephone lines, historical telephone penetration, comparison by state of penetration rates with and without the Lifeline program; and cellular telephony subscribers.

**Table 4.11.1 Telecommunications Demographic/infrastructure data**

<b>DEMOGRAPHIC DATA</b>	
Total area of land and populated land	3.5 million square miles/9.4 square Km
Population size at the end of 1996	267 million
3. Population distribution	Of the total population 75% live in the urban areas and 25% in rural areas
<b>TELECOMMUNICATIONS INFRASTRUCTURE</b>	
4. Percentage of the population that has been wired and that has been provided with basic telecommunications services by means other than fixed network	93.9% of households are wired for basic telecommunications service (7/96)
5. Number of fixed network operators and private versus public ownership	There are 1300 operating telephone companies in the US. They are not government-owned
6. Number of domestic, long distance and international telecommunications operators	1102 local operators 582 long distance operators 277 international service operators (47 facilities based and 230 resale)
7. Number of fixed telephone lines at the end of 1996 and the associates teledensity	There are 143.8 million fixed lines. (12/31/95). 93.9% of households are wired for basic telecommunications service (7/96)
8. Percentage of payphones provided by independent service providers	75% of pay telephones are provided by telephone companies responsible for local service. 25% are operated by long distance companies and other small, private firms whose sole business is pay telephones
9. Number of mobile network operators	There are about 800 mobile network operators in the US
10. Number of mobile telephone subscribers and percentage penetration at the end of 1996	Cellular providers have made great progress as shown simply by their subscriber growth record. In a ten year time period, cellular subscribers have grown from 1 million in 1986 to over 38 million subscribers last year (1996), or a 2% penetration to 16% penetration. Over the next ten years, subscribers, and penetration will reach almost 50% of the population

Source: CITEL/doc.580/98.

**Table 4.11.2. Total U.S. telephone lines \*.**

Year	Presubscribed Lines	Annual Growth (%)	Local Loops	Annual Growth (%)	Access Lines	Annual Growth (%)
1979					101,478,000	
1980			102,216,367		104,692,000	3.2 %
1981			105,559,222	3.3 %	107,416,000	2.6
1982			107,519,214	1.9	108,593,000	1.1
1983			110,612,689	2.9	111,373,000	2.6
1984			112,550,739	1.8	114,474,000	2.8
1985			115,985,813	3.1	118,275,000	3.3
1986			118,289,121	2.0	122,202,600	3.3
1987	121,466,500		122,789,249	3.8	126,725,000	3.7
1988	124,360,829	2.4 %	127,086,765	3.5	130,000,000	2.6
1989	128,482,479	3.3	131,504,568	3.5	134,009,489	3.1
1990	132,408,608	3.1	136,114,201	3.5	137,075,520	2.3
1991	135,286,582	2.2	139,412,884	2.4	140,196,551	2.3
1992	138,725,040	2.5	143,341,581	2.8	144,056,712	2.8
1993	142,809,280	2.9	148,106,159	3.3	149,084,378	3.5
1994	148,479,328	4.0	153,447,946	3.6	156,769,460	5.2
1995	152,601,177	2.8	159,735,212	4.1	164,624,372	5.0
1996	158,672,243	4.0	166,320,559	4.1	170,568,176	3.6

Source: Presubscribed Lines: National Exchange Carrier Association.

Local Loops: National Exchange Carrier Association.

Access Lines: United States Telephone Association.

\* Year-end data.

Source: FCC, Trends in telephone service, July 1998

**Table 4.11.3: Historical telephone penetration estimates**

Year	Percentage of Households with Telephones	Access Lines per 100 Population
1920	35.0 %	9.6
1930	40.9	12.5
1940	36.9	12.7
1950	61.8	21.7
1960	78.3	27.6
1970	90.5	35.0
1980	92.9	46.2
1990	94.8	54.8

Sources: FCC staff estimates based on data from the Bureau of the Census, Historical Statistics of the United States, Colonial Times to 1970, Part 2, page 783, for all percentage data except 1980 and 1990, which are from the decennial censuses. Access line data for 1920 through 1970 are estimated by multiplying the number of telephones by the proportion of main plus equivalent main stations to total telephones for the Bell System. Prior to 1950, the 1950 proportion is used.

For 1980 and 1990, access lines reported by USTA are used.

Source: FCC, Trends in telephone service, July 1998

**Table 4.11.4. Comparison of penetrations rates for states with and without Lifeline programs**

ALL HOUSEHOLDS			
	March 1984	March 1997	Change
States with Lifeline Programs	91.5 %	93.9 %	2.4 % *
States without Lifeline Programs	93.3	94.4	1.0
Total United States	91.8	94.0	2.1 *
HOUSEHOLDS WITH INCOMES UNDER \$10,000 #			
States with Lifeline Programs	79.3 %	85.8 %	6.5 % *
States without Lifeline Programs	83.6	86.9	3.3 *
Total United States	80.1	86.0	5.9 *

Source: INDUSTRY ANALYSIS DIVISION, Telephone Penetration by Income by State.

\* Change is statistically significant at the 95% confidence level.

# Income expressed in March 1984 dollars. \$10,000 in March 1984 dollars is equivalent to \$15,595 in March 1997 dollars.

Changes may not be the same as calculated differences, due to rounding.

Source: FCC, Trends in telephone service, July 1998.

**Table 4.11.5. Cellular telephone subscribers.**

	NUMBER OF SYSTEMS	SUBSCRIBERS
1984 DECEMBER	32	91,600
1985 JUNE	65	203,600
DECEMBER	102	340,213
1986 JUNE	129	500,000
DECEMBER	166	681,825
1987 JUNE	206	883,778
DECEMBER	312	1,230,855
1988 JUNE	420	1,608,697
DECEMBER	517	2,069,441
1989 JUNE	559	2,691,793
DECEMBER	584	3,508,944
1990 JUNE	592	4,368,686
DECEMBER	751	5,283,055
1991 JUNE	1,029	6,390,053
DECEMBER	1,252	7,557,148
1992 JUNE	1,483	8,892,535
DECEMBER	1,506	11,032,753
1993 JUNE	1,523	13,067,318
DECEMBER	1,529	16,009,461
1994 JUNE	1,550	19,283,506
DECEMBER	1,581	24,134,421
1995 JUNE	1,581	28,154,415
DECEMBER	1,627	33,785,661
1996 JUNE	1,629	38,195,466
DECEMBER	1,740	44,042,992
1997 JUNE	2,005	48,705,553
DECEMBER	2,228	55,312,293

Source: Cellular Telecommunications Industry Association.

Source: FCC, Trends in telephone service, July 1998.

## Principles

The 1996 Act established the principles to guide the establishment of universal service policies. There are six specific principles and an indication that the FCC and the Joint Board may determine other principles in accordance with the Act, as may be necessary and appropriate for protecting the public interest. The specific principles are:

- **Quality and rates:** Quality services should be available at fair, reasonable, and affordable rates.
- **Access to advanced services:** Access to advanced telecommunications and information services should be provided throughout the country.
- **Access in rural and high cost areas:** Users throughout the country, including low-income users and those located in rural, isolated, and high cost areas, should have access to telecommunications and information services, including advanced services, that are reasonably comparable to services provided in urban areas. These services should be available at rates that are reasonably comparable to those applied in urban areas.
- **Equitable, non-discriminatory contributions:** All telecommunications service providers should make an equitable, non-discriminatory contribution to the maintenance and progress of universal service.
- **Specific, predictable support mechanisms:** Specific, predictable federal and state mechanisms should exist that are sufficient for maintaining advanced universal service.
- **Access to advanced telecommunications services for schools, health care providers, and libraries:** Elementary, secondary schools, and classrooms, health care providers and libraries should have access to advanced telecommunications services.

In the universal service Order, pursuant to the recommendation of the Joint Board, and within the framework of the other guiding principles, the FCC adopted a seventh principle, defined as follows:<sup>166</sup>

- **Competitive neutrality:** Competitive neutrality means that the support mechanisms and the rules of universal service should not provide any unfair advantage or disadvantage for one supplier over another, nor for one technology over another.

The FCC stated, as advised by the Joint Board, that universal service policy should be a fair and reasonable balance of all the principles set forth in the 1996 Act and the additional principle of competitive neutrality. It was also agreed that competitive neutrality should include technological neutrality in such a way as to allow the market to dictate technological advance for all citizens, so that they might benefit from such development.

## **Definition of Universal Service.**

The 1996 Act generally defines universal service as a developmental level of telecommunications services, which the FCC must establish periodically, taking into account any advances in technology, and telecommunications and information services. The definition of universal service must also consider the scope of services regarding: (i) their importance to public education, health and safety; (ii) their massive use by residential customers; (iii) their deployment by telecommunications carriers on the public networks; and (iv) their consistency with public interest.

In accordance with the above, the FCC designated the following services as those that would receive universal service support mechanisms in rural, insular, and high cost areas:

- Voice grade access to the public switched network with the ability to make and receive calls.
- Touch tone signaling.
- Single-party service.
- Access to emergency services, including 911.
- Access to operator services.
- Access to long distance service.
- Access to directory assistance.
- Access to Lifeline and Link Up programs for qualifying low-income consumers.

The definition of universal service will be reviewed by January 1, 2001.

## **Affordability.**

As a consumer protection measure, the 1996 Act establishes that the FCC and the states should ensure that universal service is available at fair, reasonable and affordable rates, which is also one of the specific principles of universal service provided in the Act.<sup>167</sup>

In the universal service Order, the FCC concluded that the states are responsible for monitoring rate and non-rate factors in order to assure affordability. The FCC, concurring with the Joint Board, considered that there is a correlation between subscription and affordability. The factors to be considered when studying affordability were determined, including subscription levels and other non-rate factors that might influence a consumer's decision to subscribe to services designated as universal service.

The Order also states that the definition of affordability contains an absolute component ("to have enough or the means for"), which takes into account an individual meaning for subscribing to universal service. It also takes account of a relative meaning ("to bear the cost of

without serious detriment"), which considers whether consumers are spending a disproportionate amount of their income on telephone service. The conclusion reached was that affordability includes rate levels as well as non-rate factors.

## **Universal Service Programs**

### **a) High cost, insular, and rural areas**

The FCC adopted the forward looking economic cost method to calculate the cost of providing universal service in high cost areas, with the understanding that this method better reflects the cost of providing local telephony service in a competitive market. These costs also approximate more closely the costs that an efficient carrier would incur in the market.<sup>168</sup> The initiation of a proceeding was envisaged to apply this method to non-rural carriers. It was estimated that this would begin as of January 1, 1999.<sup>169</sup> Each state may use the FCC cost method or may develop its own method, based on the FCC-established criteria.

The amount of the subsidy is the difference between the forward-looking economic cost and an appropriate benchmarking of income. The federal mechanism supports up to 25% of that difference.

The Order indicated that there are potential advantages in defining service support levels for rural, insular and high cost areas, using competitive bidding mechanisms. Therefore, such processes will continue to be reviewed to determine whether they can be used to establish support by means of market-based mechanisms.<sup>170</sup>

### **b) Low income consumers**

The FCC Order provides that previously implemented programs, called Lifeline (Lifeline Assistance) and Link Up (Lifeline Connection Assistance) should be reviewed with a view to achieving three goals: (i) extending the Lifeline program to make it available in all states and territories and to increase the amount of federal support for this program; (ii) seeing that these supports are competitively and technologically neutral, and allow all eligible telecommunications carriers to receive support in order to offer Lifeline and Link Up services; and (iii) provision of access to certain services to low- income consumers access.

The Lifeline and Link Up programs enable the monthly charge and the connection charge, respectively, for qualifying users, to be reduced. In addition, the Lifeline program must include toll blocking and toll limitation services<sup>171</sup> if the carrier wishes to be eligible for universal service support.

It was decided that a federal contribution of US\$3.50 would continue, and an additional US\$1.75 contribution would be established, with the possibility of adding another US\$1.00 for each US\$2.00 contributed by the state, up to a maximum of US\$1.75. The Lifeline program could mean that a qualifying low-income consumer would receive federal support that would translated as a US\$7 reduction, plus the US\$3.50 state support, for a total of US\$10.50 per month. The federal contribution for the Link Up program reduces the connection charge by up to 50%.

**Chart 4.11.1. Reductions in low income consumers' Local monthly telephone bills".**

<i>Fed Support available in all states</i>	<i>\$ 3,50</i>
<i>Additional Fed support w/need of state matching funds</i>	<i>\$ 1,75</i>
<i>Additional Fed support available w/state support</i>	<i>\$ 1,75</i>
<i>State support to match Fed support</i>	<i><u>\$ 3,50</u></i>

***Total support to lower monthly bills: \$10,50 per month***

Source: Benton Foundation <sup>172</sup>

**c) Schools and libraries**

Eligible schools and libraries can receive discounts on all available telecommunications services, internal connections among classrooms, and Internet access. There are deeper discounts for schools and libraries in economically disadvantaged circumstances and for those located in high cost areas to ensure that they have affordable access to supported services. Discounts range from 20% to 40 - 90% for the most disadvantaged institutions, according to the following matrix.

**Table 4.11.6 Schools and libraries discount matrix**

SCHOOLS AND LIBRARIES DISCOUNT MATRIX	DISCOUNT LEVEL	
HOW DISADVANTAGED ? ..... % of students eligible for national school lunch program	Urban Discount	Rural Discount
< 1	20	25
1- 19	40	50
20-34	50	60
35-49	60	70
50-74	80	80
75-100	90	90

Source: FCC <sup>173</sup>

The FCC established in its universal service Order that it would pay \$2.25 billion annually to support universal service for schools and libraries.

**d) Support for health care centers**

In the universal service Order, it was concluded that any health care provider, whether public or non-profit, located in a rural area, is included in the definition of the 1996 Act for those entities eligible for universal service support.<sup>174</sup> US\$4 m in support per year was established.

The Joint Board stated that there are approximately 9,600 hospitals in the United States, located in rural areas, which are eligible to receive telecommunications services supported by the universal service mechanism.<sup>175</sup>

**Carriers Eligible for Universal Service Support Mechanisms**

The FCC's universal service Order adopts the criteria of the 1996 Act<sup>176</sup> as the rules for determining who is eligible to receive universal service support. This means that the carrier should: (i) offer all services designated as universal service in a given area (interpreted to mean that any carrier offering the services may do so using its own facilities, which includes those obtained as unbundled network elements, or combining them with the facilities of another carrier); and (ii) publish in the mass media the availability of such services and charges.

The FCC recognized that states have the primary responsibility for designating service areas served by non-rural carriers.

**Contribution to Universal Service Support Mechanisms**

Section 254(e) of the 1996 Act provides that every telecommunications carrier that provides interstate telecommunications services should make equitable, non-discriminatory contribution to the specific, predictable, and sufficient mechanisms established by the FCC to maintain advanced universal service. The FCC may except certain providers from this provision (if their contribution does not exceed a minimum amount) and may also require any other interstate telecommunications provider to contribute to universal service, if this is in the public interest.<sup>177</sup>

The FCC concluded that all telecommunications carriers that provide interstate telecommunications services ("authorized contributors") and certain other interstate service providers (as dictated by public interest) should contribute to universal service support mechanisms. There is a wide-ranging and complex debate as to who should contribute.

An "authorized contributor" must:

- Be a telecommunications carrier that offers interstate telecommunications;
- Offer interstate telecommunications at a given price; and
- Offer interstate telecommunications directly to the public (or to a type of user that effectively makes them available to the public).

The FCC determined that examples of interstate telecommunications include, but are not limited<sup>178</sup> to:

**Table 4.11.7. Interstate telecommunications**

<b>Interstate Telecommunications</b>	
✓ Cellular telephony and paging services	✓ Toll free services
✓ Mobile radio services	✓ 900 Services
✓ Operator services	✓ MTS
✓ PCS	✓ Telex
✓ Access to interstate switching services	✓ Telegraphy
	✓ Video services
✓ Special services	✓ Satellite services
✓ Wide area telephone services (WATS)	✓ Resale services
	✓ Pay phone services

Source: FCC 97-157. CC Docket No. 96-45, Appendix I, 54.703

With respect to the program for schools and libraries, in accordance with the intent of Congress, the FCC concluded that any telecommunications carrier, even if not included as an "eligible telecommunications carrier", would be eligible for support for services to schools and libraries.

In the universal service Order, there are three aspects to be considered<sup>179</sup> in determining how the federal universal service recovery mechanism will operate:

- Determine the total amount of support required to meet the federal obligation imposed by law;
- Establish whether the carrier contribution for universal service support should be calculated on the basis of interstate income only, or on the basis of interstate and intrastate income. In this regard, the FCC adopted the recommendation of the Joint Board to the effect that for school, library and health care center programs, both interstate and intrastate income would be taken into account. Moreover, since the Board deemed it too early to recommend the same criterion for high cost and low income programs, the FCC decided to continue calculating carrier contributions in those cases on the basis of interstate income, while continuing to study which mechanism would be best.
- Establish whether carriers can recover their contributions through interstate service rates or through a combination of interstate and intrastate rates. The FCC ruled that, in this regard, it would keep the traditional method -- while continuing to explore other routes -- which allows carriers to recover their contribution only through interstates rates, on the understanding that the method will, among other things, promote affordability for basic residential services.

The FCC gave due consideration to the fact that there are three ways of calculating the contribution basis for universal service: (i) gross income; (ii) gross income net of payments to other carriers for telecommunications services (net of telecommunications income); and (iii)

charges per line or per minute. The FCC agreed in this matter with the Joint Board that the contribution should be calculated in such a way as to avoid double payment problems, be competitively neutral, and easy to administer, and finally decided that contributions will be calculated on the basis of on end user revenue.<sup>180 181</sup>

It was also concluded that long term support (LST) should be removed from common carrier line (CCL) charges. This change is included in the access fee reform.

The FCC<sup>182</sup> bore in mind the Act's mandate that universal service support should be explicit and must be recovered on equitable, non-discriminatory bases for all interstate telecommunications service providers. Therefore, it was announced that they would begin to take the necessary steps to reform existing mechanisms for recovering subscriber loop costs -- the subscriber line charge (SLC) and the residual common carrier line charge (CCLC), which include long term support (LTS) payments -- to make them consistent with the goals of universal service and the development of competitive markets.

### **Administration of Support Mechanisms**

The FCC's criterion, announced prior to issuance of the universal service Order, was that, in order to ensure fair, consistent and efficient administration of universal service support, it was necessary that the respective mechanisms be administered by a non-governmental entity that would be required to operate in an efficient, fair, and competitively neutral way.

The National Exchange Carrier Association (NECA) was appointed temporary administrator of the support mechanisms. Because it was extremely important that the mechanisms be implemented, it was announced that an Advisory Federal Committee would be created to recommend a neutral third party as permanent administrator, through a competitive process.

NECA was given the task of creating several administrators: the Universal Service Administrative Company (USAC), on one hand, to take charge of part of funds allocated to high cost areas and low income consumers; and to administer the quotas for schools, libraries and health care entities; and, on the other, the Schools and Libraries Corporation (SLC) and the Rural Health Care Corporation (RHCC). An order issued by the FCC on December 9, 1998 established that the SLC and the RHCC should join in the USAC as of January 1999.

#### **Chart 4.11.2 .Fund management**

*Who collects and distributes the funds?*

*The universal service administrator acts as the temporary administrator for the high cost and low income programs and provides invoicing and collection for all programs.*

*The Schools and Libraries Corporation acts as the permanent administrator for non-accounting aspects and collection for the schools and libraries program.*

*The Health Care Corporation acts as the permanent administrator of non-accounting aspects and collection for the Rural Health program.*

Source: FCC<sup>183</sup>

## The Future of Universal Service

In 1995, US\$1.59 billion was spent on federal support for universal service. With the new rules, it is believed that in 1998, the cost of universal service will rise to US\$4.7 billion, as shown in Table 4.9.7. These figures are estimates and may change significantly in keeping with current demand for universal service programs and market conditions.

**Table 4.11.8 Cost of universal service support: 1998**

Program	Cost (US\$ million)	Assumptions
<b>Low income</b>	510 (maximum)	Current Lifeline and Link Up programs continue
<b>Schools and libraries</b>	2,250 (maximum)	20-90% discount on telecom services for schools and libraries; 4 year deployment of wiring all schools, including internal connections and access to internet.  Eligible schools = 112,313 Eligible libraries = 9000
<b>High-cost support</b>	800	
<b>DEM weighting benefit</b>	300	Shifts a portion of local switching costs to long distance companies
<b>Long terms support</b>	450	Reduces small carrier access charges.
<b>Health care</b>	400	Rural healthcare providers = 12,000
<b>Total</b>	4,710	

Source: CITEL/doc.580/98<sup>184</sup>

Keeping in mind that the 1996 Act had two main purposes - full market competition and access for all Americans to current and future communications services advances -- the FCC's draft Strategic Plan (August 12, 1999 version)<sup>185</sup> includes among its primary goals for the next five years increasing opportunities for all Americans to benefit from the communications revolution.

The key policies listed in the Plan include, *inter alia*, continuing universal service reform by adopting and implementing a new mechanism for providing support to states for high cost local telephony customers; reforming access fees and the access fees mechanism to reflect and promote development of economically efficient entry and competition in the interstate access market; maintaining pro-competition policies to ensure that all consumers have access to communications equipment and services at reasonable rates, especially new technologies, such as high speed Internet access, digital TV, and satellite radiocommunications services, and access to emerging information from all these technologies. The draft Plan includes goals and actions for Universal Service, shown in Chart 4.11.3.

**Chart 4.11.3. Objectives and measures of universal service**

<u>Performance Measures:</u>	<u>Five-Year Goals:</u>
▪ Increase market penetration rates of basic telephony service in rural and other underserved areas <sup>7</sup> (currently less than 50%) to national average.	94%
▪ Increase market penetration rates for mobile wireless telephone service (currently 25%).	50%
▪ Availability of advanced services to residences.	90%
▪ Buildout of digital broadcast television service.	100%
▪ Schools and libraries connected to the internet.	100%
▪ Elimination of implicit access charge subsidies.	100% (three-year goal)

Source: FCC Strategic Plan<sup>186</sup>

## **4.12 Guatemala**

### **Introduction**

The main purposes of the new Telecommunications Act of Guatemala<sup>187</sup> are to introduce competition in all market segments and to privatize the Guatemalan Telecommunications Company (GUATEL).

The aforementioned legal instrument does not specifically define universal service, but provides for the creation of a development fund.

### **The Telecommunications Development Fund**

The Telecommunications Development Fund (FONDETEL) was established as a financing mechanism managed by the Ministry of Communications to promote the development of telephone services in rural or low-income urban areas.

The income of the Fund derives from 70% of the income from auctions of the use of the radio spectrum, up to a maximum of 30 million Guatemalan quetzals per year. It also comes from donations and other government transfers.

Parties interested in obtaining subsidies must present specific projects to the Ministry. Applications are published and if there is more than one party interested in the same project, it is awarded by competitive bid to the bidder requesting the least subsidy.

The Ministry must sign a contract with the successful bidder. Investment must be made in accordance with the contract's terms. The subsidy is allocated when the Ministry has determined that the investment project has been executed in accordance with the terms of the contract.

## **4.13 Honduras**

### **Introduction**

In 1995, the new telecommunications law was adopted,<sup>188</sup> which provided for a concession to the public operator, the Honduran Telecommunications Company (HONDUTEL), with exclusivity for the provision of basic services for a 10-year period. The Company was also authorized to enter into associations or conclude management contracts for national and international services, which has led to HONDUTEL's capitalization projects.

### **Universalization of Services**

The law establishes as a power and function of the regulatory authority, the National Telecommunications Commission (CONATEL), the promotion of universalization of telecommunications services and obtention of the highest quality at the lowest possible cost.<sup>189</sup>

In addition, on establishing HONDUTEL's exclusivity, the law provides that HONDUTEL will provide national and international telephone services and will continue to provide telegraphy services in those places where there is no other means of communication with the rest of the country.

## 4.14 Mexico

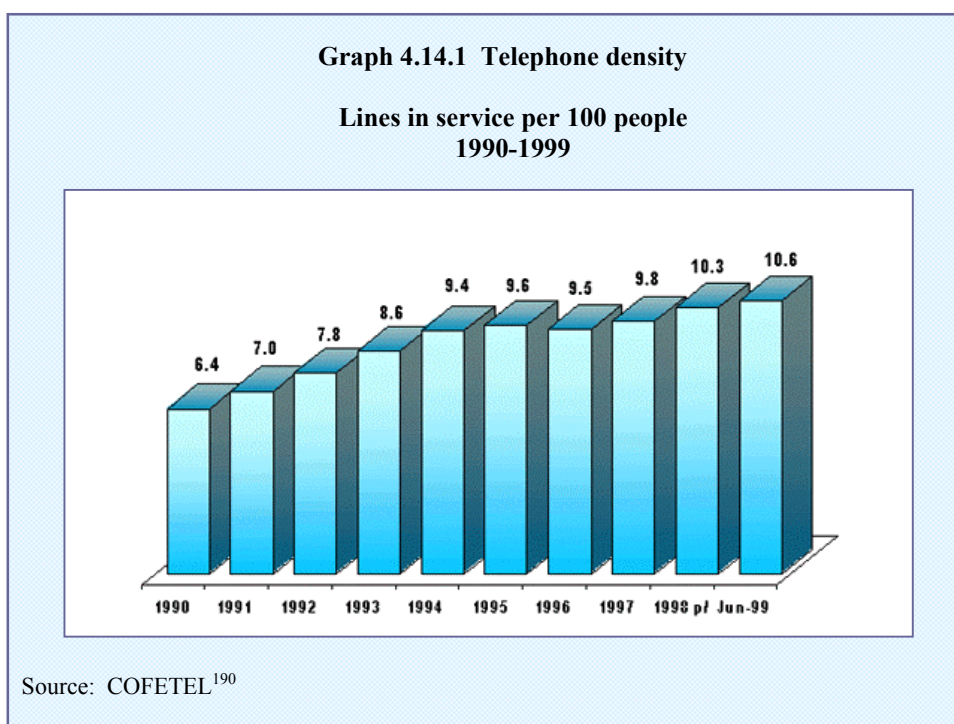
### Introduction

TELMEX, the public operator, was privatized in 1990. The amendment to the concession instrument provided for a program of goals for network expansion and modernization, and rural telephony and public telephone programs.

The Telecommunications Act of 1995 introduced competition in all market segments, so that when the exclusivity regime had ended, the long distance service market was deregulated, beginning in January 1997, when interconnection service was first offered. After local service rules were issued in 1997 – which did not provide for exclusivity, thereby making it possible to conduct competitive bids for fixed and mobile wireless access - competition was introduced with the granting of new concessions for services.

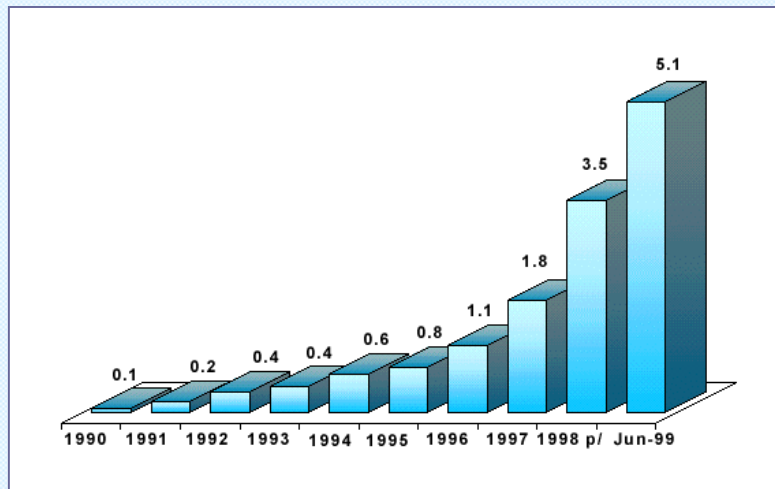
The new legal framework created by the 1995 Act establishes, *inter alia*, the social objective of public network coverage and the Ministry of Communications' function of achieving universal access.

Fixed and mobile telephone density and the percentage of network digitalization to June 1999 are shown in Graphs 4.14.1, 4.14.2, and 4.14.3.



**Graph 4.14.2. Cellular telephony penetration**

**Cellular penetration. Users per 100 people**



Source: COFETEL

**Graph 4.14.3. Percentage of digitalization of plant**



Source: COFETEL

## **Legal Conceptualization**

The Federal Telecommunications Act treats universal access/service in the section on social coverage of the public networks (which is also one of the objectives of the Act), and instructs the Ministry of Communications to seek to provide adequate telecommunications services throughout Mexico and to provide public network access for public services and social services, units of production, and the population in general.

For such purposes, the Ministry is responsible for preparing social and rural coverage programs, taking account of the proposals of the Mexican states, the concessionaires, and other concerned parties.

The Act provides that the programs may be executed by any concessionaire. The Telecommunications Regulations expressly state that concessionaires are required to carry out their public network expansion and modernization plans in accordance with the conditions and goals established in the corresponding concession instrument.

The concessionaire's obligations as defined in the Regulations are:

- To provide, in the least possible time, within its concession area, access for all to basic telephone service by means of public telephones or residential service
- To fulfill this obligation in keeping with the concessionaire's financial capacity, demand for telephone service, and the plan defined by the concessionaire with the Ministry

## **Privatization Goals**

The amendment to the TELMEX concession instrument makes explicit reference to the "universal service objective," and establishes this objective in the same terms as those of the Telecommunications Regulations mentioned above.

The amendment to the concession instrument provides that the concessionaire is required to implement an expansion plan (renewable every four years) that includes rural telephony and public telephones, as follows:

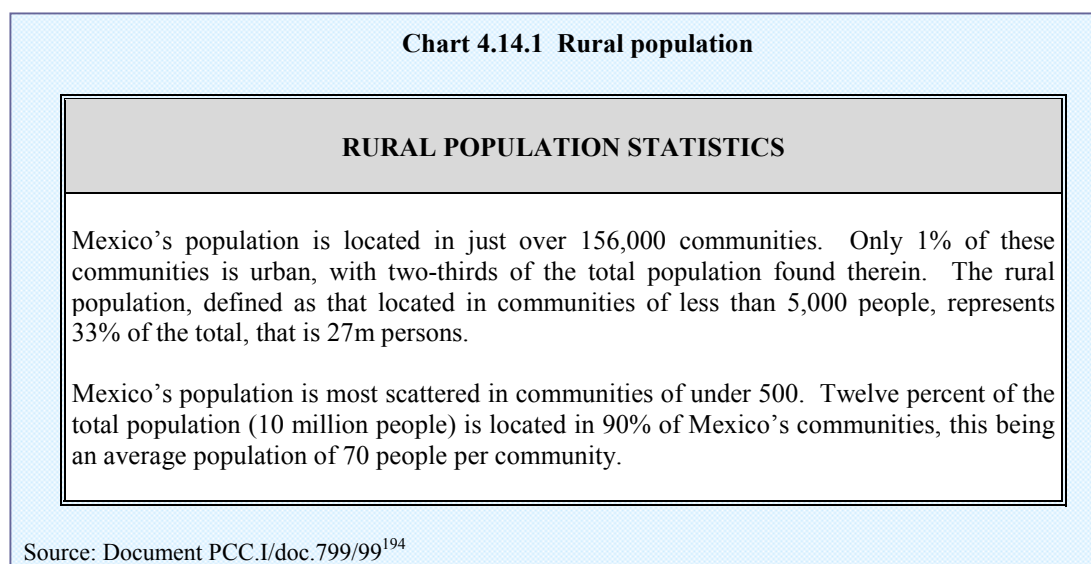
- By December 31, 1994, access to telephone service through provision of at least one public telephone booth or long distance agency in areas of over 500 people;
- Between January 1, 1991 and December 31, 1994, telephone service installed by means either of manually or electronically switched agencies in all communities of over 2,500 people;
- From January 1, 1995, automatically switched telephone service installed in all communities in which there are at least 100 applications for telephone service;
- By December 31, 1998, public telephone booth density increased from 0.5 to 2 per 1000 people by December 31, 1998 and to 5 per 1000 people.

## Programs Executed<sup>191</sup>

The public telephony regulations of 1996<sup>192</sup> regulated this service, to be provided by marketing companies of public telephony. This service may also be operated by local service concessionaires. Many permits have been granted to such marketing companies. It is estimated from the permit holders' business plans that investment will be 400m Mexican pesos over the next five years, with plans for the installation of over 150,000 public telephones other than those belonging to Telmex.<sup>193</sup>

The following rural telephony programs were instituted:

- 1989-1994 (Telmex): the concession instrument provides for an increase in service installation from 300 to 2,500 rural communities per year. During 1989-1994, 13,500 communities of between 500 and 2,500 residents were connected, with an annual investment of 100m Mexican pesos.
- 1995-2000: to increase access in communities of between 100 and 499 people (28,000 communities), utilization of cellular satellite technology in Band L was introduced (for difficult-to-access and mountainous areas) and trunking. In the 1995-1998 period, 20,992 communities were connected, with total investment of 18,029m Mexican pesos. The 1999-2000 program (satellite) provides for the connection of 3,000 communities through the use of Band L, with an investment of US\$10.5m. Therefore only 6,877 communities will remain without telephone service.



Social coverage goals, for which the Ministry of Communications is responsible, also include projects for the implementation of technological advances to improve universal access. The following programs are included among the activities carried out by the Ministry:

- SEDESOL-DICONSA: cellular service to 8,683 fresh food markets.

- SALUD-SCT: in coordination with the Ministry of Communications and Health, to connect 2,648 primary care health centers; and a pilot program for medical mobile satellite service in Band L, envisaged for July 1999.

### **Projected creation of a Fund**

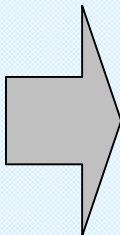
The 1999 Work Program of the Ministry of Communications and Transportation includes, under strategy formulation, the objective of achieving greater telephone service coverage and penetration and of enhancing the quality and diversity of services, at affordable prices, to benefit most users. Among activities defined to achieve these objectives is the initiation of studies and consultations to establish a fund to promote, with the participation of all sectors of industry, an increase in coverage and penetration of local residential service in areas or sectors of average or low profitability, with precise mechanisms to replace mechanisms included in the interconnection rates.

**Chart 4.14.2**  
**ESTABLISHMENT OF A UNIVERSAL**  
**SERVICE FUND**

History

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- Sharp increases in monthly residential tariffs, 122.6% in USD in the last three years.
- Reductions in user purchasing power has negatively affected teledensity
- Local service contribution recovery through interconnection is not sufficient
- The 1999 2.9c US interconnection rate in effect in Mexico incorporates a contribution for operators with residential coverage



Next steps

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- Industry will participate in creating a universal service fund
- The fund will be devoted to maintaining operator profitability in areas of social interest
- The fund will be managed by a third party to ensure efficiency and transparency

Source: COFETEL.

## 4.15 Nicaragua

### Introduction

The Nicaraguan Telecommunications Company (ENITEL) was created, through legislation passed in 1995,<sup>195</sup> as a state-owned corporation to provide telecommunications services previously provided by the Nicaragua Institute (TELCOR), which then became the regulatory authority. The ENITEL concession provides for a 4-year temporary exclusivity period to provide local basic and national and international long distance telephone services. It also awarded the aforementioned company a license to provide cellular telephony in Band B.

Tables 4.15.1 and 4.15.2 show the data available to 1997 on lines in service and population in Nicaragua. Table 4.15.3 and Graphs 4.15.1 and 4.15.2 give information on the PUBLITEL telephone system and cellular services.

**Table 4.15.1 Installed telephone capacity and lines in service**

	1990	1991	1992	1993	1994	1995	1996	1997
Installed capacity	63.187	64.294	82.177	93.026	98.444	121.600	148.727	151.972
Lines in service	46,328	48,305	54,280	66,810	85,254	96,611	121.600	122.311

Source: Anuarios Estadísticos de TELCOR – April 1, 1997

Source: Document PCC.I/doc. 426/97<sup>196</sup>

**Table 4.15.2. Population**

Population	1990	1991	1992	1993	1994	1995	1996	1997
In 1000s)	3,870.8	3,999.2	4,130.7	4,109.7	4,034.8	4,139.5	4,519.2	4,670.6

Source Anuario Estadísticos TELCOR Instituto Nacional de Estadísticas y Censos.

Source: Document PCC.I/doc. 426/97

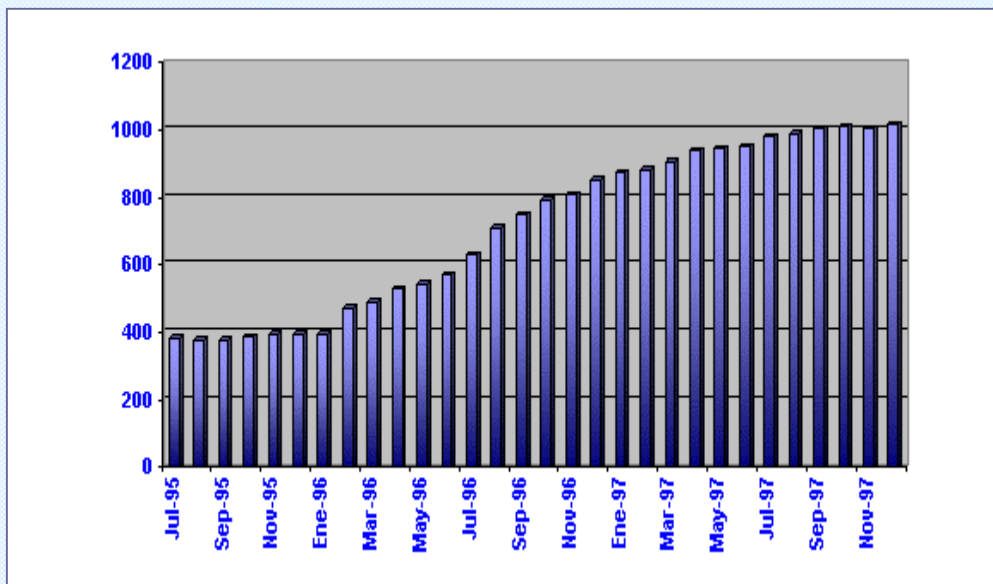
**Table 4.15.3 Cellular subscriber telephone lines**

TYPE	1994	1995	1996	1997
Lines in service	2,284	3,660	5,100	7,911
Public telephone service provided by cellular telephony				345

Source: TELCOR<sup>197</sup>.

**Graph 4.15.1 PUBLITEL telephone system**

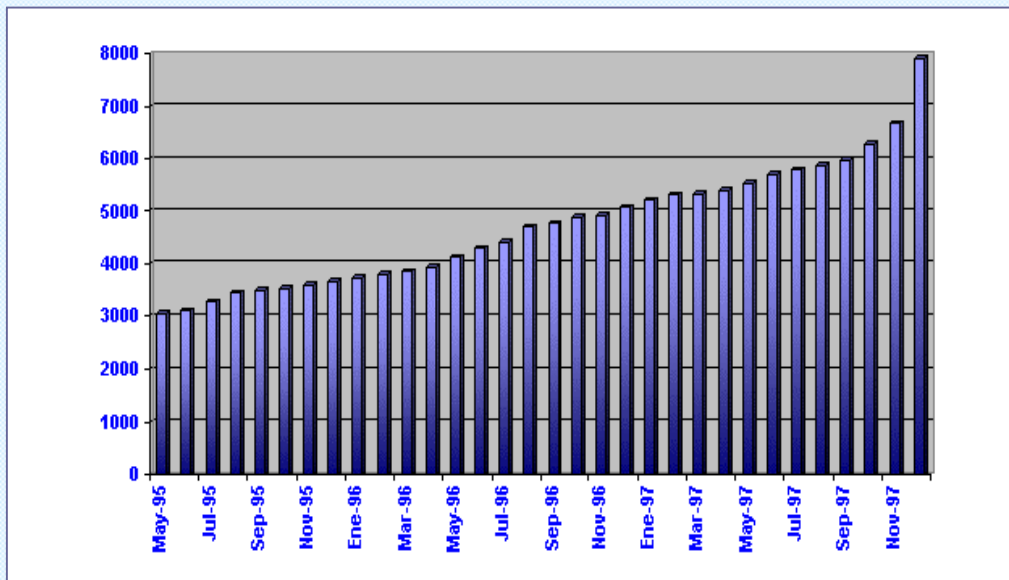
CUMULATIVE MONTHLY GROWTH  
(July 1995 - December 1997)



Source: TELCOR

**Graph 4.15.2 Cellular telephony system**

CUMULATIVE MONTHLY GROWTH  
(May 1995 – December 1997)



Source: TELCOR

## Universalization of Basic Services

As provided in the Telecommunications Act, telecommunications shall be geared, *inter alia*, to:

- Ensuring the planned, sustained, orderly, and efficient development of telecommunications
- Ensuring the availability to all inhabitants of Nicaragua of a broad range of high-quality services in a deregulated environment at the lowest possible cost
- Ensuring and promoting the extension of telecommunications services in rural areas
- Protecting the inalienable right of users to access to services

In this framework, TELCOM, in its capacity as regulatory authority, is responsible for ensuring that through deregulation, good-quality universal service is provided on a stable basis, at reasonable prices based on actual costs, and that it serves the interests of Nicaraguans, as it is considered that universal service is directed at local service. For rural areas, TELCOR is promoting, through the principal operators (ENITEL, NICACEL, and PUBLITEL) installation of services in communities of over 500, provisions existing in contracts concluded between

operators and the regulatory authority that service shall be provided, at controlled prices, through public telephone booths to ensure access to all consumers.<sup>198</sup>

The aforementioned Act does not expressly define the concept of universal service. It is implemented through the network expansion and modernization goals established in the basic telephone service operator's concession at the time ENITEL was created, which does not envisage that it would be privatized. Thus, the Deregulation Act, passed at that time, provides, *inter alia*, for the following goals (in addition to quality objectives, such as waiting time, repair time, itemized billing, etc.):

- Public telephones and rural telephony:
  - ✓ By December 31, 1998, exceed 2000 public telephones in total
  - ✓ By December 31, 1998, at least one public telephone in every town
  - ✓ By December 31, 1999, at least one public telephone in every community of over 500.
- Expansion of basic telephony:
  - ✓ By December 31, 1998, all towns of over 1000 people shall have this service
  - ✓ By December 31, 1998, telephone density of 6%
  - ✓ By December 31, 1999, telephone density of 10%.
- Improvement of network:
  - ✓ By December 31, 1999, replace all analog telephone exchanges with digital.

## **4.16 Panama**

### **Introduction**

The new Telecommunications Act was adopted in Panama in 1996.<sup>199</sup> The public operator, INTEL, was privatized in this context, 49% of which was acquired by Cable & Wireless. The concession granted in 1997 established a five-year temporary exclusivity period for local basic and national and international long distance services and established expansion and service quality goals. Since 1991, cellular services have been provided in Band B, allocated to the former INTEL, and in Band A by BSC.

### **Universal Access**

The objective of the Telecommunications Act is to accelerate the sector's modernization and development and to extend universal service to both urban and rural areas.

The regulations to the Act<sup>200</sup> provide that the public services regulatory authority<sup>201</sup> shall coordinate with the Ministry of Planning and Economic Policy to prepare appropriate policy to encourage concessionaires to provide telecommunications services in keeping with the principle of universal access, ensuring the continuity, quality, and efficiency of telecommunications services throughout Panama.

Government policy in this area recognizes that the establishment of telecommunications in rural areas (of under 1,500) is a priority objective and is geared to promoting telephone service in difficult-to-access rural areas where service would fulfill a social purpose, and permits third parties to provide service in those places if such service is not included on the basic services development schedule. Such third parties also have preferential right to handle such places.

The concession contract awarded to Cable & Wireless Panama S.A. (formerly INTEL) establishes expansion and service quality goals, which include goals geared to ensuring telephone service provision in difficult-to-access areas. The contract also includes the obligation to maintain unchanged, during the temporary exclusivity period, the universal access tariff for basic telephone service.

## **4.17 Paraguay**

### **Introduction**

The Telecommunications Act was passed in Paraguay in 1995,<sup>202</sup> establishing the rules to govern the sector, creating the National Telecommunications Commission (CONATEL) as the regulatory authority, and proposing certain measures to transform the National Telecommunications Administration (ANTELCO) and grant it a new concession, which is to be approved through a specific law. Basic services continue to be provided by ANTELCO, and a competitive regime applies in the other market segments, including cellular services and PCS.

### **Universal Service**

By way of applicable principles, the Telecommunications Act provides that any natural person or legal entity shall have free and equal access to the use (and provision) of telecommunications services, and provides that, for full exercise of this right, integration of the remotest areas of Paraguay is to be promoted.

In this context, the chapter on Telecommunications Development of the aforementioned Act created the Universal Services Fund, to be managed by CONATEL, which may not use Fund resources for its own expenses or financing.

The purpose of the Fund is to subsidize public telecommunications service providers in areas that so justify, in accordance with the conditions, beneficiaries, and definition of areas to be established in regulations to be issued. The General Regulations<sup>203</sup> to the Act provide that CONATEL will approve the specific regulations in this area, a provision included in a title entitled “Special Universal Services Fund Duty.”

The Act’s transitory provisions provide that any funds deriving from duties, rates, and fines collected that remain after allocation to their specific purposes will be devoted exclusively to telecommunications development.

The provisions pertaining to rates establish that CONATEL will set reduced differential tariffs and rates in areas where efficient public services are not available or where reasons of public and social interest, or regional development and promotion prevail.

CONATEL has stated that the Universal Services Fund is a priority objective and that it will serve to “promote basic telephone service in rural areas, and in areas of low profitability in which the private sector has marginal interest.”<sup>204</sup>

## 4.18 Uruguay

### Introduction

In Uruguay, all national and international telecommunications services are provided by the National Telecommunications Administration (ANTEL). Since 1994, cellular telephony has been provided by a subsidiary of ANTEL, and by a private company operating since 1991. In the segment of value added services, among them Internet access, services are provided by departments of ANTEL, which in turn has authorized private companies to provide these services.

Tables 4.18.1 and 4.18.2 show the sector's main indicators and the trend in total network digitalization.

**Table 4.18.1 Indicators**

INDICATORS	1997	1998
National teledensity	27.3%	30.4%
Fixed teledensity	23.8%	25.6%
Mobile teledensity	3.5%	4.8%
National cellular coverage	100%	100%
Network digitalization	100%	100%
Penetration by households	62%	67%
Applications responded to within 30 days	...	99%
Employees per 1000 terminals (fixed and mobile)	7.0	6.4
Operating and finance costs (in US\$ millions)	667.9	711
Ancel customers <sup>205</sup>	58,829	8,072

Source: ANTEL<sup>206</sup>

**Table 4.18.2 Network digitalization**

YEAR	%DIGITALIZATION
1986	2%
1987	17%
1988	33%
1990	58%
1993	65%
1994	79%
1995	84%
1996	89%
1997	100%

Source: ANTEL

### **The Concept of Universalization**

The Act<sup>207</sup> creating ANTEL defines the public telecommunications services for which ANTEL is responsible as “essential”. The Political Constitution of the Eastern Republic of Uruguay<sup>208</sup> protects the right to communicate. Telecommunications legislation, comprising the laws creating ANTEL and the National Communications Directorate (DNC),<sup>209</sup> does not expressly define universal service.

The state enterprise has undertaken universalization of services in this framework, achieving the density levels shown in Table 4.18.1, total network digitalization, and response to demand for fixed (urban or rural) and mobile telephony. For this purpose, technological advances have been incorporated to facilitate access, such as the wireless local loop (WLL) and use of fixed cellular services in rural areas.<sup>210</sup>

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# **ANNEX “A”**

**Lists of Commitments and List of MFN exemptions annexed to the Fourth  
Protocol of the General Agreement on Trade in Services (GATS) of the World  
Trade Organization (WTO)**



# ANTIGUA AND BARBUDA

## Schedule of Specific Commitments

### Supplement 1

(This is authentic in English only)

This text is inserted as the Telecommunication services section in document GATS/SC/2.

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
2.C. <u>Telecommunications services</u> a. Voice telephone services (7521) b.	(1) Bypass of exclusive operators not permitted until 2012. None as of 2012.  (2) None  (3) Domestic telephone reserved to Government owned exclusive operator. International telephone reserved to international exclusive operator until 2012. None as of 2012 (only applies to international telephone).  (4) Unbound except as indicated in the horizontal section	(1) None  (2) None  (3) None  (4) Unbound except as indicated in the horizontal section	See attached additional commitments on regulatory disciplines.
<u>For public use</u> b. Packet-switched data transmission services (7523**) c. Circuit-switched data transmission service (7523**) d. Telex services (7523**) e. Telegraph services (7522) a. Private leased circuit services (7522**, 7523**)	(1) Bypass of exclusive operators not permitted until 2012. None as of 2012 for international services.  (2) None  (3) Reserved to exclusive operators until 2012. None as of 2012 for international services.  (4) Unbound except as indicated in the horizontal section. None as of 2012 for international services.	(1) None  (2) None  (3) None  (4) Unbound except as indicated in the horizontal section	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<u>For non-public use</u> (i.e. Closed user groups): b. Packet-switched data transmission services (7523**) c. Circuit-switched data transmission services (7523**)	(1) Only on network facilities supplied by the exclusive operators and bypass of exclusive operators not permitted. None as of 2012 for international services. (2) None (3) Only on network facilities supplied by the exclusive operators and bypass of exclusive operators not permitted and resale of excess capacity are not permitted until 2012. None as of 2012 for international services. (4) Unbound except as indicated in the horizontal section	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section	
f. Facsimile services (7521**, 7529**) h. Electronic mail (7523**) i. Voice mail (7523**) j. On-line information and data base retrieval (7523**) k. Electronic data interchange (7523**) l. Enhance/value-added facsimile services incl. Store and forward Store and retrieve (7523**)	(1) Only on network facilities supplied by the exclusive operators. (2) None (3) Only on network facilities supplied by the exclusive operators. (4) Unbound except as indicated in the horizontal section	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section	
m. Code and protocol conversion n. On-line information and/or data Processing (incl. Transaction Processing) (843**) o. Other Internet and internet access (Except voice) (75260)			
Mobile service (terrestrial based) <ul style="list-style-type: none"> <li>- Cellular/mobile telephone services</li> <li>- Mobile data services</li> <li>- Personal communications services</li> </ul>	(1) Unbound (2) None (3) Foreign ventures permitted only if capital invested is greater than US\$500,000, ventures less than	(1) None (2) None (3) None	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<ul style="list-style-type: none"> <li>- Paging (75291)</li> <li>- Trunked radio system services</li> </ul>	<p>US\$500,000 reserved to nationals.</p> <p>(4) Unbound except as indicated in the horizontal section</p>	<p>(4) Unbound except as indicated in the horizontal section</p>	
<p>Mobile services (satellite-based)</p> <ul style="list-style-type: none"> <li>- Mobile telephone services</li> <li>- Mobile data services</li> <li>- Personal communications services</li> <li>- Paging</li> <li>- Trunked radio system services</li> </ul>	<p>(1) Only through arrangements between satellite transport service suppliers and exclusive international operator, who is under obligation not to limit the number of suppliers with whom such arrangements will be entered into</p> <p>(2) None</p> <p>(3) Reserved to supply by exclusive operator in accordance with arrangements indicated under mode 1.</p> <p>(4) Unbound except as indicated in the horizontal section.</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in the horizontal section</p>	
Fixed satellite services	<p>(1) Only through arrangements between satellite transport service suppliers and exclusive international operator, who is under obligation not to limit the number of suppliers with whom such arrangements will be entered into</p> <p>(2) None</p> <p>(3) Only on satellite network capacity supplied by the exclusive international operator and bypass of exclusive international operator not permitted.</p> <p>(4) Unbound except as indicated in the horizontal section</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in the horizontal section</p>	
Teleconferencing services (75292)	<p>(1) Only on network facilities supplied by the exclusive operators.</p> <p>(2) None</p> <p>(3) Only on network facilities supplied by the exclusive operators.</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
	(4) Unbound except as indicated in the horizontal section	(4) Unbound except as indicated in the horizontal section	
Telecommunications equipment sales, rental, maintenance, connection, repair and consulting services (75410, 75450)	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section	

## **REFERENCE PAPER**

### Scope

The following are definitions and principles on the regulatory framework for the basic telecommunications services.

### Definitions

Users mean service consumers and service suppliers.

Essential facilities mean facilities of a public telecommunications transport network or service that

- (a) are exclusively or predominantly provided by a single or limited number of suppliers; and
- (b) cannot feasibly be economically or technically substituted in order to provide a service.

A major supplier is a supplier which has the ability to materially affect the terms of participation (having regard to price and supply) in the relevant market for basic telecommunications services as a result of:

- (a) control over essential facilities; or
- (b) use of its position in the market.

### 1. Competitive safeguards

#### 1.1 Prevention of anti-competitive practices in telecommunications

Appropriate measures shall be maintained for the purpose of preventing suppliers who, alone or together, are a major supplier from engaging in or continuing anti-competitive practices.

#### 1.2 Safeguards

The anti-competitive practices referred to above shall include in particular:

- (a) engaging in anti-competitive cross-subsidization;
- (b) using information obtained from competitors with anti-competitive results; and
- (c) not making available to other services suppliers on a timely basis technical information about essential facilities and commercially relevant information which are necessary for them to provide services.

## 2. Interconnection

2.1 This section applies to linking with suppliers providing public telecommunications transport networks or services in order to allow the users of one supplier to communicate with users of another supplier and to access services provided by another supplier, where specific commitments are undertaken.

### 2.2 Interconnection to be ensured

Interconnection with a major supplier will be ensured at any technically feasible point in the network. Such interconnection is provided.

- (a) under non-discriminatory terms, conditions (including technical standards and specifications) and rates and of a quality no less favourable than that provided for its own like services or for like services of non-affiliated service suppliers or for its subsidiaries or other affiliates;
- (b) in a timely fashion, on terms, conditions (including technical standards and specifications) and cost-oriented rates that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled so that the supplier need not pay for network components or facilities that it does not require for the service to be provided; and
- (c) upon request, at points in addition to the network termination points offered to the majority of users, subject to charges that reflect the cost of construction of necessary additional facilities.

### 2.3 Public availability of the procedures for interconnection negotiations

The procedures applicable for interconnection to a major supplier will be made publicly available.

### 2.4 Transparency of interconnection arrangements

It is ensured that a major supplier will make publicly available either its interconnection agreements or a reference interconnection offer.

### 2.5 Interconnection: dispute settlement

A service supplier requesting interconnection with a major supplier will have recourse, either:

- (a) at any time or
- (b) after a reasonable period of time which has been made publicly known

to an independent domestic body, which may be a regulatory body as referred to in paragraph 5 below, to resolve disputes regarding appropriate terms, conditions and rates for interconnection within a reasonable period of time, to the extent that these have not been established previously.

3. Universal service

Any Member has the right to define the kind of universal service obligation it wishes to maintain. Such obligations will not be regarded as anti-competitive *per se*, provided they are administered in a transparent, non-discriminatory and competitively neutral manner and are not more burdensome than necessary for the kind of universal service defined by the Member.

4. Public availability of licensing criteria

Where a licence is required, the following will be made publicly available:

- (a) all the licensing criteria and the period of time normally required to reach a decision concerning an application for a licence and
- (b) the terms and conditions of individual licences.

The reasons for the denial of a licence will be made known to the applicant upon request.

5. Independent regulators

The regulatory body is separate from, and not accountable to, any supplier of basic telecommunications services. The decisions of and the procedures used by regulators shall be impartial with respect to all market participants.

6. Allocation and use of scarce resources

Any procedures for the allocation and use of scarce resources, including frequencies, numbers and rights of way, will be carried out in an objective, timely, transparent and non-discriminatory manner. The current state of allocated frequency bands will be made publicly available, but detailed identification of frequencies allocated for specific government uses is not required.



## ANTIGUA AND BARBUDA

### List of Article II (MFN) Exemptions

(This is authentic in English only)

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<b>Error! Bookmark not defined.</b> Sector or subsector	Description of measure indicating its inconsistency with Article II	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
2.C. Telecommunication services  Mobile services (terrestrial based)	Measures which regional agreements offer Caricom National equal treatment to domestic nationals	Caricom member countries	Indefinite	Caricom Single Market Agreement



## ARGENTINA

### Lista de compromisos específicos

#### Suplemento 1

(Esta lista es auténtica en español únicamente)

Esta lista complementa la sección sobre los servicios de telecomunicaciones contenida en las páginas 9 a 12 del documento GATS/SC/4.

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
2.C. SERVICIOS DE TELECOMUNICACIONES			
Todos los subsectores	Esta oferta no incluye la provisión de facilidades satelitales de los satélites artificiales geoestacionarios del Servicio Fijo por Satélite.		Ver Anexo adjunto.
Los servicios incluidos en esta columna podrán ser provistos mediante cualquier medio tecnológico (Ej: fibra óptica, enlaces radioeléctricos, satélites, cables), con excepción de las limitaciones señaladas en la columna de acceso a los mercados.			
- Servicio telefónico básico local y larga distancia nacional (CCP 7521)	1) Ninguna a partir del 8 de noviembre del año 2000. 2) Ninguna 3) Ninguna a partir del 8 de noviembre del año 2000. 4) Sin consolidar excepto lo indicado en los compromisos horizontales.	1) Ninguna 2) Ninguna 3) Ninguna 4) Sin consolidar excepto lo indicado en los compromisos horizontales.	
- Telefonía internacional	1) Ninguna a partir del 8 de noviembre del año 2000.	1) Ninguna	

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
(CCP 7521)	2) Ninguna 3) Ninguna a partir del 8 de noviembre del año 2000. 4) Sin consolidar excepto lo indicado en los compromisos horizontales.	2) Ninguna 3) Ninguna 4) Sin consolidar excepto lo indicado en los compromisos horizontales.	
- Datos Nacional (CCP 7523**)	1) Ninguna 2) Ninguna 3) Ninguna 4) Sin consolidar excepto lo indicado en los compromisos horizontales.	1) Ninguna 2) Ninguna 3) Ninguna 4) Sin consolidar excepto lo indicado en los compromisos horizontales.	
- Telex Nacional (CCP 7523**)	1) Ninguna 2) Ninguna 3) Ninguna 4) Sin consolidar excepto lo indicado en los compromisos horizontales.	1) Ninguna 2) Ninguna 3) Ninguna 4) Sin consolidar excepto lo indicado en los compromisos horizontales.	
- Facsímil Nacional Almacenamiento y retransmisión (CCP 7521** + 7529**)	1) Ninguna 2) Ninguna 3) Ninguna 4) Sin consolidar excepto lo indicado en los compromisos horizontales.	1) Ninguna 2) Ninguna 3) Ninguna 4) Sin consolidar excepto lo indicado en los compromisos horizontales.	Ver Anexo adjunto
- Datos Internacional (CCP 7523**)	1) Ninguna a partir del 8 de noviembre del año 2000. 2) Ninguna	1) Ninguna 2) Ninguna	

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
	3) Ninguna a partir del 8 de noviembre del año 2000. 4) Sin consolidar excepto lo indicado en los compromisos horizontales.	3) Ninguna 4) Sin consolidar excepto lo indicado en los compromisos horizontales.	
- Telex Internacional (CCP 7523**)	1) Ninguna a partir del 8 de noviembre del año 2000. 2) Ninguna 3) Ninguna a partir del 8 de noviembre del año 2000. 4) Sin consolidar excepto lo indicado en los compromisos horizontales.	1) Ninguna 2) Ninguna 3) Ninguna 4) Sin consolidar excepto lo indicado en los compromisos horizontales.	
- Facsímil Internacional Almacenamiento y Retransmisión (CCP 7521** + 7529**)	1) Ninguna 2) Ninguna 3) Ninguna excepto que hasta el 8 de noviembre del año 2000 los enlaces utilizados para la prestación de este servicio deben pertenecer a la empresa titular de la exclusividad para la provisión de enlaces internacionales. 4) Sin consolidar excepto lo indicado en los compromisos horizontales.	1) Ninguna 2) Ninguna 3) Ninguna 4) Sin consolidar excepto lo indicado en los compromisos horizontales.	
- Circuitos arrendados para telefonía	1) Ninguna 2) Ninguna 3) Ninguna excepto que, hasta el 8 de noviembre del año 2000, les corresponde a las actuales licenciatarias del servicio telefónico básico una preferencia para su instalación de 60 días en áreas de tarifas básicas o 180 días fuera de ellas. 4) Sin consolidar excepto lo indicado en los compromisos horizontales.	1) Ninguna 2) Ninguna 3) Ninguna 4) Sin consolidar excepto lo indicado en los compromisos horizontales.	Ver Anexo adjunto

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
Circuitos arrendados para voz y datos internacionales	1) Ninguna 2) Ninguna 3) Ninguna excepto que, hasta el 8 de noviembre del año 2000, le corresponde al operador internacional una preferencia temporal de 120 días para su instalación. 4) Sin consolidar excepto lo indicado en los compromisos horizontales.	1) Ninguna 2) Ninguna 3) Ninguna 4) Sin consolidar excepto lo indicado en los compromisos horizontales.	
Servicios Móviles: Servicio de Telefonía Móvil (STM) Servicio de Comunicaciones Personales (PCS) Búsqueda de personas (Paging) Concentración de enlaces (Trunking) Datos móviles	1) Ninguna 2) Ninguna 3) Ninguna El STM se presta en un régimen duopólico estando asignado el espectro disponible en todas las áreas de explotación. En el Servicio de Comunicaciones Personales (PCS), la autoridad de aplicación determinará, conforme a las necesidades presentes y futuras, la cantidad de prestadores por áreas de explotación. 4) Sin consolidar excepto lo indicado en los compromisos horizontales	1) Ninguna 2) Ninguna 3) Ninguna 4) Sin consolidar excepto lo indicado en los compromisos horizontales.	

## ANEXO

### Alcance

A continuación figuran definiciones y principios relativos al marco reglamentario de los servicios de telecomunicaciones básicas.

### Definiciones

Por usuarios se entiende los consumidores de servicios y los proveedores de servicios.

Por facilidades esenciales se entiende las funciones y elementos de una red pública de telecomunicaciones que:

- a) son suministradas exclusivamente o de manera predominante por un solo proveedor o por un número limitado de proveedores; y
- b) cuya sustitución con miras al suministro de un servicio no sea factible en lo económico o en lo técnico.

Un proveedor dominante es aquel que tiene la capacidad de afectar de manera importante las condiciones de participación (desde el punto de vista de los precios y del suministro) en un mercado dado de servicios de telecomunicaciones básicas como resultado de:

- a) el control de las facilidades esenciales; o
- b) la utilización de su posición en el mercado.

### 1. Salvaguardias de la competencia

#### 1.1 Prevención de las prácticas anticompetitivas en la esfera de las telecomunicaciones

Se mantendrán medidas adecuadas con el fin de impedir que aquellos proveedores que, individual o conjuntamente, sean un proveedor dominante empleen o sigan empleando prácticas anticompetitivas.

#### 1.2 Salvaguardias

Las prácticas anticompetitivas a las que se hace referencia supra incluirán, en particular, las siguientes:

- a) realizar actividades anticompetitivas de subvención cruzada;
- b) utilizar información obtenida de competidores con resultados anticompetitivos; y

- c) no poner oportunamente a disposición de los demás proveedores de servicios la información técnica sobre las facilidades esenciales y la información comercialmente pertinente que éstos necesiten para suministrar servicios.

## 2. Interconexión

2.1 Este artículo se refiere al acceso proporcionado entre prestadores a los efectos de posibilitar el acceso a los clientes, usuarios, servicios o elementos de red.

### 2.2 Interconexión que se ha de asegurar

La interconexión con un proveedor dominante quedará asegurada en cualquier punto técnicamente factible de la red. Los acuerdos de interconexión se efectuarán:

- a) en términos y condiciones (incluidas las normas y especificaciones técnicas) y precios no discriminatorios, y será de una calidad no menos favorable que la disponible para sus propios servicios similares o para servicios similares de proveedores de servicios no vinculados o para sus filiales u otras sociedades vinculadas;
- b) en una forma oportuna, en términos y condiciones (incluidas las normas y especificaciones técnicas) y con precios basados en costos que sean transparentes, razonables, y estén suficientemente desagregados para que el proveedor no deba pagar por componentes o instalaciones de la red que no necesite para el suministro del servicio.

### 2.3 Disponibilidad pública de los procedimientos de negociación de interconexiones

Se pondrán a disposición del público los procedimientos aplicables a la interconexión con un proveedor dominante.

### 2.4 Transparencia de los acuerdos de interconexión

Se garantiza que todo proveedor dominante pondrá a disposición del público sus acuerdos de interconexión o una oferta de interconexión de referencia.

### 2.5 Interconexión: solución de diferencias

Todo proveedor de servicios que solicite la interconexión con un proveedor dominante podrá solicitar:

- a) en cualquier momento; o
- b) después de un plazo razonable que se haya dado a conocer públicamente

que un órgano nacional independiente, resuelva dentro de un plazo razonable las diferencias con respecto a los términos, condiciones y precios de la interconexión, siempre que éstos no hayan sido establecidos previamente.

### 3. Servicio universal

Todo Miembro tiene derecho a definir el tipo de obligación de servicio universal que desee mantener. No se considerará que las obligaciones de esa naturaleza son anticompetitivas per se, a condición de que sean administradas de manera transparente y no discriminatoria y con neutralidad en la competencia y no sean más gravosas de lo necesario para el tipo de servicio universal definido por el Miembro.

### 4. Disponibilidad pública de los criterios para otorgar licencias

Cuando se exija una licencia, se pondrán a disposición del público:

- a) todos los criterios de concesión de licencias y los plazos normalmente requeridos para tomar una decisión relativa a una solicitud de licencia; y
- b) los términos y condiciones de las licencias.

A solicitud del interesado le serán comunicadas las razones de la denegación de la licencia.

### 5. Independencia del ente regulador

El ente regulador será independiente de todo proveedor de servicios de telecomunicaciones básicas, y no responderá ante él. Las decisiones del ente regulador y los procedimientos aplicados serán imparciales con respecto a todos los participantes en el mercado.

### 6. Asignación y utilización de recursos escasos

Todo procedimiento para la asignación y utilización de recursos escasos, como las frecuencias, los números y los derechos de paso, se llevará a la práctica de manera objetiva, transparente y no discriminatoria. Se pondrá a disposición del público el estado actual de las bandas de frecuencia asignadas, pero no es preciso identificar detalladamente las frecuencias asignadas a usos oficiales específicos.

## COMUNICACIÓN DE ARGENTINA

### Lista de exenciones del artículo II (NMF)

(Esta lista es auténtica en español únicamente)

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Sector o subsector	Descripción de la medida indicando su inconsistencia con el Artículo II	Países alcanzados por la medida	Duración	Condiciones en que se origina la necesidad de la exención
2.C. Servicios de Telecomunicaciones	Se autorizará la provisión de facilidades satelitales de los satélites geoestacionarios que operen en el Servicio Fijo por Satélite en condiciones de reciprocidad.	Todos	Indefinida	Desarrollo de sistemas satelitales domésticos.

## BARBADOS

### Schedule of Specific Commitments

#### Supplement 1

(This is authentic in English only)

This text is inserted as the Telecommunication services section in document GATS/SC/9.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector (GNS/W/120 Coding)	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
2.C. Telecommunications Services			Barbados undertakes the obligations contained in the reference paper hereto
<u>For public use:</u>  a. Voice telephone services (7521)  b. Packet-switched data transmission services (7523**)  c. Circuit-switched data transmission services (7523**)  d. Telex services (7523**)  e. Telegraph services (7522)  f. Facsimile services (7521**, 7529**)  g. Private leased circuit services (7522**, 7523**)	(1) Until 1 January 2012, reserved to exclusive suppliers.  (2) None  (3) Until 1 January 2012, reserved to exclusive suppliers.  (4) Unbound except as indicated in the horizontal section.	(1) None  (2) None  (3) None  (4) Unbound except as indicated in the horizontal section.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector (GNS/W/120 Coding)	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<u>For non-public use (i.e. closed user groups, on a non-facilities basis):</u>			
a. Voice telephone services (7521)	(1) Until 1 January 2012, only permitted over networks of the exclusive suppliers; two-ended break-out not permitted.	(1) None	
b. Packet-switched data transmission (7523**)			
c. Circuit-switched data transmission services (7523**)	(2) None	(2) None	
d. Telex services (7523**)	(3) Until 1 January 2012, only permitted over networks of the exclusive suppliers; two-ended	(3) None	
e. Telegraph services (7522)			
f. Facsimile services (7521**, 7529**)	(4) Unbound except as indicated in the horizontal section.	(4) Unbound except as indicated in the horizontal section.	
<u>Value-added services:</u>			
h. Electronic mail (7523**)	(1) None	(1) None	
i. Voice mail (7523**)			
j. On-line information and data base retrieval (7523**)	(2) None	(2) None	
k. Electronic data interchange (7523**)	(3) None	(3) None	
l. Enhanced/value-added facsimile services, incl. store and forward, store and retrieve (7523**)	(4) Unbound except as indicated in the horizontal section.	(4) Unbound except as indicated in the horizontal section.	
m. Code and protocol conversion			
n. On-line information and/or data processing (incl. transaction processing) (843**)			
<u>Other:</u>	(1) None	(1) None	
- Internet and internet access services	(2) None	(2) None	
	(3) None	(3) None	
	(4) Unbound except as indicated in the horizontal section.	(4) Unbound except as indicated in the horizontal section.	
- Mobile services (terrestrial and satellite based)	(1) None as of 1 January 1999	(1) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector (GNS/W/120 Coding)	Limitations on Market Access		Limitations on National Treatment		Additional Commitments
- cellular/mobile telephone services	(2)	None	(2)	None	
- mobile data services	(3)	None as of 1 January 1999	(3)	None	
- personal communication services	(4)	Unbound except as indicated in the horizontal	(4)	Unbound except as indicated in the horizontal section.	
- paging					
- Fixed Satellite Services	(1)	None, except: two-ended break-out is not permitted.	(1)	None	
- VSAT services (for non-public use)	(2)	None, except: two-ended break-out is not permitted.	(2)	None	
	(2)	None, except: two-ended break-out is not permitted.	(3)	None	
	(4)	Unbound except as indicated in the horizontal section.	(4)	Unbound except as indicated in the horizontal section.	
- Telecom equipment sales, rental, maintenance, connection, repair and consulting services (7541, 7545)	(1)	None	(1)	None	
	(2)	None	(2)	None	
	(3)	None	(3)	None	
	(4)	Unbound except as indicated in the horizontal section.	(4)	Unbound except as indicated in the horizontal section.	

## **REFERENCE PAPER**

### Scope

The following are definitions and principles on the regulatory framework for the basic telecommunications services.

### Definitions

Users mean service consumers and service suppliers.

Essential facilities mean facilities of a public telecommunications transport network or service that

- (a) are exclusively or predominantly provided by a single or limited number of suppliers; and
- (b) cannot feasibly be economically or technically substituted in order to provide a service.

A major supplier is a supplier which has the ability to materially affect the terms of participation (having regard to price and supply) in the relevant market for basic telecommunications services as a result of:

- (a) control over essential facilities; or
- (b) use of its position in the market.

### 1. Competitive safeguards

#### 1.1 Prevention of anti-competitive practices in telecommunications

Appropriate measures shall be maintained for the purpose of preventing suppliers who, alone or together, are a major supplier from engaging in or continuing anti-competitive practices.

#### 1.2 Safeguards

The anti-competitive practices referred to above shall include in particular:

- (a) engaging in anti-competitive cross-subsidization;
- (b) using information obtained from competitors with anti-competitive results; and
- (c) not making available to other services suppliers on a timely basis technical information about essential facilities and commercially relevant information which are necessary for them to provide services.

## 2. Interconnection

2.1 This section applies to linking with suppliers providing public telecommunications transport networks or services in order to allow the users of one supplier to communicate with users of another supplier and to access services provided by another supplier, where specific commitments are undertaken.

### 2.2 Interconnection to be ensured

Interconnection with a major supplier will be ensured at any technically feasible point in the network. Such interconnection is provided.

- (a) under non-discriminatory terms, conditions (including technical standards and specifications) and rates and of a quality no less favourable than that provided for its own like services or for like services of non-affiliated service suppliers or for its subsidiaries or other affiliates;
- (b) in a timely fashion, on terms, conditions (including technical standards and specifications) and cost-oriented rates that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled so that the supplier need not pay for network components or facilities that it does not require for the service to be provided; and
- (c) upon request, at points in addition to the network termination points offered to the majority of users, subject to charges that reflect the cost of construction of necessary additional facilities.

### 2.3 Public availability of the procedures for interconnection negotiations

The procedures applicable for interconnection to a major supplier will be made publicly available.

### 2.4 Transparency of interconnection arrangements

It is ensured that a major supplier will make publicly available either its interconnection agreements or a reference interconnection offer.

### 2.5 Interconnection: dispute settlement

A service supplier requesting interconnection with a major supplier will have recourse, either:

- (a) at any time or
- (b) after a reasonable period of time which has been made publicly known

to an independent domestic body, which may be a regulatory body as referred to in paragraph 5 below, to resolve disputes regarding appropriate terms, conditions and rates for interconnection within a reasonable period of time, to the extent that these have not been established previously.

3. Universal service

Any Member has the right to define the kind of universal service obligation it wishes to maintain. Such obligations will not be regarded as anti-competitive per se, provided they are administered in a transparent, non-discriminatory and competitively neutral manner and are not more burdensome than necessary for the kind of universal service defined by the Member.

4. Public availability of licensing criteria

Where a licence is required, the following will be made publicly available:

- (a) all the licensing criteria and the period of time normally required to reach a decision concerning an application for a licence and
- (b) the terms and conditions of individual licences.

The reasons for the denial of a licence will be made known to the applicant upon request.

5. Independent regulators

The regulatory body is separate from, and not accountable to, any supplier of basic telecommunications services. The decisions of and the procedures used by regulators shall be impartial with respect to all market participants.

6. Allocation and use of scarce resources

Any procedures for the allocation and use of scarce resources, including frequencies, numbers and rights of way, will be carried out in an objective, timely, transparent and non-discriminatory manner. The current state of allocated frequency bands will be made publicly available, but detailed identification of frequencies allocated for specific government uses is not required.

## BELIZE

### Schedule of Specific Commitments

#### Supplement 1

(This is authentic in English only)

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This text is inserted as the Telecommunication services section in document GATS/SC/10.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
2. COMMUNICATION SERVICES			See attached addition commitments on regulatory disciplines.
C. <u>Telecommunications services</u>			
All sub-sectors	(1), (3) Subject to the availability of the desired frequency.		
(a) Voice telephone services excluding trunked radio service (7521)	(1) Reserved to existing exclusive operator. Callback and refile not permitted. Bypass of the network of existing exclusive operator not permitted.	(1) None	
(f) Facsimile services (7521**, 7529**)	(2) None	(2) None	
	(3) Reserved to existing exclusive operator.	(3) Articles of Association of Belize Telecommunications Limited limit share holding to	
	(4) Unbound except as indicated in the horizontal section.	(4) Unbound except as indicated in the horizontal section.	
(b) Packet-switched data	(1) Reserved to existing exclusive operator.	(1) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
transmission services (7523**)	Bypass of the network of existing exclusive operator		
(c) Circuit-switched data transmission services (7523**)	(2) None	(2) None	
(d) Telex services (7523**)	(3) Reserved to existing exclusive operator.	(3) Articles of Association of Belize Telecommunications Limited limit share holding to any one entity to 25%.	
(e) Telegraph services (7522)	(4) Unbound except as indicated in the horizontal section.	(4) Unbound except as indicated in the horizontal section.	
(g) Private leased circuit services (7522**, 7523**)			
(h) Electronic mail (7523**)			
(i) Voice mail (7523**)			
(j) Enhanced/Value added facsimile services including store and forward, store and retrieve (7523**)			
(o) <u>Other</u>			
Internet and internet services (except voice) (75260)			
(j) On-line information and database retrieval (7523**)	(1) Reserved to existing exclusive operator until December 30, 2007 and thereafter only through facilities supplied by the existing exclusive operator providing voice telephone services (7521).	(1) None	
(k) Electronic data interchange (7523**)	(2) None	(2) None	
(m) Code and protocol conversion	(3) Reserved to existing exclusive operator until December 30, 2007 and thereafter only	(3) Unbound	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	through facilities supplied by the existing exclusive operator providing voice telephone services (7521).		
(n) On-line information and/or data processing (including transaction processing) (843**)	(4) Unbound except as indicated in the horizontal section.	(4) Unbound except as indicated in the horizontal section.	
(o) <u>Other</u>			
Trunked radio service (75213*)	(1) Reserved to existing exclusive operator until December 30, 2002.	(1) None	
	(2) None	(2) None	
	(3) Reserved to existing exclusive operator until December 30, 2002, and thereafter, only through joint venture arrangement with Belizean	(3) Unbound	
	(4) Unbound except as indicated in the horizontal section.	(4) Unbound except as indicated in the horizontal section.	
Paging (75291)	(1) Reserved to existing exclusive operator providing voice telephone services (7521) until December 30, 2007.	(1) None	
	(2) None	(2) None	
	(3) Reserved to existing exclusive operator providing voice telephone services (7521) until December 30, 2007, and thereafter, only through joint venture arrangement with Belizean national.	(3) Unbound	
	(4) Unbound except as indicated in the	(3) Unbound except as indicated in the	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	horizontal section.	horizontal section.	
Tele-conferencing services (75292)	(1) Reserved to existing exclusive operator until December 30, 2002, and thereafter only through facilities supplied by the existing exclusive operator providing voice telephone services	(1) None	
	(2) None	(2) None	
	(3) Reserved to existing exclusive operator until December 30, 2002 and thereafter only through facilities supplied by the existing exclusive operator providing voice telephone services (7521).	(3) Unbound	
	(4) Unbound except as indicated in the horizontal section.	(4) Unbound except as indicated in the horizontal section.	

## **REFERENCE PAPER**

### Scope

The following are definitions and principles on the regulatory framework for the basic telecommunications services.

### Definitions

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- (b) cannot feasibly be economically or technically substituted in order to provide a service.

A major supplier is a supplier which has the ability to materially affect the terms of participation (having regard to price and supply) in the relevant market for basic telecommunications services as a result of:

- (a) control over essential facilities; or
- (b) use of its position in the market.

## 1. Competitive safeguards

### 1.1 Prevention of anti-competitive practices in telecommunications

Appropriate measures shall be maintained for the purpose of preventing suppliers who, alone or together, are a major supplier from engaging in or continuing anti-competitive practices.

### 1.2 Safeguards

The anti-competitive practices referred to above shall include in particular:

- (a) engaging in anti-competitive cross-subsidization;
- (b) using information obtained from competitors with anti-competitive results; and
- (c) not making available to other services suppliers on a timely basis technical information about essential facilities and commercially relevant information which are necessary for them to provide services.

## 2. Interconnection

2.1 This section applies to linking with suppliers providing public telecommunications transport networks or services in order to allow the users of one supplier to communicate with users of another supplier and to access services provided by another supplier, where specific commitments are undertaken.

## 2.2 Interconnection to be ensured

Interconnection with a major supplier will be ensured at any technically feasible point in the network. Such interconnection is provided.

- (a) under non-discriminatory terms, conditions (including technical standards and specifications) and rates and of a quality no less favourable than that provided for its own like services or for like services of non-affiliated service suppliers or for its subsidiaries or other affiliates;
- (b) in a timely fashion, on terms, conditions (including technical standards and specifications) and cost-oriented rates that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled so that the supplier need not pay for network components or facilities that it does not require for the service to be provided; and
- (c) upon request, at points in addition to the network termination points offered to the majority of users, subject to charges that reflect the cost of construction of necessary additional facilities.

## 2.3 Public availability of the procedures for interconnection negotiations

The procedures applicable for interconnection to a major supplier will be made publicly available.

## 2.4 Transparency of interconnection arrangements

It is ensured that a major supplier will make publicly available either its interconnection agreements or a reference interconnection offer.

## 2.5 Interconnection: dispute settlement

A service supplier requesting interconnection with a major supplier will have recourse, either:

- (a) at any time or
- (b) after a reasonable period of time which has been made publicly known

to an independent domestic body, which may be a regulatory body as referred to in paragraph 5 below, to resolve disputes regarding appropriate terms, conditions and rates for interconnection within a reasonable period of time, to the extent that these have not been established previously.

3. Universal service

Any Member has the right to define the kind of universal service obligation it wishes to maintain. Such obligations will not be regarded as anti-competitive per se, provided they are administered in a transparent, non-discriminatory and competitively neutral manner and are not more burdensome than necessary for the kind of universal service defined by the Member.

4. Public availability of licensing criteria

Where a licence is required, the following will be made publicly available:

- (a) all the licensing criteria and the period of time normally required to reach a decision concerning an application for a licence and
- (b) the terms and conditions of individual licences.

The reasons for the denial of a licence will be made known to the applicant upon request.

5. Independent regulators

The regulatory body is separate from, and not accountable to, any supplier of basic telecommunications services. The decisions of and the procedures used by regulators shall be impartial with respect to all market participants.

6. Allocation and use of scarce resources

Any procedures for the allocation and use of scarce resources, including frequencies, numbers and rights of way, will be carried out in an objective, timely, transparent and non-discriminatory manner. The current state of allocated frequency bands will be made publicly available, but detailed identification of frequencies allocated for specific government uses is not required.



## BOLIVIA

### Lista de compromisos específicos

#### Suplemento 1

(Esta lista es auténtica en español únicamente)

Este texto se incorpora como sección sobre los servicios de telecomunicaciones al documento GATS/SC/12.

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas			
Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
<p>2.C. <u>Servicios de Telecomunicaciones</u></p> <p>Todos los subsectores</p>	<p>1)3) Sujetos a disponibilidad de espectro</p> <p>3) Ninguna restricción sobre la inversión extranjera para proveedores de servicios de telecomunicaciones públicas básicas (local, larga distancia nacional o internacional) o en cualquier otro proveedor de telecomunicaciones básicas.</p>		<p>El Gobierno de Bolivia ha adoptado compromisos adicionales según se detalla en el Anexo.</p>
<p>Servicio de larga distancia nacional e internacional, para uso público; servicio conmutado o dedicado incluyendo los servicios de voz, datos, mensajes o videos provistos por líneas telefónicas, cables para la transmisión de canales, microondas, satelitales, frecuencias radiales o cualquier otra tecnología:</p> <p>a. Telefonía vocal;</p> <p>b. Servicios de transmisión de datos con conmutación de paquetes;</p> <p>c. Servicios de transmisión de datos con conmutación de circuitos;</p> <p>d. Servicios de télex;</p> <p>e. Servicios de telégrafo;</p> <p>f. Servicios de facsimil;</p>	<p>1) La llamada revertida para servicios de voz internacional está prohibida.</p> <p>2) Ninguna</p> <p>3) Después del 27 de noviembre del 2001, ninguna excepto que se exige presencia comercial.</p> <p>A ENTEL se le ha concedido un contrato de exclusividad de seis años para la provisión de servicios de telecomunicaciones de larga distancia nacional e internacional, (excluyendo servicios de telecomunicaciones</p> <p>4) No consolidado, salvo lo indicado en la Sección 1</p>	<p>1) Ninguna</p> <p>2) Ninguna</p> <p>3) Ninguna</p> <p>5) No consolidado, salvo lo indicado en la Sección 1.</p>	

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas			
Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
g. Servicios de circuitos arrendados.			
a. Telefonía vocal - Servicios locales para uso público, provistos por infraestructura fija.	1) Ninguna después del 27 de noviembre del 2001. 2) Ninguna 3) 16 cooperativas locales de telecomunicaciones han obtenido contratos de exclusividad para la provisión de servicios locales de telecomunicaciones en las áreas geográficas definidas. Se exige presencia comercial. 4) No consolidado, salvo lo indicado en la Sección 1.	1) Ninguna 2) Ninguna 3) Ninguna 4) No consolidado, salvo lo indicado en la Sección 1.	
Servicios locales para uso público de datos, mensajes o videos: b. Servicios de transmisión de datos con conmutación de paquetes; c. Servicios de transmisión de datos con conmutación de circuitos; d. Servicios de télex; e. Servicios de telégrafo; f. Servicios de facsímil.	1) Se exige presencia comercial. 2) Ninguna 3) Se exige presencia comercial. 4) No consolidado, salvo lo indicado en la Sección 1.	1) Ninguna 2) Ninguna 3) Ninguna 4) No consolidado, salvo lo indicado en la Sección 1.	
Servicios locales, larga distancia nacional e internacional para uso no público (servicio prestado a grupos cerrados de usuarios ajenos al proveedor de servicio) de voz, datos, mensajes o videos: a. Telefonía vocal; b. Servicios de transmisión de datos con conmutación de paquetes; c. Servicios de transmisión de datos con conmutación de circuitos; d. Servicios de télex; e. Servicios de telégrafo; f. Servicios de facsímil.	1) Hasta el 27 de noviembre del 2001, servicio larga distancia nacional e internacional solamente por la infraestructura de ENTEL. Servicio local se exige presencia comercial. 2) Ninguna 3) Hasta el 27 de noviembre del 2001, servicio larga distancia nacional e internacional solamente por la infraestructura de ENTEL. Servicio local se exige presencia comercial. 4) No consolidado, salvo lo indicado en la Sección 1.	1) Ninguna 2) Ninguna 3) Ninguna 4) No consolidado, salvo lo indicado en la Sección 1.	

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas			
Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
o. <u>Otros</u>  Servicios móviles (prestados por estaciones radioeléctricas terrestres): - Servicio celular; - Servicio móvil de datos; - Radiodeterminación y radionavegación; - Servicio de busca personas; - Servicios de comunicaciones personales (PCS); - Servicio móvil satelital, servicio de despacho.	1) Se exige presencia comercial.  2) Ninguna  3) Se exige presencia comercial.  4) No consolidado, salvo lo indicado en la Sección 1.	1) Ninguna  2) Ninguna  3) Ninguna  4) No consolidado, salvo lo indicado En la Sección 1.	

## **COMPROMISOS ADICIONALES POR EL GOBIERNO DE BOLIVIA**

### **1. Salvaguardias a la competencia**

#### **1.1 Previsión de prácticas anticompetitivas en telecomunicaciones**

Medidas adecuadas serán mantenidas con el propósito de evitar que proveedores que están solos o como proveedores dominantes se involucren en prácticas anticompetitivas.

#### **1.2 Salvaguardias**

Prácticas anticompetitivas arriba referidas incluirán:

- a) involucrarse en subsidios cruzados anticompetitivos;
- b) usar información obtenida de la competencia con resultados anticompetitivos y no poner a disponibilidad de otros proveedores de servicios oportunamente información técnica referida a instalaciones esenciales e información comercial relevante que es necesaria para la provisión de estos servicios.

### **2. Interconexión**

Se establece la obligatoriedad para las operadoras de servicios públicos a la interconexión.

### **3. Disponibilidad pública del criterio utilizado para conceder licencias**

Cuando una licencia sea solicitada los siguientes temas serán publicados:

- a) El criterio utilizado para otorgar la licencia y el período de tiempo normalmente requerido para llegar a la decisión relacionada a la solicitud de la licencia y
- b) los términos y condiciones para las licencias individuales.

Las razones para el rechazo de una licencia serán puestas en conocimiento del solicitante.

## BRAZIL

### Schedule of Specific Commitments

#### Supplement 2

(This is authentic in English only)

This text is inserted as the Telecommunication services section in document GATS/SC/13.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p><b>2.C. TELECOMMUNICATION SERVICES</b></p> <p><u>Commitments undertaken in this schedule are subject to the following general conditions:</u></p> <p>(i) Each telecommunications service to be supplied in Brazil requires a specific governmental licence to be obtained through a transparent, objective and non-discriminatory process. Licences are not required for the supply of Value Added Services.</p> <p>(ii) Licences referred to in item (i) are granted only to juridical persons duly constituted according to the Brazilian legislation, which requires head office and management located in the Brazilian territory.</p> <p>(iii) EMBRATEL has exclusive rights to link with Intelsat and Inmarsat.</p> <p>(iv) The supply of space segment facilities of satellites that occupy orbital positions notified by foreign countries is allowed whenever they offer better technical, operational or commercial conditions. Otherwise, satellites that occupy orbital positions notified by Brazil must be used. Regulatory decisions on this regard will be based on a transparent, objective and non-discriminatory process.</p> <p>(v) This schedule does not include telecommunications services supplied for distribution of radio or television programming for direct reception by service consumers.</p>			
Public domestic and international services, provided using any network technology, on a facilities-basis:			
2.c.a. Voice telephone services	(1) None, other than: international traffic shall be by a supplier duly licensed.	(1) None	Within one year after the enactment by the President of the Republic, of the present draft General Telecommunications Law, Brazil will introduce into its schedule Additional Commitments on regulatory principles, as emerging from the new Law, comprising competitive safeguards, interconnection, universal service, public availability of
2.c.b. Packet-switched data transmission services	(2) None	(2) None	
2.c.c. Circuit-switched data transmission services	(3) Unbound, except:	(3) Unbound, except:	
2.c.d. Telex services	Within one year after the enactment by the President of the Republic, of the present draft General Telecommunications Law, Brazil will introduce into its		

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
2.c.e. Telegraph services 2.c.f. Facsimile services	schedule commitments related to the supply of public telecommunications services binding the relevant parts in terms of Market Access of the new Law.	Within one year after the enactment by the President of the Republic, of the present draft General Telecommunications Law, Brazil will introduce into its schedule commitments related to the supply of public telecommunications services binding the relevant parts in terms of National Treatment of the new Law.	licensing criteria, independent regulator and the allocation and use of scarce resources.
	(4) Unbound except as indicated in the horizontal	(4) Unbound except as indicated in the horizontal	
Non-public domestic and international services, for Closed Users Groups, provided using any network technology, on a facilities-basis:			
2.C.a. Voice telephone services 2.C.b. Packet-switched data transmission services 2.C.c. Circuit-switched data transmission services 2.C.d. Telex services 2.C.e. Telegraph services 2.C.f. Facsimile services 2.C.g. Private leased circuit services	(1) None, other than: network facilities in Brazil shall be provided by a supplier duly licensed  (2) None (3) None  (4) Unbound except as indicated in the horizontal section.	(1) None  (2) None (3) None  (4) Unbound except as indicated in the horizontal section.	(i) Interconnection of Closed Users Groups' networks to the Public Telecommunications Transport Networks and Services (PTTNS) will be ensured on a non-discriminatory basis, subject to conditions established in the applicable regulations  (ii) Regulatory functions are entrusted to the Ministry of Communications of Brazil, which has independent legal personality from the suppliers of telecommunications services.
The following concept is applicable:  Closed Users Group is a group of natural or juridical persons that performs a common specific activity, which is not susceptible to extension to the public in general.			

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Value Added Services:			
2.C.h. Electronic mail 2.C.i. Voice mail 2.C.j. On-line information and data base retrieval 2.C.k. Electronic data interchange (EDI) 2.C.l. Enhanced/value-added facsimile services, including store-and-forward, store-and-retrieve 2.C.m. Code and protocol conversion	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal section.	(i) The use of PTTNS will be ensured to any supplier of Value Added Services, according to the applicable regulations  (iii) Regulatory functions are entrusted to the Ministry of Communications of Brazil, which has independent legal personality from the suppliers of telecommunications services

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>2.C.n. On-line information and/or data processing (including transaction processing)</p> <p>The following concept is applicable:</p> <p>Value Added Service is characterized by the addition of features to a telecommunications service that supports it, thus creating utilities related to the access, storage, presentation, transfer and retrieval of information.</p>			
2.C.o. Other services:			
<p>Analog/Digital Cellular mobile-service (800 MHz/terrestrial systems)</p> <p>- on a facilities-basis</p>	<p>(1) Unbound</p> <p>(2) None</p> <p>(3) None, other than:</p> <p>(i) Service is to be provided on a duopoly basis in each designated market; the local telephone company may be allowed to be one of the service suppliers, directly or through a subsidiary;</p> <p>(ii) Direct and indirect participation of foreign investment in the voting capital is limited to 49%; no restriction to foreign ownership for licences to be granted as from 20 July 1999.</p> <p>(4) Unbound except as indicated in the horizontal section.</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in the horizontal section.</p>	<p>(i) Interconnection with PTTNS will be ensured.</p> <p>(ii) The general conditions for interconnection with PTTNS are publicly available.</p> <p>(iii) Regulatory functions are entrusted to the Ministry of Communications of Brazil, which has independent legal personality from the suppliers of telecommunications services.</p>
<p>Paging services (terrestrial systems)</p> <p>- on a facilities basis</p>	<p>(1) Unbound</p> <p>(2) None</p>	<p>(1) None</p> <p>(2) None</p>	<p>The regulatory functions are entrusted to the Ministry of Communications of Brazil, which has independent legal</p>

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	(3) None  (4) Unbound except as indicated in the horizontal section.	(3) None  (4) Unbound except as indicated in the horizontal section.	personality from the suppliers of telecommunications services.
2.C.o. Other services (continued)			
Satellite telecommunications transport service.	(1) None, other than:  The supplier of this service must have a branch or a representative office in Brazil, for all legal effects.	(1) None	Regulatory functions are entrusted to the Ministry of Communications of Brazil, which has independent legal personality from the suppliers of telecommunications services.
The following concept is applicable:  Satellite telecommunications transport service is the supply of space segment facilities of geostationary orbit satellites (GSO) to duly licensed suppliers of services listed in this schedule.  Note: The supply of space segment facilities of satellites that occupy orbital positions notified by other countries is contingent upon prior coordination with Brazil of their orbital positions and associated frequencies	(2) None  (3) None, other than:  The supply of space segment facilities of satellites that occupy orbital positions notified by Brazil requires that the satellite control stations be located in the Brazilian territory. Direct and indirect participation of foreign investment in the voting capital is limited to 49%; no restriction to foreign ownership for licences to be granted as from 20 July 1999.  (4) Unbound except as indicated in the horizontal section	(2) None  (3) None        (4) Unbound except as indicated in the horizontal section.	

**BRAZIL**

**List of Article II (MFN) Exemptions**

**Supplement 1**

(This is authentic in English only)

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This text is inserted in document GATS/EL/13.

Sector or subsector	Description of measure indicating its inconsistency with Article II	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
2.C. Telecommunication services supplied for distribution of radio or television programming for direct reception by service consumers.	Measures or international agreements allowing for access to markets on a reciprocity basis or providing for differential treatment to specific countries.	All	Indefinite	Ensure effective market access for Brazilian suppliers in all markets.

# CANADA

## Schedule of Specific Commitments

### Supplement 3

(This is authentic in English and French only)

This text supplements the entries relating to the Telecommunication services section contained on pages 41 to 42 of document GATS/SC/16.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector (GNS/W/120 Coding)	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
2C Telecommunications Services*, **			
2C(a) Voice telephone services	(1) None, other than:	(1) None	Canada undertakes the obligations contained in the reference paper attached hereto.
2C(b) Packet-switched data transmission services	Routing of basic telecommunications services between points within Canada, and between Canada and points outside of Canada, is regulated to promote the use of Canadian transmission facilities, except that routing of:		
2C(c) Circuit-switched data transmission services	- mobile satellite services will be unrestricted as of January 1, 1998 between points in Canada, and between Canada and points in the United States;		
2C(d) Telex services	- all mobile satellite services will be unrestricted as of October 1, 1998;		
2C(e) Telegraph services	- all international services will be unrestricted as of December 31, 1999, except for fixed satellite services between Canada and points in the United States;		
2C(f) Facsimile services	- satellite services will be unrestricted as of March 1, 2000.		
2C(g) Private leased circuit services			
2C(o) Other - Mobile services	(2) None	(2) None	
*Excluding services regulated under the			

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector (GNS/W/120 Coding)	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>Broadcasting Act and measures affecting such services.</p> <p><b>**Excluding telecommunications services supplied for the transmission of services regulated under the Broadcasting Act where such services are intended for direct reception by the public.</b></p>			
	<p>(3) None, other than:</p> <p>Foreign investment in facilities-based telecommunications service suppliers is permitted up to a cumulative total of 46.7% of voting shares, based on 20% direct investment and 33_% indirect investment. Such suppliers must be controlled in fact by Canadians. Except that:</p> <ul style="list-style-type: none"> <li>- foreign investment will be allowed up to 100% as of October 1, 1998 for operations conducted under an international submarine cable licence;</li> <li>- mobile satellite systems owned and controlled up to a level of 100% by a foreign service provider may be used by a Canadian service provider to provide services in Canada;</li> <li>- fixed satellites owned and controlled up to a level of 100% by foreign service providers may be used to provide services between points in Canada and all points outside of Canada, except in the United States, as of December 31, 1999;</li> <li>- fixed satellites owned and controlled up to a level of 100% by foreign service providers may be used to provide services between points in Canada and between Canada and points in the United States, as of March 1, 2000.</li> </ul> <p>Facilities-based telecommunications service suppliers that exceeded the permissible cumulative foreign investment level cited above on July 22, 1987 and continue to exceed this level may be subject to restrictions.</p>	<p>(3) None, other than:</p> <p>At least 80 percent of the members of the board of directors of facilities-based telecommunications service suppliers must be Canadian.</p>	
	<p>Up to 100% foreign investment is allowed in service providers of basic telecommunications services supplied on a resale basis.</p>		

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector (GNS/W/120 Coding)	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>On October 1, 1998, Teleglobe Canada will no longer be authorized to be the sole Canada-overseas facilities-based telecommunications service supplier.</p> <p>For Teleglobe Canada, a "non-resident" carrier or "associate" as defined in the Teleglobe Canada Reorganization Act may, on October 1, 1998, hold voting shares up to the permissible cumulative foreign investment level of 46.7% as cited above.</p> <p>On October 1, 1998, the right to obtain a licence to land a submarine cable will no longer be limited.</p> <p>Nova Scotia: no person may vote more than 1,000 shares of Maritime Telegraph and Telephone Ltd.</p> <p>Manitoba: no person or members of any one group of associated persons may beneficially own, other than by way of security, more than 10% of the total number of voting shares of Manitoba Telecom Services Inc. or of an affiliate.</p>		
	<p>On March 1, 2000, Telesat Canada will no longer be authorized to be the sole operator in Canada of fixed satellite space segment facilities used to provide national and Canada-U.S. fixed satellite services.</p> <p>Until March 1, 2000, licences to operate earth stations for the provision of Canada-U.S. fixed satellite services may be limited.</p> <p>The use of pay telephones to provide services on a resale basis and to provide local services is not permitted.</p> <p>Competition in the provision of interexchange voice telephone service in the serving areas of Northwestel Inc., Ontario Northland Transportation Commission, and Prince Rupert City Telephones, may be limited.</p>		
	<p>Competition in the provision of local wireline telephone services in the serving areas of Northwestel Inc., Ontario Northland Transportation Commission, Prince Rupert City Telephones,</p>		

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector (GNS/W/120 Coding)	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	Telus Communications (Edmonton) Inc. and the other independent telephone companies listed in CRTC Telecom Public Notice 95-15, may be limited.		
	(4) Unbound, except as indicated in the horizontal section.	(4) Unbound, except as indicated in	

## **REFERENCE PAPER**

### **Scope**

The following are definitions and principles on the regulatory framework for the basic telecommunications services.

### **Definitions**

Users mean service consumers and service suppliers.

Essential facilities mean facilities of a public telecommunications transport network or service that

- (a) are exclusively or predominantly provided by a single or limited number of suppliers; and
- (b) cannot feasibly be economically or technically substituted in order to provide a service.

A major supplier is a supplier which has the ability to materially affect the terms of participation (having regard to price and supply) in the relevant market for basic telecommunications services as a result of:

- (a) control over essential facilities; or
- (b) use of its position in the market.

### **1. Competitive safeguards**

#### **1.1 Prevention of anti-competitive practices in telecommunications**

Appropriate measures shall be maintained for the purpose of preventing suppliers who, alone or together, are a major supplier from engaging in or continuing anti-competitive practices.

#### **1.2 Safeguards**

The anti-competitive practices referred to above shall include in particular:

- (a) engaging in anti-competitive cross-subsidization;
- (b) using information obtained from competitors with anti-competitive results; and

- (c) not making available to other services suppliers on a timely basis technical information about essential facilities and commercially relevant information which are necessary for them to provide services.

## 2. Interconnection

2.1 This section applies to linking with suppliers providing public telecommunications transport networks or services in order to allow the users of one supplier to communicate with users of another supplier and to access services provided by another supplier, where specific commitments are undertaken.

### 2.2 Interconnection to be ensured

Interconnection with a major supplier will be ensured at any technically feasible point in the network. Such interconnection is provided.

- (a) under non-discriminatory terms, conditions (including technical standards and specifications) and rates and of a quality no less favourable than that provided for its own like services or for like services of non-affiliated service suppliers or for its subsidiaries or other affiliates;
- (b) in a timely fashion, on terms, conditions (including technical standards and specifications) and cost-oriented rates that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled so that the supplier need not pay for network components or facilities that it does not require for the service to be provided; and
- (c) upon request, at points in addition to the network termination points offered to the majority of users, subject to charges that reflect the cost of construction of necessary additional facilities.

### 2.3 Public availability of the procedures for interconnection negotiations

The procedures applicable for interconnection to a major supplier will be made publicly available.

### 2.4 Transparency of interconnection arrangements

It is ensured that a major supplier will make publicly available either its interconnection agreements or a reference interconnection offer.

### 2.5 Interconnection: dispute settlement

A service supplier requesting interconnection with a major supplier will have recourse, either:

- (a) at any time or
- (b) after a reasonable period of time which has been made publicly known

to an independent domestic body, which may be a regulatory body as referred to in paragraph 5 below, to resolve disputes regarding appropriate terms, conditions and rates for interconnection within a reasonable period of time, to the extent that these have not been established previously.

### 3. Universal service

Any Member has the right to define the kind of universal service obligation it wishes to maintain. Such obligations will not be regarded as anti-competitive per se, provided they are administered in a transparent, non-discriminatory and competitively neutral manner and are not more burdensome than necessary for the kind of universal service defined by the Member.

### 4. Public availability of licensing criteria

Where a licence is required, the following will be made publicly available:

- (a) all the licensing criteria and the period of time normally required to reach a decision concerning an application for a licence and
- (b) the terms and conditions of individual licences.

The reasons for the denial of a licence will be made known to the applicant upon request.

### 5. Independent regulators

The regulatory body is separate from, and not accountable to, any supplier of basic telecommunications services. The decisions of and the procedures used by regulators shall be impartial with respect to all market participants.

### 6. Allocation and use of scarce resources

Any procedures for the allocation and use of scarce resources, including frequencies, numbers and rights of way, will be carried out in an objective, timely, transparent and non-discriminatory manner. The current state of allocated frequency bands will be made publicly available, but detailed identification of frequencies allocated for specific government uses is not required.



## CHILE

### Lista de compromisos específicos

#### Suplemento 2

(Esta lista es auténtica en español únicamente)

Este texto reemplaza, exclusivamente en relación a la oferta de telecomunicaciones de larga distancia nacional e internacional, los compromisos en el subsector de circuitos privados arrendados aplicable a servicio telefónico y de transmisión de datos que estos presten, que figuran en la sección sobre los Servicios de Telecomunicaciones contenida en las páginas 15 y 16 del documento GATS/SC/18. Además complementa los compromisos en materia de servicios de valor agregado que se encuentran en la mencionada sección de dicho documento.

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
Servicios de telecomunicaciones básicas:  Los servicios de telecomunicaciones consisten en el transporte de señales electromagnéticas (sonido, datos, imagen y cualquier combinación de éstas) independientemente del			

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
tipo de tecnología empleada. Esta definición no cubre la actividad económica consistente en la prestación de un servicio cuyo contenido requiere la utilización de servicios de telecomunicaciones para su transporte. La prestación de un servicio cuyo contenido es transportado vía servicios de telecomunicaciones, está sujeto a los términos y condiciones establecidos en la lista de compromisos específicos suscritos por Chile en ese sector, subsector o actividad.			
La lista de compromisos de Chile excluye los servicios de telecomunicaciones básicas locales, las transmisiones unidireccionales por satélite de los servicios de televisión directa al hogar,			

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
los servicios de radiodifusión directa de televisión y los servicios digitales de audio. Asimismo, se excluyen los servicios de radiodifusión de libre recepción.			
<p>Incluye sólo servicios de telecomunicaciones básicas de larga distancia nacional e internacional:</p> <p>a) Servicios de teléfonos (CCP 7521)</p> <p>b) Servicios de transmisión de datos con conmutación de paquetes (CCP 7523**)</p> <p>c) Servicios de transmisión de datos con conmutación de circuitos (CCP 7523**)</p> <p>d) Servicios de télex (CCP 7523**)</p> <p>e) Servicio de telégrafo (CCP 7522)</p> <p>f) Servicios de facsímil (CCP 7521** + 7529**)</p> <p>g) Servicios de circuitos privados arrendados</p>	<p>1) Ninguna</p> <p>2) Ninguna</p> <p>3) Sujeto a la obtención de una concesión, licencia o permiso otorgada a Subsecretaría de Telecomunicaciones.</p> <p>El proveedor que suministra el servicio telefónico de larga distancia (nacional e internacional ) debe estar constituido como sociedad anónima abierta.</p> <p>Para cautelar la libre competencia, durante un período de cuatro años a contar del 27 de agosto de 1994 los proveedores de servicios de larga distancia nacional tendrán limitada su participación en el mercado de acuerdo a un porcentaje máximo</p>	<p>1) Ninguna</p> <p>2) Ninguna</p> <p>3) Ninguna</p>	Compromisos adicionales relativos a aspectos regulatorios (ver nota adjunta)

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
(CCP 7522** + 7523**)	del total de minutos tasables de larga distancia nacional establecido en la ley.  4) Sin consolidar excepto lo indicado en los compromisos horizontales.	4) Sin	
Otros: Servicios por satélites y enlaces/capacidad de satélites nacionales e internacionales.  Servicios móviles/celulares: servicios de comunicación personales, servicios de radiobúsqueda, servicios móviles de transmisión de datos.			

## DOCUMENTO DE REFERENCIA

### Alcance

A continuación figuran definiciones y principios relativos al marco reglamentario de los servicios de telecomunicaciones básicas.

### Definiciones

Por usuarios se entiende los consumidores de servicios y los proveedores de servicios.

Por instalaciones esenciales se entiende toda instalación de una red o servicio públicos de transporte de telecomunicaciones que:

- a) sea suministrada exclusivamente o de manera predominante por un solo proveedor o por un número limitado de proveedores; y
- b) cuya sustitución con miras al suministro de un servicio no sea factible en lo económico o en lo técnico.

Un proveedor importante es un proveedor que tenga la capacidad de afectar de manera importante las condiciones de participación (desde el punto de vista de los precios y del suministro) en un mercado dado de servicios de telecomunicaciones básicas como resultado de:

- a) el control de las instalaciones esenciales; o
- b) la utilización de su posición en el mercado.

## 1. Salvaguardias de la competencia

### 1.1 Prevención de las prácticas anticompetitivas en la esfera de las telecomunicaciones

Se mantendrán medidas adecuadas con el fin de impedir que aquellos proveedores que, individual o conjuntamente, sean un proveedor importante empleen o sigan empleando prácticas anticompetitivas.

### 1.2 Salvaguardias

Las prácticas anticompetitivas a las que se hace referencia *supra* incluirán, en particular, las siguientes:

- a) realizar actividades anticompetitivas de subvención cruzada;
- b) utilizar información obtenida de competidores con resultados anticompetitivos; y

- c) no poner oportunamente a disposición de los demás proveedores de servicios la información técnica sobre las instalaciones esenciales y la información comercialmente pertinente que éstos necesiten para suministrar servicios.

## 2. Interconexión

2.1 Este artículo se refiere al enlace con los proveedores que suministran redes o servicios públicos de transporte de telecomunicaciones, con objeto de que los usuarios de un proveedor puedan comunicarse con los usuarios de otro proveedor y tener acceso a los servicios suministrados por otro proveedor, respecto de los que se contraigan compromisos específicos.

### 2.2 Interconexión que se ha de asegurar

La interconexión con un proveedor importante quedará asegurada en cualquier punto técnicamente viable de la red. Esta interconexión se facilitará:

- a) en términos y condiciones (incluidas las normas y especificaciones técnicas) y con tarifas que no sean discriminatorios, y será de una calidad no menos favorable que la facilitada para sus propios servicios similares o para servicios similares de proveedores de servicios no afiliados o para sus filiales u otras sociedades afiliadas;
- b) en una forma oportuna, en términos y condiciones (incluidas las normas y especificaciones técnicas) y con tarifas basadas en el costo que sean transparentes y razonables, tengan en cuenta la viabilidad económica, y estén suficientemente desagregados para que el proveedor no deba pagar por componentes o instalaciones de la red que no necesite para el suministro del servicio; y
- c) previa solicitud, en puntos adicionales a los puntos de terminación de la red ofrecidos a la mayoría de los usuarios, a un precio que refleje el costo de construcción de las instalaciones adicionales necesarias.

### 2.3 Disponibilidad pública de los procedimientos de negociación de interconexiones

Se pondrán a disposición del público los procedimientos aplicables a la interconexión con un proveedor importante.

### 2.4 Transparencia de los acuerdos de interconexión

Se garantiza que todo proveedor importante pondrá a disposición del público sus acuerdos de interconexión o una oferta de interconexión de referencia.

### 2.5 Interconexión: solución de diferencias

Todo proveedor de servicios que solicite la interconexión con un proveedor importante podrá presentar recurso:

- a) en cualquier momento, o

- b) después de un plazo razonable que se haya dado a conocer públicamente

ante un órgano nacional independiente, que podrá ser el órgano de reglamentación al que se hace referencia en el párrafo 5 *infra*, para resolver dentro de un plazo razonable las diferencias con respecto a los términos, condiciones y tarifas apropiados de interconexión, siempre que éstos no hayan sido establecidos previamente.

### 3. Servicio universal

Todo Miembro tiene derecho a definir el tipo de obligación de servicio universal que desee mantener. No se considerará que las obligaciones de esa naturaleza son anticompetitivas *per se*, a condición de que sean administradas de manera transparente y no discriminatoria y con neutralidad en la competencia y no sean más gravosas de lo necesario para el tipo de servicio universal definido por el Miembro.

### 4. Disponibilidad pública de los criterios de concesión de licencias

Cuando se exija una licencia, se pondrán a disposición del público:

- a) todos los criterios de concesión de licencias y los plazos normalmente requeridos para tomar una decisión relativa a una solicitud de licencia y
- b) los términos y condiciones de las licencias individuales.

A solicitud del interesado le serán comunicadas las razones de la denegación de la licencia.

### 5. Independencia de la entidad de reglamentación

El órgano de reglamentación será independiente de todo proveedor de servicios de telecomunicaciones básicas, y no responderá ante él. Las decisiones del órgano de reglamentación y los procedimientos aplicados serán imparciales con respecto a todos los participantes en el mercado.

### 6. Asignación y utilización de recursos escasos

Todo procedimiento para la asignación y utilización de recursos escasos, como las frecuencias, los números y los derechos de paso, se llevará a la práctica de manera objetiva, oportuna, transparente y no discriminatoria. Se pondrá a disposición del público el estado actual de las bandas de frecuencia asignadas, pero no es preciso identificar detalladamente las frecuencias asignadas a usos específicos.



## COLOMBIA

### Lista de compromisos específicos

#### Suplemento 2

(Esta lista es auténtica en español únicamente)

Esta lista complementa la sección sobre servicios de telecomunicaciones contenida en las páginas 29 a 32 del documento GATS/SC/20.

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
<b>2C. SERVICIOS DE TELECOMUNICACIONES</b>  Los compromisos de la presente lista no se hacen extensivos a los servicios de radiodifusión y televisión.  Para todos los sectores	          La licencia o concesión para la provisión de servicios de telecomunicaciones sólo se otorga a empresas legalmente constituidas en Colombia.		Se adopta el documento de referencia anexo, con las anotaciones y reservas señaladas

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
1. Para uso público, servicios basados exclusivamente en la utilización de instalaciones  Telefonía local y local extendida <sup>1</sup>	1) Ninguna 2) Ninguna 3) Se permite inversión extranjera hasta un máximo del 70% del capital de la empresa con licencia para operar 4) Sin consolidar, excepto lo mencionado en compromisos horizontales	1) Ninguna 2) Ninguna 3) Ninguna 4) Sin consolidar, excepto lo mencionado en compromisos horizontales	
Telefonía de larga distancia nacional e internacional	El enrutamiento del tráfico de larga distancia tiene que hacerse por intermedio de operadores con licencia para prestar el servicio de telefonía de larga distancia. No se permite la inversión deliberada del sentido verdadero del tráfico internacional (Call back). 1) Ninguna 2) Ninguna 3) Se permite inversión extranjera hasta un máximo del 70% del capital de la	1) Ninguna 2) Ninguna 3) Ninguna	

<sup>1</sup>El servicio de telefonía "local extendida" (telefonía departamental o regional) es el prestado por un mismo operador o usuarios de un área geográfica continua conformada por municipios adyacentes, siempre y cuando ésta no supere el ámbito de un mismo departamento.

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
	<p>empresa con licencia para operar. Los servicios de larga distancia nacional e internacional son prestados por la Empresa Nacional de Telecomunicaciones. Cualquier número adicional de operadores será determinado mediante prueba de necesidad económica.</p> <p>Sin consolidar, excepto lo mencionado en Compromisos horizontales</p>	<p>4) Sin consolidar, excepto lo mencionado en compromisos horizontales</p>	
<p>Servicios portadores</p> <p>Servicios de transmisión de datos con conmutación de paquetes</p> <p>Servicios de transmisión de datos con conmutación de circuitos</p> <p>Servicios de télex</p> <p>Servicios de telégrafo</p>	<p>Los servicios portadores<sup>2</sup> sólo pueden prestarse a operadores debidamente autorizados para desarrollar las actividades o prestar los respectivos servicios en Colombia. La autorización para prestar servicios portadores no involucra la concesión para prestar los demás servicios de telecomunicaciones.</p> <p>1) Ninguna</p> <p>2) Ninguna</p> <p>3) Se permite inversión extranjera hasta un máximo del 70% del capital de la</p>	<p>1) Ninguna</p> <p>2) Ninguna</p> <p>3) Ninguna</p>	

<sup>2</sup>Servicio portador es aquel que proporciona la capacidad necesaria para la transmisión de señales entre dos o más puntos definidos de la red de telecomunicaciones. Comprenden los servicios que se hacen a través de redes conmutadas de circuitos o de paquetes y los que se hacen a través de redes no conmutadas.

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
	<p>empresa con licencia para operar</p> <p>4) Sin consolidar, excepto lo mencionado en compromisos horizontales</p>	<p>4) Sin consolidar, excepto lo mencionado en compromisos horizontales</p>	
Servicios de telefonía móvil celular (Banda de 800 MHz)	<p>1) Ninguna</p> <p>2) Ninguna</p>	<p>1) Ninguna</p> <p>2) Ninguna</p>	
	<p>3) Para el servicio de telefonía móvil celular, el país fue dividido en tres regiones, en cada una de las cuales el servicio es prestado por dos operadores que compiten entre sí, con exclusividad hasta el 1° de septiembre de 1999. A partir de esta fecha, el número adicional de operadores estará sujeto a la posibilidad tecnológica.<sup>3</sup></p> <p>4) Las sociedades privadas concesionarias deberán constituirse en sociedades anónimas abiertas, es decir, que ninguna persona natural o jurídica puede ser titular, por sí o por</p>	<p>3) Ninguna</p> <p>4) Sin consolidar, excepto lo mencionado en compromisos horizontales</p>	

<sup>3</sup>La posibilidad tecnológica citada se refiere a la respectiva cláusula, contenida en los actuales contratos de concesión de telefonía móvil celular.

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
	<p>interpuesta persona, de más del 30% de las acciones representativas del capital social y sus acciones deben estar inscritas en alguna bolsa de valores de Colombia. Se permite inversión extranjera hasta un máximo del 70% del capital de la empresa con licencia para operar.</p> <p>Sin consolidar, excepto lo mencionado en compromisos horizontales</p>		
Servicios personales de telecomunicaciones (PCS)	<p>1) Ninguna</p> <p>2) Ninguna</p> <p>3) El servicio de comunicaciones personales será prestado a partir del 31 de diciembre de 1999, por un número de operadores establecido mediante prueba de necesidad económica. Se permite inversión extranjera hasta un máximo del 70% del capital de la empresa con licencia para operar.</p> <p>4) Sin consolidar, excepto lo mencionado en compromisos horizontales</p>	<p>1) Ninguna</p> <p>2) Ninguna</p> <p>3) Ninguna</p> <p>4) Sin consolidar, excepto lo mencionado en compromisos horizontales</p>	
Servicios de buscapersonas (Paging), (Banda de 900	1) No consolidado	1) Ninguna	

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
MHz)	<p>2) Ninguna</p> <p>3) El número de operadores para la prestación de servicios de buscapersonas en doble vía será determinado a más tardar el 30 de junio de 1997. Se permite inversión extranjera hasta un máximo del 70% del capital de la empresa con licencia para operar.</p> <p>4) Sin consolidar, excepto lo mencionado en compromisos horizontales</p>	<p>2) Ninguna</p> <p>3) Ninguna</p> <p>4) Sin consolidar, excepto lo mencionado en compromisos horizontales</p>	
Servicios troncalizados (Trunking)	<p>1) Ninguna</p> <p>2) Ninguna</p> <p>3) El servicio de trunking nacional, será prestado por cuatro operadores seleccionados mediante licitación pública, a más tardar el 30 de junio de 1997. Se permite inversión extranjera hasta un máximo del 70% del capital de la empresa con licencia para operar.</p> <p>4) Sin consolidar, excepto lo mencionado en compromisos horizontales</p>	<p>1) Ninguna</p> <p>2) Ninguna</p> <p>3) Ninguna</p> <p>4) Sin consolidar, excepto lo mencionado en compromisos horizontales</p>	

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
Servicios de provisión de capacidad satelital, exclusivamente en sistemas satelitales geoestacionarios	<p>Las autorizaciones para proveer capacidad satelital no involucran la concesión para prestar otros servicios de telecomunicaciones en Colombia o en conexión con el exterior.</p> <p>1) Ninguna</p> <p>2) Ninguna</p> <p>3) Se permite inversión extranjera hasta un máximo del 70% del capital de la empresa con licencia para operar.</p> <p>4) Sin consolidar, excepto lo mencionado en compromisos horizontales</p>	<p>1) Ninguna</p> <p>2) Ninguna</p> <p>3) Ninguna</p> <p>4) Sin consolidar, excepto lo mencionado en compromisos horizontales</p>	
<p>2. Para uso no público, basado en el uso de instalaciones</p> <p>(Se refiere a la red privada de telecomunicaciones, establecida por personas naturales o jurídicas para su uso particular y exclusivo, sin prestación de servicios a terceras personas y sin conexión a la red de</p>			

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
telecomunicaciones del Estado o a otras redes privadas de telecomunicaciones.			
Servicios telefónicos vocales Transmisión de datos con conmutación de paquetes Transmisión de datos con conmutación de circuitos Servicios de arrendamiento de circuitos para uso privado Servicios de buscapersonas (Paging) Servicios troncalizados (Trunking)	1) Ninguna 2) Ninguna 3) Ninguna 4) Ninguna, excepto lo mencionado en compromisos horizontales	1) Ninguna 2) Ninguna 3) Ninguna 4) Ninguna, excepto lo mencionado en compromisos horizontales	

## **ANEXO**

### **DOCUMENTO DE REFERENCIA**

Los compromisos adicionales que figuran en la presente lista se aplican a los servicios de telecomunicaciones básicas respecto de los que se contraigan compromisos específicos.

#### **Alcance**

A continuación figuran definiciones y principios relativos al marco reglamentario de los servicios de telecomunicaciones básicas.

#### **Definiciones**

Por usuarios se entiende a los consumidores de servicios.

Por instalaciones esenciales se entiende toda instalación de una red o servicio públicos de transporte de telecomunicaciones que:

- a) sea suministrada exclusivamente o de manera predominante por un proveedor o por un número limitado de proveedores; y
- b) cuya sustitución con miras al suministro de un servicio no sea factible en lo económico o en lo técnico.

Un proveedor importante es un proveedor que tenga la capacidad de afectar de manera importante las condiciones de participación (desde el punto de vista de los precios y del suministro) en un mercado dado de servicios de telecomunicaciones básicas como resultado de:

- a) el control de las instalaciones esenciales; o
- b) la utilización de su posición de mercado.

#### **1. Salvaguardias de la competencia**

##### **1.1 Prevención de las prácticas anticompetitivas en la esfera de las telecomunicaciones**

Se mantendrán medidas adecuadas con el fin de impedir que aquellos proveedores que, individual o conjuntamente, sean un proveedor importante empleen o sigan empleando prácticas anticompetitivas.

##### **1.2 Salvaguardias**

Las prácticas anticompetitivas a las que se hace referencia *supra* incluirán, en particular, las siguientes:

- a) realizar actividades anticompetitivas de subvención cruzada<sup>4</sup>;
- b) utilizar información obtenida de competidores con resultados anticompetitivos; y
- c) no poner oportunamente a disposición de los demás proveedores de servicios la información técnica sobre las instalaciones esenciales y la información comercialmente pertinente que éstos necesiten para suministrar servicios.

## 2. Interconexión

2.1 Este artículo se refiere al enlace con los proveedores que suministran redes o servicios públicos de transporte de telecomunicaciones, con objeto de que los usuarios de un proveedor puedan comunicarse con los usuarios de otro proveedor y tener acceso a los servicios suministrados por otro proveedor respecto de los que se contraigan compromisos específicos.

### 2.2 Interconexión que se ha de asegurar

La interconexión con un proveedor importante quedará asegurada en cualquier punto técnicamente viable de la red.<sup>5</sup> Esta interconexión se facilitará:

- a) en términos y condiciones (incluidas las normas y especificaciones técnicas) y con tarifas que no sean discriminatorias, y será de una calidad no menos favorable que la facilitada para sus propios servicios similares o para servicios similares de proveedores de servicios no afiliados o para sus filiales u otras sociedades afiliadas;
- b) en una forma oportuna, en términos y condiciones (incluidas las normas y especificaciones técnicas) y con tarifas basadas en el costo que sean transparentes y razonables, tengan en cuenta la viabilidad económica, y estén suficientemente desagregados para que el proveedor no deba pagar por componentes o instalaciones de la red que no necesite para el suministro del servicio; y
- c) previa solicitud, en puntos adicionales a los puntos de terminación de la red ofrecidos a la mayoría de los usuarios, a un precio que refleje el costo de construcción de las instalaciones adicionales necesarias.

### 2.3 Disponibilidad pública de los procedimientos de negociación de interconexiones

Se pondrán a disposición del público los procedimientos aplicables a la interconexión con un proveedor importante.

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<sup>4</sup>El Estado colombiano se reserva el derecho de mantener subvenciones entre diferentes estratos de un mismo servicio.

<sup>5</sup>Cuando al proveedor importante (operador) o a cualquier operador existente de servicios de telecomunicaciones se le solicite la interconexión en un punto diferente al propuesto por ellos, tendrán derecho a solicitar al nuevo operador el pago de los costos ocasionados por esta decisión. Cuando exista conflicto sobre el punto de interconexión, el ente regulador podrá definir dicho conflicto y distribuir los costos a la luz de la normatividad respectiva y bajo criterios de justicia y objetividad.

## 2.4 Transparencia de los acuerdos de interconexión

Se garantiza que todo proveedor importante pondrá a disposición del público sus acuerdos de interconexión o una oferta de interconexión de referencia.

## 2.5 Interconexión: solución de diferencias

Todo proveedor de servicios que solicite la interconexión con un proveedor importante podrá presentar recurso:

- a) en cualquier momento, o
- b) después de un plazo razonable que se haya dado a conocer públicamente

ante un órgano nacional independiente que podrá ser el órgano de reglamentación al que se hace referencia en el párrafo 5 *infra*, para resolver dentro de un plazo razonable las diferencias con respecto a los términos, condiciones y tarifas apropiados de interconexión, siempre que éstos no hayan sido establecidos previamente.<sup>6</sup>

## 3. Servicio universal

Todo miembro tiene derecho a definir el tipo de obligación de servicio universal que desee mantener. No se considerará que las obligaciones de esa naturaleza son anticompetitivas *per se*, a condición de que sean administradas de manera transparente y no discriminatoria y con neutralidad en la competencia y no sean más gravosas de lo necesario para el tipo de servicio universal definido por el miembro.

## 4. Disponibilidad pública de los criterios de concesión de licencias

Cuando se exija una licencia, se pondrán a disposición del público:

- a) todos los criterios de concesión de licencias y los plazos normalmente requeridos para tomar una decisión relativa a una solicitud de licencia y
- b) los términos y condiciones de las licencias individuales.

A solicitud del interesado le serán comunicadas las razones de la denegación de la licencia.

## 5. Independencia de la entidad de reglamentación

Las decisiones del órgano de reglamentación y los procedimientos aplicados serán imparciales con respecto a todos los participantes en el mercado.

## 6. Asignación y utilización de recursos escasos

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<sup>6</sup>Se adopta este punto bajo el entendido de que "un órgano nacional independiente", se refiere al ente que determine la ley colombiana.

Todo procedimiento para la asignación y utilización de recursos escasos, como las frecuencias, los números y los derechos de paso, se llevarán a la práctica de manera objetiva<sup>7</sup>, oportuna, transparente y no discriminatoria. Se pondrá a disposición del público el estado actual de las bandas de frecuencia asignadas, pero no es preciso identificar detalladamente las frecuencias asignadas a usos oficiales específicos.

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<sup>7</sup>Por "objetiva" se entiende que la asignación y utilización depende de la disponibilidad y el cuadro nacional de frecuencias.

## DOMINICA

### Schedule of Specific Commitments

#### Supplement 1

(This is authentic in English only)

This text is inserted as the Telecommunication services section in document GATS/SC/27.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
2. COMMUNICATION SERVICES  C. <u>Telecommunication Services</u>			See attached additional commitments on regulatory disciplines.
a. Voice telephone services (7521)	(1) Bypass of the network of exclusive operators not permitted.  (2) None  (3) Reserved for exclusive operator.  (4) As indicated in the horizontal section.	(1) None  (2) None  (3) None  (4) None	
<u>For public use</u>  b. Packet-switched data	(1) Bypass of the network of exclusive operator is not permitted.	(1) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>transmission services (7523**)</p> <p>c. Circuit-switched Transmission services (7523**)</p> <p>d. Telex services (7523**)</p> <p>e. Telegraph services (7522)</p> <p>f. Facsimile services (7521** + 7529**)</p> <p>g. Private leased circuit services (7522**, 7523**)</p>	<p>(2) None</p> <p>(3) Reserved for exclusive operator.</p> <p>(4) As indicated in the horizontal section.</p>	<p>(2) None</p> <p>(3) None</p> <p>(4) None</p>	
<p><u>For non-public use:</u> (i.e. closed user groups):</p> <p>b. Packet-switched data Transmission (7523**)</p> <p>c. Circuit-switched data Transmission (7523**)</p> <p>f. Facsimile services (7521**, 7529**)</p>	<p>(1) Only on network facilities supplied by the exclusive operator. Bypass of exclusive operator is not permitted.</p> <p>(2) None</p> <p>(3) Only on network facilities supplied by the exclusive operator. Bypass of the exclusive operator is not permitted.</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	(4) As indicated in the horizontal	(4) None	
h. Electric mail (7523**)	(1) Only on network facilities supplied by the exclusive operator.	(1) None	
i. Voice mail (7523**)	(2) None	(2) None	
j. On-line information and data base retrieval (7523**)	(3) Only on network facilities supplied by the exclusive operator.	(3) None	
k. Electronic data interchange (7523**)	(4) As indicated in the horizontal	(4) None	
l. Enhanced value-added facsimile services incl. store and forward, store and retrieve (7523**)			
m. Code and protocol Conversion			
n. On-line information and/or data processing (incl. Transaction processing) (843**)			
o. Other			
Internet and Internet access services (except voice)	(1) Only on facilities supplied by the exclusive operator.	(1) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(75260)	<p>(2) None</p> <p>(3) Only on network facilities supplied</p> <p>(4) As indicated in the horizontal section.</p>	<p>(2) None</p> <p>(3) None</p> <p>(4) None</p>	
<p>Mobile services (terrestrial based)</p> <ul style="list-style-type: none"> <li>- Cellular/mobile telephone services</li> <li>- Mobile data services</li> <li>- Personal communications services</li> <li>- Paging (75291)</li> <li>- Trunked radio system services</li> </ul>	<p>(1) Reserved for exclusive operator</p> <p>(2) None</p> <p>(3) Reserved for exclusive supplier</p> <p>(4) As indicated in the horizontal section.</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) None</p>	
<p>Mobile services (satellite-based)</p> <ul style="list-style-type: none"> <li>- Mobile telephone services</li> <li>- Mobile data services</li> </ul>	<p>(1) Only on proof of arrangement between Satellite transport service provider and exclusive operator, who is under obligation not to limit the number of satellite transport service providers with whom such arrangements will be entered into.</p>	<p>(1) None</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<ul style="list-style-type: none"> <li>- Personal communications services</li> <li>- Paging</li> <li>- Trunked radio system services</li> </ul>	<p>(2) None</p> <p>(3) Reserved to supply by exclusive operator in accordance with arrangements noted above.</p> <p>(4) As indicated in the horizontal</p>	<p>(2) None</p> <p>(3) None</p> <p>(4) None</p>	
Fixed satellite services	<p>(1) Only on proof of arrangement between satellite transport service provider and exclusive operator, who is under obligation not to limit the number of satellite transport service providers with whom such arrangements will be entered into.</p> <p>(2) None</p> <p>(3) Only on satellite network capacity supplied by the exclusive international operator. Bypass of the exclusive international operator is not permitted.</p> <p>(4) As indicated in the horizontal</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) None</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Teleconferencing services (75292)	(1) Only network facilities supplied by the exclusive operator. (2) None (3) Only on network facilities supplied by the exclusive operator. (4) As indicated in the horizontal section.	(1) None (2) None (3) None (4) None	
Telecommunications equipment sales, rental, maintenance, connection, repair and consulting services (75410 - 75450)	(1) None (2) None (3) None (4) As indicated in the horizontal section.	(1) None (2) None (3) None (4) None	

## **REFERENCE PAPER**

### Scope

The following are definitions and principles on the regulatory framework for the basic telecommunications services.

### Definitions

Users mean service consumers and service suppliers.

Essential facilities mean facilities of a public telecommunications transport network or service that

- (a) are exclusively or predominantly provided by a single or limited number of suppliers; and
- (b) cannot feasibly be economically or technically substituted in order to provide a service.

A major supplier is a supplier which has the ability to materially affect the terms of participation (having regard to price and supply) in the relevant market for basic telecommunications services as a result of:

- (a) control over essential facilities; or
- (b) use of its position in the market.

## 1. Competitive safeguards

### 1.1 Prevention of anti-competitive practices in telecommunications

Appropriate measures shall be maintained for the purpose of preventing suppliers who, alone or together, are a major supplier from engaging in or continuing anti-competitive practices.

### 1.2 Safeguards

The anti-competitive practices referred to above shall include in particular:

- (a) engaging in anti-competitive cross-subsidization;
- (b) using information obtained from competitors with anti-competitive results; and
- (c) not making available to other services suppliers on a timely basis technical information about essential facilities and commercially relevant information which are necessary for them to provide services.

## 2. Interconnection

2.1 This section applies to linking with suppliers providing public telecommunications transport networks or services in order to allow the users of one supplier to communicate with users of another supplier and to access services provided by another supplier, where specific commitments are undertaken.

### 2.2 Interconnection to be ensured

Interconnection with a major supplier will be ensured at any technically feasible point in the network. Such interconnection is provided.

- (a) under non-discriminatory terms, conditions (including technical standards and specifications) and rates and of a quality no less favourable than that provided for its own like services or for like services of non-affiliated service suppliers or for its subsidiaries or other affiliates;
- (b) in a timely fashion, on terms, conditions (including technical standards and specifications) and cost-oriented rates that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled so that the supplier need not pay for network components or facilities that it does not require for the service to be provided; and
- (c) upon request, at points in addition to the network termination points offered to the majority of users, subject to charges that reflect the cost of construction of necessary additional facilities.

### 2.3 Public availability of the procedures for interconnection negotiations

The procedures applicable for interconnection to a major supplier will be made publicly available.

### 2.4 Transparency of interconnection arrangements

It is ensured that a major supplier will make publicly available either its interconnection agreements or a reference interconnection offer.

### 2.5 Interconnection: dispute settlement

A service supplier requesting interconnection with a major supplier will have recourse, either:

- (a) at any time or
- (b) after a reasonable period of time which has been made publicly known

to an independent domestic body, which may be a regulatory body as referred to in paragraph 5 below, to resolve disputes regarding appropriate terms, conditions and rates for interconnection within a reasonable period of time, to the extent that these have not been established previously.

3. Universal service

Any Member has the right to define the kind of universal service obligation it wishes to maintain. Such obligations will not be regarded as anti-competitive *per se*, provided they are administered in a transparent, non-discriminatory and competitively neutral manner and are not more burdensome than necessary for the kind of universal service defined by the Member.

4. Public availability of licensing criteria

Where a licence is required, the following will be made publicly available:

- (a) all the licensing criteria and the period of time normally required to reach a decision concerning an application for a licence and
- (b) the terms and conditions of individual licences.

The reasons for the denial of a licence will be made known to the applicant upon request.

5. Independent regulators

The regulatory body is separate from, and not accountable to, any supplier of basic telecommunications services. The decisions of and the procedures used by regulators shall be impartial with respect to all market participants.

6. Allocation and use of scarce resources

Any procedures for the allocation and use of scarce resources, including frequencies, numbers and rights of way, will be carried out in an objective, timely, transparent and non-discriminatory manner. The current state of allocated frequency bands will be made publicly available, but detailed identification of frequencies allocated for specific government uses is not required.



## ECUADOR

### Lista de compromisos específicos

#### Suplemento 1

(Esta lista es auténtica en español únicamente)

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Este texto reemplaza el compromiso sobre el subsector "Servicios de telefonía móvil celular" contenido en la página 8 y complementa los otros compromisos en la sección sobre los servicios de telecomunicaciones contenidos en las páginas 7 y 8 del documento GATS/SC/98.

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
2. <u>SERVICIOS DE COMUNICACIONES</u>			
C. <u>Servicios de telecomunicaciones</u>			
o) Otros  1) Servicios de telefonía móvil celular CCP 75213)  (limitado a los que se proveen por medio de líneas terrestres)	1) Sin consolidar  2) Ninguna  3) Ninguna  4) Sin consolidar, excepto lo indicado en los compromisos horizontales.	1) Sin consolidar  2) Ninguna  3) Ninguna  4) Sin consolidar, excepto lo indicado en los compromisos horizontales.	



## EL SALVADOR

### Lista de compromisos específicos

#### Suplemento 1

(Esta lista es auténtica en español únicamente)

Este texto complementa la sección sobre los Servicios de telecomunicaciones contenida en las páginas 8 y 9 del documento GATS/SC/29.

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
<u>2.C. Servicios de telecomunicaciones</u>			
Servicios a nivel nacional e internacional mediante redes de telecomunicación básica, pública y no pública: usando cualquier tecnología de red (ej. Alámbrica, radioeléctrica, satelital, cable y televisión); basados en la utilización de instalaciones y basados en la reventa; en cada uno de los servicios siguiente:  a. Servicios de telefonía	1) Ninguna  2) Ninguna  3) Solicitar a la Superintendencia General de Electricidad y Telecomunicaciones (SIGET) concesión o licencia para hacer uso de la frecuencia regulada y asignación de números y clave de selección de operador al sistema multiportador.  Acceso a las facilidades de INTELSAT por medio del signatario.	1) Ninguna, excepto como indican los compromisos horizontales  2) Ninguna  3) Ninguna	Con base al marco legal de la Ley de Telecomunicaciones, (Decreto Legislativo 807, de fecha 12 de septiembre de 1996), El Salvador presenta los compromisos de referencia adjunto.  Los precios y condiciones de los servicios de telecomunicaciones a usuarios finales serán establecidos por medio de la libre negociación,

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
b. Servicios de transmisión de datos con conmutación de paquetes  c. Servicios de transmisión de datos con conmutación de circuitos  d. Servicios de Telex  e. Servicios de Telégrafo  f. Servicios de Facsímil  g. Servicios de circuitos privados arrendados	Lo indicado en compromisos horizontales.		excepto en los casos determinados en la Ley de Telecomunicaciones.
o. Otros - Frecuencia para Radio Comunicación - Buscapersonas o Radiobusqueda (Paging) - Servicio Móvil Celular - Arrendamiento de Medios de Transmisión y Puertos de Conmutación	4) Ninguna, excepto como indican los compromisos horizontales	4) Ninguna, excepto como indican los compromisos horizontales.	

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
- Teléfonos Públicos			

## **DOCUMENTO DE REFERENCIA ADJUNTO**

### Alcance

A continuación figuran definiciones y principios relativos al marco reglamentario de los servicios de telecomunicaciones básicas.

### Definiciones

Por usuarios se entiende los consumidores de servicios y proveedores de servicios.

Por instalaciones esenciales se entiende toda instalación de una red o servicios públicos de transporte de telecomunicaciones que:

- a) sea suministrada exclusivamente o de manera predominante por un solo proveedor o por un número limitado de proveedores; y
- b) cuya sustitución con miras al suministro de un servicio no sea factible en lo económico o en lo técnico.

Por proveedor importante se entiende un proveedor que tenga la capacidad de afectar de una manera importante las condiciones de participación (desde el punto de vista de los precios y del suministro) en un mercado dado de servicios de telecomunicaciones básicas como resultado de:

- a) el control de las instalaciones esenciales; o
- b) la utilización de su posición en el mercado.

### 1. Salvaguardias de competencia

#### 1.1 Prevención de las prácticas anticompetitivas en la esfera de las telecomunicaciones

Se mantendrá medidas adecuadas con el fin de impedir que aquellos proveedores que, individual o conjuntamente, sean un proveedor importante empleen o sigan empleando prácticas anticompetitivas.

#### 1.2 Salvaguardias

Las prácticas anticompetitivas a las que se hace referencia *supra* incluirán, en particular, las siguientes:

- a) realizar actividades anticompetitivas de subvenciones cruzadas;
- b) utilizar información obtenida de competidores con resultados anticompetitivos; y
- c) no poner oportunamente a disposición de los demás proveedores de servicios la información técnica sobre las instalaciones esenciales y la información comercialmente pertinentes que éstos necesitan para suministrar servicios.

## 2. Interconexión

2.1 Este artículo se refiere al enlace con los proveedores que suministran servicios comerciales de telecomunicaciones, con objeto de que los usuarios de un proveedor puedan comunicarse con los usuarios de otro proveedor o tener acceso a los servicios suministrados por otro proveedor, respecto de los que se contraigan compromisos específicos.

### 2.2 Interconexión que se ha de asegurar

La interconexión con un proveedor importante quedará asegurada en cualquier punto técnicamente viable de la red. Esta interconexión se facilitará:

- a) en términos y condiciones (incluida las normas y especificaciones técnicas) y con tarifas que no sean discriminatorios, y será de una calidad no menos favorable que la facilitada para sus propios servicios similares o para servicios similares de proveedores de servicios no afiliados o para sus filiales u otras sociedades afiliadas;
- b) a todos los niveles o centrales donde sea técnicamente factible, con la finalidad de terminar en la red de una de las partes, telecomunicaciones originadas en cualquier otra red comercial, o transferir telecomunicaciones originadas en la red de una de las partes a cualquier otra red comercial de telecomunicaciones seleccionada por el usuario final, implícita o explícitamente;
- c) en una forma oportuna, en términos y condiciones (incluidas las normas y especificaciones técnicas) y con tarifas basadas en el costo que sean transparentes y razonables, tengan en cuenta la viabilidad económica y estén suficientemente desagregadas para que el proveedor no deba pagar por componentes o instalaciones de la red que no necesite para el suministro del servicio; y
- d) previa solicitud, en puntos adicionales a los puntos de terminación de la red ofrecidos a la mayoría de los usuarios, a un precio que refleje el costo de construcción de las instalaciones adicionales necesarias.

### 2.3 Disponibilidad pública de los procedimientos de negociación de interconexiones

Se pondrán a disposición del público los procedimientos aplicables al acceso de las instalaciones esenciales para la interconexión con un proveedor.

### 2.4 Transparencia de los acuerdos de interconexión

Se garantiza que todo proveedor pondrá a disposición del público sus acuerdos de interconexión o una oferta de interconexión de referencia.

### 2.5 Interconexión: solución de diferencias

Todo proveedor de servicios que solicite la interconexión con un proveedor importante podrá presentar recurso:

- a) en cualquier momento; o
- b) después de un plazo de 40 días que se haya dado a conocer públicamente

ante el órgano de reglamentación al que se hace referencia en el párrafo 5 *infra*, para resolver dentro de un plazo razonable las diferencias con respecto a los términos, condiciones y tarifas apropiados de interconexión, siempre que éstos no hayan sido establecidos previamente.

### 3. Servicio universal

Todo Miembro tiene derecho a definir el tipo de obligación de servicio universal que desee mantener. No se considerará que las obligaciones de esa naturaleza son anticompetitivas *per se*, a condición de que sean administradas de manera transparente y no discriminatoria y con neutralidad en la competencia y no sean más gravosas de lo necesario para el tipo de servicio universal definido por el Miembro.

### 4. Disponibilidad pública de los criterios de concesión de licencias

Cuando se exija una licencia, se pondrán a disposición del público:

- a) todos los criterios de concesión de licencias y los plazos normalmente requeridos para tomar una decisión relativa a una solicitud de licencia y
- b) los términos y condiciones de las licencias individuales.

A solicitud del interesado le serán comunicadas las razones de la denegación de la licencia.

### 5. Independencia de la entidad de reglamentación

El órgano de reglamentación será independiente de todo proveedor de servicios de telecomunicaciones, y no responden ante él. Las decisiones del órgano de reglamentación y los procedimientos aplicados serán imparciales con respecto a todos los participantes en el mercado.

### 6. Asignación y utilización de recursos escasos

Todo procedimiento para la asignación y utilización de recursos escasos, como las frecuencias, los números y los derechos de paso, se llevará a la práctica de manera objetiva, oportuna, transparente y no discriminatoria. Se pondrá a disposición del público el estado actual de las bandas de frecuencia asignadas, pero no es preciso identificar detalladamente las frecuencias asignadas a usos oficiales específicos.

## GRENADA

### Schedule of Specific Commitments

#### Supplement 1

(This is authentic in English only)

This text is inserted as the Telecommunication services section in document GATS/SC/96.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
3. COMMUNICATION SERVICES <u>A. Telecommunication Services</u>			See attached additional commitments on regulatory disciplines.
For public use: a. Voice telephone services (7521) b. Packet-switched data Transmission services (7523**, 7524**) c. Circuit-switched data Transmission services (7523**, 7524**) d. Telex services (7523**) Private leased circuit Services (7522**, 7523**, 7525)	(1) Until 2006 bypass of the network of exclusive public operator not permitted. None as of 2006  (2) None  (3) Reserved to exclusive supply until 2006. None as of 2006  (4) As indicated in the horizontal section	(1) None  (2) None  (3) None  (4) None	
For non-public use (i.e.	(1) Until 2006 only on network	(1) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
closed user groups): a. Voice telephone services (7521) b. Packet-switched data transmission services (7523**, 7524**)	facilities supplied by the exclusive operator and bypass of exclusive operator not permitted and resale of excess capacity are not permitted. None as of 2006  (2) None	  (2) None	
c. Circuit-switched data transmission services (7523**, 7524**)	(3) Until 2006 only on network facilities supplied by the exclusive operator and bypass of exclusive operator not permitted and resale of excess capacity are not permitted. None as of 2006  (4) As indicated in the horizontal section	(3) None  (4) None	
f. Facsimile services (7521**, 7529**) g. Electronic mail (7523**) i. Voice mail (7523**)	(1) Until 2006 bypass of the network of exclusive operator not permitted. None as of 2006  (2) None  (3) Reserved to exclusive operator until 2006. None as of 2006  (4) As indicated in the horizontal section	(1) None  (2) None  (3) None  (4) None	
j. On-line information and data base retrieval (7523**) k. Electronic data	(1) Until 2006 only on facilities supplied by the exclusive operator. None as of 2006	(1) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
interchange (7523**) 1. Enhanced/value-added Facsimile services, incl. store and forward, store and retrieve (7523**)	(2) None  (3) Until 2006 only on facilities supplied by the exclusive operator. None as of 2006	(2) None  (3) None	
m. Code and protocol Conversion On-line information and/or data processing (incl.transaction processing) (843**)	(4) As indicated in the horizontal section	(4) None	
n. Other  Internet and internet access services (except voice) (75260)	(1) Until 2006 only on facilities supplied by the exclusive operator. None as of 2006  (2) None  (3) Until 2006, only on network facilities supplied by the exclusive operator. None as of 2006  (4) As indicated in the horizontal section	(1) None  (2) None  (3) None  (4) None	
Mobile services (terrestrial based) - Cellular/mobile telephone - Mobile data services - Personal communications	(1) Until 2006 reserved to exclusive operator. None as of 2006  (2) None  (3) Until 2006, reserved to exclusive operator. None as of 2006	(1) None  (2) None  (3) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
services (75291)	(4) As indicated in the horizontal section	(4) None	
<u>For public use:</u> Mobile services (satellite-based) <ul style="list-style-type: none"> <li>- Mobile telephone Services</li> <li>- Mobile data services</li> <li>- Personal communications Services</li> </ul>	(1) Until 2006 through arrangements between satellite transport services suppliers and exclusive operator, who is under obligation not to limit the number of suppliers with whom such arrangements will be entered into. None as of 2006	(1) None	
Fixed satellite services (including, but not limited to 7524**)	(2) None  (3) Until 2006 through arrangements between satellite transport services suppliers and exclusive operator, who is under obligation not to limit the number of suppliers with whom such arrangement will be entered into. None as of 2006  (4) As indicated in the horizontal section	(2) None  (3) None  (4) None	
<u>For non-public use (i.e. closed user groups):</u> Mobile services (satellite-based)  Fixed satellite services	(1) Until 2006 through arrangements between satellite transport services suppliers and exclusive operator, who is under obligation not to limit the number of suppliers with whom such arrangement will be entered	(1) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>into. None as of 2006</p> <p>(2) None</p> <p>(3) Until 2006, only on satellite network capacity supplied by the exclusive operator and bypass of exclusive operator not permitted. None as of 2006</p> <p>(4) As indicated in the horizontal section</p>	<p>(2) None</p> <p>(3) None</p> <p>(4) None</p>	
Trunked radio system services	<p>(1) Foreign ownership limited to 49%</p> <p>(2) None</p> <p>(3) Foreign ownership limited to 49%</p> <p>(4) As indicated in the horizontal section</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) None</p>	
For public use Teleconferencing services (75292)	<p>(1) Until 2006 bypass of the network of exclusive operator not permitted. None as of 2006</p> <p>(2) None</p> <p>(3) Reserved to exclusive operator 2006. None as of 2006</p> <p>(4) As indicated in the horizontal section</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) None</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<u>For non-public use (i.e. closed user groups):</u>  Teleconferencing services (75292)	(1) Until 2006, only on network facilities supplied by the exclusive operator and bypass of exclusive operator not permitted and resale of excess capacity are not permitted. None as of 2006  (2) None  (3) Until 2006, only on network facilities supplied by the exclusive operator not permitted and resale of excess capacity are not permitted. None as of 2006  (4) As indicated in the horizontal action	(1) None  (2) None  (3) None  (4) None	
Telecommunications equipment sales, rental, maintenance, connection, repair and consulting services (75410 - 75450)	(1) None (2) None (3) Only through joint venture with Nationals (4) As indicated in the horizontal section	(1) None (2) None (3) None (4) None	

## **ATTACHMENT: ADDITIONAL COMMITMENTS**

### **REFERENCE PAPER**

#### Scope

The following are definitions and principles on the regulatory framework for the basic telecommunications services.

#### Definitions

Users mean service consumers and service suppliers.

Essential facilities mean facilities of a public telecommunications transport network or service that

- (a) are exclusively or predominantly provided by a single or limited number of suppliers; and
- (b) cannot feasibly be economically or technically substituted in order to provide a service.

A major supplier is a supplier which has the ability to materially affect the terms of participation (having regard to price and supply) in the relevant market for basic telecommunications services as a result of:

- (a) control over essential facilities; or
- (b) use of its position in the market.

#### 1. Competitive safeguards

##### 1.1 Prevention of anti-competitive practices in telecommunications

Appropriate measures shall be maintained for the purpose of preventing suppliers who, alone or together, are a major supplier from engaging in or continuing anti-competitive practices.

##### 1.2 Safeguards

The anti-competitive practices referred to above shall include in particular:

- (a) engaging in anti-competitive cross-subsidization;
- (b) using information obtained from competitors with anti-competitive results; and
- (c) not making available to other services suppliers on a timely basis technical information about essential facilities and commercially relevant information which are necessary for them to provide services.

## 2. Interconnection

2.1 This section applies to linking with suppliers providing public telecommunications transport networks or services in order to allow the users of one supplier to communicate with users of another supplier and to access services provided by another supplier, where specific commitments are undertaken.

### 2.2 Interconnection to be ensured

Interconnection with a major supplier will be ensured at any technically feasible point in the network. Such interconnection is provided.

- (a) under non-discriminatory terms, conditions (including technical standards and specifications) and rates and of a quality no less favourable than that provided for its own like services or for like services of non-affiliated service suppliers or for its subsidiaries or other affiliates;
- (b) in a timely fashion, on terms, conditions (including technical standards and specifications) and cost-oriented rates that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled so that the supplier need not pay for network components or facilities that it does not require for the service to be provided; and
- (c) upon request, at points in addition to the network termination points offered to the majority of users, subject to charges that reflect the cost of construction of necessary additional facilities.

### 2.3 Public availability of the procedures for interconnection negotiations

The procedures applicable for interconnection to a major supplier will be made publicly available.

### 2.4 Transparency of interconnection arrangements

It is ensured that a major supplier will make publicly available either its interconnection agreements or a reference interconnection offer.

### 2.5 Interconnection: dispute settlement

A service supplier requesting interconnection with a major supplier will have recourse, either:

- (a) at any time or
- (b) after a reasonable period of time which has been made publicly known

to an independent domestic body, which may be a regulatory body as referred to in paragraph 5 below, to resolve disputes regarding appropriate terms, conditions and rates for interconnection within a reasonable period of time, to the extent that these have not been established previously.

3. Universal service

Any Member has the right to define the kind of universal service obligation it wishes to maintain. Such obligations will not be regarded as anti-competitive *per se*, provided they are administered in a transparent, non-discriminatory and competitively neutral manner and are not more burdensome than necessary for the kind of universal service defined by the Member.

4. Public availability of licensing criteria

Where a licence is required, the following will be made publicly available:

- (a) all the licensing criteria and the period of time normally required to reach a decision concerning an application for a licence and
- (b) the terms and conditions of individual licences.

The reasons for the denial of a licence will be made known to the applicant upon request.

5. Independent regulators

The regulatory body is separate from, and not accountable to, any supplier of basic telecommunications services. The decisions of and the procedures used by regulators shall be impartial with respect to all market participants.

6. Allocation and use of scarce resources

Any procedures for the allocation and use of scarce resources, including frequencies, numbers and rights of way, will be carried out in an objective, timely, transparent and non-discriminatory manner. The current state of allocated frequency bands will be made publicly available, but detailed identification of frequencies allocated for specific government uses is not required.



## GUATEMALA

### Lista de compromisos específicos

#### Suplemento 1

(Esta lista es auténtica en español únicamente)

Este texto se incorpora como sección sobre los servicios de telecomunicaciones al documento GATS/SC/36.

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
1. SERVICIOS DE COMUNICACIONES  C. Servicios de telecomunicaciones a. Servicios de teléfono (7521) b. Servicios de transmisión de datos con conmutación de paquetes (7523) c. Servicios de transmisión de datos con conmutación de circuitos (7523) d. Servicios de télex (7523) e. Servicios de telégrafo (7522)	1) El tráfico internacional debe ser enrutado a través de las instalaciones de una empresa con título de usufructo de frecuencia y/o Certificado del Registro de Telecomunicaciones de la Superintendencia de Telecomunicaciones.  2) Ninguna	1) Ninguna  2) Ninguna	El Gobierno de Guatemala adquiere compromisos adicionales que se expresan en el anexo.

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
f. Servicios de facsímil (7521, 7529) g. Servicios de circuitos privados arrendados (7522, 7523) o. Otros Servicios de radiobúsqueda (75291) Servicios celulares (75213) Servicios de comunicación personales Servicios móviles de datos Servicios por satélite	3) Ninguna  4) Sin consolidar, excepto lo indicado en los compromisos	3) Ninguna  4) Sin consolidar, excepto lo	

## **Compromisos adicionales de Guatemala en materia de reglamentación para facilitar la competencia**

### Alcance

A continuación figuran definiciones y principios relativos al marco reglamentario de los servicios de telecomunicaciones básicas.

### Definiciones

Por usuarios se entiende los consumidores de servicios de telecomunicaciones.

Por instalaciones esenciales se entiende toda instalación de una red o servicio públicos de transporte de telecomunicaciones que:

- a) sea suministrada exclusivamente o de manera predominante por un solo proveedor o por un número limitado de proveedores; y
- b) cuya sustitución con miras al suministro de un servicio no sea factible en lo económico o en lo técnico.

Un proveedor importante es un proveedor que tenga la capacidad de afectar de manera importante las condiciones de participación (desde el punto de vista de los precios y del suministro) en un mercado dado de servicios de telecomunicaciones básicas como resultado de:

- a) el control de las instalaciones esenciales; o
- b) la utilización de su posición en el mercado.

### 1) Salvaguardias de la competencia

#### 1.1 Prevención de las prácticas anticompetitivas en la esfera de las telecomunicaciones

Se mantendrán medidas adecuadas con el fin de impedir que aquellos proveedores que, individual o conjuntamente, sean un proveedor importante, empleen o sigan empleando prácticas anticompetitivas.

#### 1.2 Salvaguardias

Las prácticas anticompetitivas a las que se hace referencia *supra* incluirán, en particular, las siguientes:

- a) realizar actividades anticompetitivas de subvención cruzada;
- b) utilizar información obtenida de competidores con resultados anticompetitivos; y

- c) no poner oportunamente a disposición de los demás proveedores de servicios la información técnica sobre las instalaciones esenciales y la información comercialmente pertinente que éstos necesiten para suministrar servicios.

## 2. Interconexión

2.1 Este artículo se refiere al enlace con los proveedores que suministren redes o servicios públicos de transporte de telecomunicaciones, con objeto de que los usuarios de un proveedor puedan comunicarse con los usuarios de otro proveedor y tener acceso a los servicios suministrados por otro proveedor.

### 2.2 Interconexión que se ha de asegurar

Dentro de los límites en que se permita el acceso al mercado, la interconexión con un proveedor importante quedará asegurada en cualquier punto técnicamente viable de la red. Esta interconexión se facilitará:

- a) en términos y condiciones (incluidas las normas y especificaciones técnicas) y con tarifas que no sean discriminatorias, y será de una calidad no menos favorable que la facilitada para sus propios servicios similares o para servicios similares de proveedores de servicios no afiliados o para sus filiales u otras sociedades afiliadas;
- b) en una forma oportuna, en términos y condiciones (incluidas las normas y especificaciones técnicas) y con tarifas basadas en el costo que sean transparentes y razonables, tengan en cuenta la viabilidad económica, y estén suficientemente desagregados para que el proveedor no deba pagar por componentes o instalaciones de la red que no necesite para el suministro del servicio; y
- c) previa solicitud, en puntos adicionales a los puntos de terminación de la red ofrecidos a la mayoría de los usuarios, a un precio que refleje el costo de construcción de las instalaciones adicionales necesarias.

### 2.3 Disponibilidad pública de los procedimientos de negociación de interconexiones

Se pondrán a disposición del público los procedimientos aplicables a la interconexión con un proveedor importante.

### 2.4 Transparencia de los acuerdos de interconexión

Se garantiza que todo proveedor importante pondrá a disposición del público sus acuerdos de interconexión o una oferta de interconexión de referencia únicamente durante el período comprendido del 18 de mayo de 1997 hasta el 18 de mayo del 2000.

### 2.5 Interconexión: solución de diferencias

Si dentro de un plazo de 40 días (hábiles) las partes no llegan a un acuerdo en cuanto al acceso de recursos esenciales, la Superintendencia de Telecomunicaciones -SIT- deberá resolver al respecto por el procedimiento especificado en la Ley General de Telecomunicaciones.

Contra resoluciones originarias de la Superintendencia de Telecomunicaciones, únicamente podrá interponerse recurso de revisión, el cual deberá ser resuelto por el Ministerio de Comunicaciones, Transporte y Obras Públicas. Contra cualquier resolución derivada de un recurso de revisión dictado por el Ministerio de Comunicaciones, Transporte y Obras Públicas, procederá el recurso del contencioso administrativo.

### 3. Servicio universal

Todo Miembro tiene derecho a definir el tipo de obligación de servicio universal que desee mantener. No se considerará que las obligaciones de esa naturaleza son anticompetitivas *per se*, a condición de que sean administradas de manera transparente y no discriminatoria y con neutralidad en la competencia y no sean más gravosas de lo necesario para el tipo de servicio universal definido por el Miembro.

### 4. Disponibilidad pública de los criterios de otorgamiento de títulos de usufructo

Cuando se exija un título de usufructo, se pondrán a disposición del público:

- a) todos los criterios de concesión de títulos de usufructo y los plazos normalmente requeridos para tomar una decisión relativa a una solicitud de títulos de usufructo y
- b) los términos y condiciones de los títulos de usufructo individuales.

A solicitud del interesado le serán comunicadas las razones de la denegación del título de usufructo.

### 5. Independencia de la entidad de reglamentación

El órgano de reglamentación será independiente de todo proveedor de servicios de telecomunicaciones básicas y no responderá ante él. Las decisiones del órgano de reglamentación y los procedimientos aplicados serán imparciales con respecto a todos los participantes en el mercado.

### 6. Asignación y utilización de recursos escasos

Todo procedimiento para la asignación y utilización de recursos escasos, como las frecuencias, los números y los derechos de pago, se llevará a la práctica de manera objetiva, oportuna, transparente y no discriminatoria. Se pondrá a disposición del público el estado actual de las bandas de frecuencia asignadas, pero no es preciso identificar detalladamente las frecuencias asignadas a usos oficiales específicos.



## JAMAICA

### Schedule of Specific Commitments

#### Supplement 1

(This is authentic in English only)

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This text is inserted as the Telecommunication services section in document GATS/SC/45.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
2. COMMUNICATION SERVICES  C. Telecommunication Services  All Subsectors listed below	(3) Voice telephone, facsimile, telex, and teleprinter services may not be supplied over cable TV network facilities		See attached additional commitments on regulatory disciplines.  The Government will submit to Parliament a new draft law on telecommunications. This law will provide the legislative framework for the provision of telecommunication services reflecting technological advances and pro-competitive practices in the sector.
a. Voice telephone services (7521) - Domestic, fixed network only - international, wire and wireless networks	(1) Until Sept. 2013, bypass of exclusive private operator not permitted. Callback services and refiling not permitted  (2) Callback services not permitted	(1) None   (2) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<ul style="list-style-type: none"> <li>- for public use</li> <li>d. Telex services (7523**)</li> <li>e. Telegraph services (7522)</li> </ul>	(3) Reserved to exclusive supply until Sept.2013. No limitation on foreign Equity participation in the exclusive private Operator.	(3) None	
<ul style="list-style-type: none"> <li>g. Private leased circuit Services (7522**, 7523**)</li> <li>- domestic, fixed network facilities</li> <li>- international, wire and wireless network facilities</li> <li>f. Facsimile services (7521**, 7529**).</li> <li>l. Enhanced/value-added Facsimile services, incl. Store and forward, store and retrieve (7523**)</li> </ul>	(4) Unbound except as indicated in the horizontal commitments	(4) Unbound except as indicated in the horizontal commitments	
<ul style="list-style-type: none"> <li>a. Voice Telephone Services (7521)</li> <li>- for private use</li> </ul>	<ul style="list-style-type: none"> <li>(1) Until Sept. 2013, bypass of exclusive private operator not permitted</li> <li>(2) None</li> <li>(3) Reserved to exclusive supply until Sept. 2013</li> <li>(4) Unbound except as indicated in the horizontal commitments</li> </ul>	<ul style="list-style-type: none"> <li>(1) None</li> <li>(2) None</li> <li>(3) None</li> <li>(4) Unbound except as indicated in the horizontal commitments</li> </ul>	The Government is in the process of reviewing this with the exclusive private operator in the context of the draft Telecom Bill and the establishment of the regulatory regime in 1997. If the outcome of this review is favourable, the Government will submit an improved commitment on

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
			private voice telephone services.
b. Packet-switched data transmission services (7523**) <ul style="list-style-type: none"> <li>- Domestic</li> </ul> c. Circuit-switched data transmission services (7523**) <ul style="list-style-type: none"> <li>- Domestic</li> </ul>	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal commitments	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal commitments	
g. Electronic mail (7523**) <ul style="list-style-type: none"> <li>i. Voice mail (7523**)</li> <li>j. On-line information and data base retrieval (7523**)</li> <li>k. Electronic data interchange (7523**)</li> <li>m. Code and protocol conversion</li> <li>m. On-line information And/or data processing (incl.transaction processing) (843**)</li> </ul>	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal commitments	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal commitments	
o. Other  Internet and internet access services (75260)	(1) Until Sept. 2013, excludes voice telephony over Internet (2) None	(1) None (2) None	The Government is in the process of reviewing this with the exclusive private operator in the context of the draft Telecom Bill and the establishment of the

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>(3) Until Sept. 2013, excludes voice telephony over Internet</p> <p>(4) Unbound except as indicated in the horizontal commitments</p>	<p>(3) None</p> <p>(4) Unbound except as indicated in the horizontal commitments</p>	<p>regulatory regime in 1997. If the outcome of this review is favourable, the Government will submit an improved commitment on voice over Internet.</p>
<p>Digital mobile services (terrestrial) (75213<sup>**</sup>):</p> <p>- Cellular/mobile telephone services</p>	<p>(1) Commercial presence required</p> <p>(2) None</p> <p>(3) Five to ten year licence scheduled to be issued to exclusive private operator</p> <p>(4) Unbound except as indicated in the horizontal commitments</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in the horizontal commitments</p>	
<p>Mobile telephone services (satellite-based) (75213<sup>**</sup>)</p> <p>- Domestic</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) Five to ten year licence scheduled to be issued to exclusive private operator</p> <p>(4) Unbound except as indicated in the horizontal commitments</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in the horizontal commitments</p>	
<p>Mobile telephone services (satellite-based) (75213<sup>**</sup>)</p> <p>- International</p> <p>Fixed satellite transport</p>	<p>(1) Until Sept. 2013, the exclusive private operator has rights of first refusal to enter into arrangements with suppliers of such satellite</p>	<p>(1) None</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
services - International	services  (2) None  (3) Until Sept. 2013, the exclusive operator has rights of first refusal to supply such services  (4) Unbound except as indicated in the horizontal commitments	  (2) None  (3) None  (4) Unbound except as indicated in the horizontal commitments	
Digital mobile services (terrestrial): - Mobile data services - Personal communications services - Paging (75291)	(1) None  (2) None  (3) None  (4) Unbound except as indicated in the horizontal section	(1) None  (2) None  (3) None  (4) Unbound except as indicated in the horizontal section	
Video transmission services (satellite-based) (75241 <sup>**</sup> )	(1) Until Sept. 2013, excludes video Telephone  (2) None  (3) Until Sept. 2013, excludes video telephony  (4) Unbound except as indicated in the horizontal commitments	(1) None  (2) None  (3) None  (4) Unbound except as indicated in the horizontal commitments	The Government is in the process of reviewing this with the exclusive private operator in the context of the draft Telecom Bill and the establishment of the regulatory regime in 1997. If the outcome of this review is favourable, the Government will submit an improved commitment on

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
			video telephony services.
Trunked radio system services	(1) None (2) None (3) Until Sept. 2013, interconnection with local public switched network not permitted (4) Unbound except as indicated in the horizontal commitments	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal commitments	
Teleconferencing services (75292)	(1) Until Sept. 2013, only on network facilities supplied by the exclusive private operator (2) None (3) Until Sept. 2013, only on network facilities supplied by the exclusive private operator (4) Unbound except as indicated in the horizontal commitment	(1) None (2) None (3) None (4) Unbound except as indicated in the horizontal commitments	
International voice, data and video transmission services supplied to firms	(1) None (2) None	(1) None (2) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
involved in information processing located within freezones	<p>(3) Until Sept. 2013, interconnection with the local public switched network not permitted. Service to unauthorized parties not Permitted</p> <p>(4) Unbound except as indicated in the horizontal commitments</p>	<p>(3) None</p> <p>(4) Unbound except as indicated in the horizontal commitments</p>	
Telecommunications equipment <sup>8</sup> sales, rental, maintenance, connection, repair and consulting services (75410 - 75450)	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in the horizontal commitments</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in the horizontal commitments</p>	

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<sup>8</sup>Both customer premises equipment and network equipment including, but not limited to, telephone sets, mobile telephone handsets, facsimile machines, computer terminal equipment, PBAX.

## **REFERENCE PAPER**

### **Scope**

The following are definitions and principles on the regulatory framework for the basic telecommunications services.

### **Definitions**

Users mean service consumers and service suppliers.

Essential facilities mean facilities of a public telecommunications transport network or service that

- (a) are exclusively or predominantly provided by a single or limited number of suppliers; and
- (b) cannot feasibly be economically or technically substituted in order to provide a service.

A major supplier is a supplier which has the ability to materially affect the terms of participation (having regard to price and supply) in the relevant market for basic telecommunications services as a result of:

- (a) control over essential facilities; or
- (b) use of its position in the market.

## **1. Competitive safeguards**

### **1.1 Prevention of anti-competitive practices in telecommunications**

Appropriate measures shall be maintained for the purpose of preventing suppliers who, alone or together, are a major supplier from engaging in or continuing anti-competitive practices.

### **1.2 Safeguards**

The anti-competitive practices referred to above shall include in particular:

- (a) engaging in anti-competitive cross-subsidization;
- (b) using information obtained from competitors with anti-competitive results; and

- (c) not making available to other services suppliers on a timely basis technical information about essential facilities and commercially relevant information which are necessary for them to provide services.

## 2. Interconnection

2.1 This section applies to linking with suppliers providing public telecommunications transport networks or services in order to allow the users of one supplier to communicate with users of another supplier and to access services provided by another supplier, where specific commitments are undertaken.

### 2.2 Interconnection to be ensured

Interconnection with a major supplier will be ensured at any technically feasible point in the network. Such interconnection is provided.

- (a) under non-discriminatory terms, conditions (including technical standards and specifications) and rates and of a quality no less favourable than that provided for its own like services or for like services of non-affiliated service suppliers or for its subsidiaries or other affiliates;
- (b) in a timely fashion, on terms, conditions (including technical standards and specifications) and cost-oriented rates that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled so that the supplier need not pay for network components or facilities that it does not require for the service to be provided; and
- (c) upon request, at points in addition to the network termination points offered to the majority of users, subject to charges that reflect the cost of construction of necessary additional facilities.

### 2.3 Public availability of the procedures for interconnection negotiations

The procedures applicable for interconnection to a major supplier will be made publicly available.

### 2.4 Transparency of interconnection arrangements

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### 2.5 Interconnection: dispute settlement

A service supplier requesting interconnection with a major supplier will have recourse, either:

- (a) at any time or
- (b) after a reasonable period of time which has been made publicly known

to an independent domestic body, which may be a regulatory body as referred to in paragraph 5 below, to resolve disputes regarding appropriate terms, conditions and rates for interconnection within a reasonable period of time, to the extent that these have not been established previously.

### 3. Universal service

Any Member has the right to define the kind of universal service obligation it wishes to maintain. Such obligations will not be regarded as anti-competitive *per se*, provided they are administered in a transparent, non-discriminatory and competitively neutral manner and are not more burdensome than necessary for the kind of universal service defined by the Member.

### 4. Public availability of licensing criteria

Where a licence is required, the following will be made publicly available:

- (a) all the licensing criteria and the period of time normally required to reach a decision concerning an application for a licence and
- (b) the terms and conditions of individual licences.

The reasons for the denial of a licence will be made known to the applicant upon request.

### 5. Independent regulators

The regulatory body is separate from, and not accountable to, any supplier of basic telecommunications services. The decisions of and the procedures used by regulators shall be impartial with respect to all market participants.

### 6. Allocation and use of scarce resources

Any procedures for the allocation and use of scarce resources, including frequencies, numbers and rights of way, will be carried out in an objective, timely, transparent and non-discriminatory manner. The current state of allocated frequency bands will be made publicly available, but detailed identification of frequencies allocated for specific government uses is not required.

## MÉXICO

### Lista de compromisos específicos

#### Suplemento 2

(Esta lista es auténtica en español únicamente)

Esta lista complementa la sección sobre los servicios de telecomunicaciones contenidas en las páginas 19 a 21 del documento GATS/SC/56.

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
<i>2.C. Servicios de Telecomunicaciones</i>  Los servicios de telecomunicaciones, suministrados por una red pública de telecomunicaciones basada en infraestructura (alámbrica y radio-eléctrica) a través de cualquier medio tecnológico actual, incluidos en las literales a), b), c), f), g) y o).  Se excluyen los servicios	1) Ninguna, excepto la siguiente:  el tráfico internacional debe ser enrutado a través de las instalaciones de una empresa con una concesión otorgada por la Secretaría de Comunicaciones y Transportes (SCT).  2) Ninguna  3) Se requiere concesión <sup>9</sup> otorgada por SCT.  Sólo empresas constituidas conforme a la ley mexicana pueden obtener tal concesión.  Las concesiones sobre bandas de frecuencias del espectro para usos	1) Ninguna  2) Ninguna  3) Ninguna	México adopta las obligaciones contenidas en el documento de referencia anexo a la presente.

<sup>9</sup> Concesión: Se refiere al otorgamiento de un título para instalar, operar o explotar una red pública de telecomunicaciones basada en infraestructura.

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
de radiodifusión, de televisión por cable, de transmisión satelital de DTH y DBS, y de audio digital.	determinados se otorgarán mediante  Los gobiernos extranjeros no podrán participar en una empresa constituida conforme a las leyes mexicanas, ni obtener autorización alguna para prestar servicios		
	Se permite la participación de la inversión extranjera directa hasta 49 por ciento en una empresa constituida conforme a las leyes mexicanas.		
	Telecomunicaciones de México (Telecomm) tiene los derechos exclusivos para los enlaces con Intelsat e Inmarsat. Los servicios distintos a los de larga distancia internacional que requieran del uso de satélites hasta el año 2002 deberán utilizar infraestructura satelital mexicana.  4) No consolidado, excepto lo indicado por los compromisos horizontales.	4) No consolidado, excepto lo indicado por los compromisos horizontales.	
a. Servicios de telefonía (CCP 75211, 75212)	1) Ninguna, excepto la indicada en	1) Ninguna	
b. Servicios de transmisión de datos con conmutación de paquetes (CCP 7523**)	2) Ninguna 3) Lo indicado en 2.C.3)	2) Ninguna 3) Ninguna	

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
c. Servicios de transmisión de datos con conmutación de circuitos (CCP 7523**)	4) No consolidado, excepto lo indicado por los compromisos horizontales.	4) No consolidado, excepto lo indicado por los compromisos horizontales.	
f. Servicios de facsímil (CCP 521**+7529**)	<p>1) Ninguna, excepto la indicada en 2.C.1).</p> <p>2) Ninguna</p> <p>3) Lo indicado en 2.C.3).</p> <p>Se requiere de permiso expedido por SCT para prestar servicio público de facsímil. Sólo empresas constituidas conforme a las leyes mexicanas pueden</p> <p>4) No consolidado, excepto lo indicado por los compromisos horizontales.</p>	<p>1) Ninguna</p> <p>2) Ninguna</p> <p>3) Ninguna</p> <p>4) No consolidado, excepto lo indicado por los compromisos horizontales.</p>	
h. Servicios de circuitos privados arrendados (CCP 7522**+7523**)	<p>1) Ninguna, excepto lo indicado en 2.C.1).</p> <p>2) Ninguna</p> <p>3) Lo indicado en 2. C. 3).</p> <p>Los operadores de redes privadas que</p>	<p>1) Ninguna</p> <p>2) Ninguna</p> <p>3) Ninguna</p>	

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
	<p>pretendan explotar comercialmente servicios, deberán obtener concesión otorgada por SCT, adoptando tales redes el carácter de red pública de telecomunicaciones.</p> <p>4) No consolidado, excepto lo indicado por los compromisos horizontales.</p>	<p>4) No consolidado, excepto lo indicado por los compromisos horizontales.</p>	
<p>o. Otros</p> <p>- Servicios de localización de personas (CCP75291)</p>	<p>1) Ninguna, excepto lo indicado en 2.C.1).</p> <p>2) Ninguna</p> <p>3) Lo indicado en 2.C.3).</p> <p>4) No consolidado, excepto lo indicado por los compromisos horizontales.</p>	<p>1) Ninguna</p> <p>2) Ninguna</p> <p>3) Ninguna</p> <p>4) No consolidado, excepto lo indicado por los compromisos horizontales.</p>	
<p>- Servicios de Telefonía celular (75213**) en las bandas “A” y “B”<sup>10</sup></p>	<p>1) Ninguna, excepto lo indicado en 2.C.1).</p> <p>2) Ninguna</p> <p>3) Lo indicado en 2.C.3).</p> <p>Se permitirá inversión extranjera superior al 49% del capital de una empresa, previa resolución favorable de la</p>	<p>1) Ninguna</p> <p>2) Ninguna</p> <p>3) Ninguna</p>	

<sup>10</sup> Frecuencias 825-835/870-880 y 835-845/880-890 Mhz.

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
	Comisión Nacional de Inversión  4) No consolidado, excepto lo indicado por los compromisos horizontales.	4) No consolidado, excepto lo indicado por los compromisos horizontales.	
- Comercializadoras <sup>11</sup>	1) Ninguna, excepto lo indicado en 2.C.1).  2) Ninguna  3) Ninguna excepto:  Se requiere permiso otorgado por SCT. Sólo empresas constituidas conforme a la ley mexicana pueden obtener tal permiso.  Los gobiernos extranjeros no podrán participar en una empresa constituida conforme a las leyes mexicanas, ni obtener autorización alguna para prestar servicios de telecomunicaciones.  Salvo aprobación expresa de la SCT, los concesionarios de redes públicas de telecomunicaciones no podrán participar, directa o indirectamente, en el capital de una empresa comercializadora.	1) Ninguna  2) Ninguna  3) Ninguna	
	El establecimiento y operación de las empresas comercializadoras deberá		

<sup>11</sup> Empresas que, sin ser propietarias o poseedoras de medios de transmisión, proporcionan a terceros servicios de telecomunicaciones mediante el uso de capacidad arrendada de un concesionario de redes públicas de telecomunicaciones.

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
	<p>sujetarse invariablemente a las disposiciones reglamentarias respectivas. SCT no otorgará permisos para el establecimiento de una comercializadora hasta emitir la reglamentación correspondiente.</p> <p>4) No consolidado, excepto lo indicado por los compromisos horizontales.</p>	<p>4) No consolidado, excepto lo indicado por los compromisos horizontales.</p>	

## **DOCUMENTO DE REFERENCIA**

### Alcance

A continuación se presentan definiciones y principios relativos al marco regulatorio de los servicios básicos de telecomunicaciones.

### Definiciones

Usuarios, significa consumidores del servicio y proveedores del servicio.

Recursos esenciales, significa los recursos de una red pública de telecomunicaciones de transporte o de servicios que:

- (a) son exclusivamente o predominantemente suministradas por un solo proveedor o por un número limitado de proveedores; y
- (b) no pueden ser fácilmente sustituidas económica o técnicamente para poder suministrar un servicio.

Proveedor principal, es aquel proveedor que tiene la capacidad de afectar materialmente los términos de participación en el mercado relevante de servicios básicos de telecomunicaciones (teniendo en cuenta el precio y la oferta), como resultado del:

- (a) control sobre los recursos esenciales; o
- (b) uso de su posición en el mercado.

### 1. Salvaguardas Competitivas

#### 1.1 Prevención de prácticas anticompetitivas en telecomunicaciones:

Se mantendrán las medidas apropiadas, con el propósito de prevenir que, los proveedores que se constituyan, de manera individual o conjunta, como proveedor principal, se involucren en, o continúen con prácticas anticompetitivas.

#### 1.2 Salvaguardas:

Las prácticas anticompetitivas a las que se refiere el párrafo anterior incluirán en particular:

- (a) incurrir en subsidios cruzados anticompetitivos;
- (b) utilizar información obtenida de la competencia con resultados anticompetitivos; y
- (c) no poner a disposición de otros proveedores de servicios, de manera oportuna, información técnica relativa a recursos esenciales e información comercialmente relevante que les sea necesaria para suministrar servicios.

## 2. Interconexión

2.1 Esta sección es aplicable a la conexión con los proveedores de redes públicas de telecomunicaciones de transporte o de servicios a fin de permitir a los usuarios de un proveedor comunicarse con los usuarios de otro proveedor y tener acceso a los servicios suministrados por algún otro proveedor, respecto de los cuales se contraigan compromisos específicos.

### 2.2 Interconexión a ser garantizada

La interconexión con un proveedor principal quedará asegurada en cualquier punto técnicamente factible de la red. Tal interconexión se llevará a cabo:

- (a) bajo términos, condiciones, (incluyendo normas técnicas y especificaciones) y tarifas no discriminatorios y con calidad no menos favorable que la proporcionada para servicios similares propios, o para servicios similares de proveedores de servicios no afiliados o para sus subsidiarias u otras filiales:
- (b) de manera oportuna, en términos, condiciones (incluyendo normas técnicas y especificaciones) y tarifas basadas en costos que sean transparentes, razonables, económicamente factibles y que sean lo suficientemente desagregadas para que el proveedor no necesite pagar por componentes o recursos de la red que no se requieran para que el servicio sea suministrado; y
- (c) previa solicitud, en puntos adicionales a los puntos terminales de la red ofrecidos a la mayoría de los usuarios, sujeta a un precio que refleje el costo de la construcción de las instalaciones adicionales necesarias.

### 2.3 Disponibilidad pública de procedimientos para las negociaciones de interconexión

Los procedimientos aplicables para la Interconexión a un proveedor principal deberán estar a disposición del público.

### 2.4 Transparencia de los acuerdos de interconexión

Garantizar que el proveedor principal hará públicamente disponibles sus acuerdos de interconexión o una oferta de interconexión de referencia.

### 2.5 Interconexión: Solución de controversias

Un proveedor de servicios que solicite la interconexión con un proveedor principal podrá interponer recurso:

- (a) en cualquier momento, o
- (b) después de un periodo razonable de tiempo que se haya dado a conocer públicamente

a una entidad nacional independiente, la cual puede ser un órgano regulador al que se hace referencia en el párrafo 5, para resolver las disputas relacionadas con los términos, condiciones y tasas apropiados para la interconexión dentro de un plazo razonable, en la medida en que éstos no hayan sido establecidos previamente.

### 3. Servicio universal

Cualquier Miembro tiene el derecho de definir el tipo de obligación de servicio universal que desee mantener. Tales obligaciones no serán consideradas como anticompetitivas *per se* siempre y cuando sean administradas de manera transparente, no discriminatoria y competitivamente neutrales y no sean mas onerosas de lo necesario para el tipo de servicio universal definido por el Miembro.

### 4. Disponibilidad pública de los criterios de licenciamiento

Donde se requiera una licencia lo siguiente deberá ser públicamente disponible:

- (a) todos los criterios para el licenciamiento y los plazos normalmente requeridos para llegar a una decisión concerniente a la solicitud de una licencia, y
- (b) los términos y condiciones para licencias individuales.

Las razones para la negativa a una solicitud de licencia deberá hacerse del conocimiento del solicitante a petición del mismo.

### 5. Reguladores Independientes

La entidad reguladora será independiente de todo proveedor de servicios básicos de telecomunicaciones y no responderá ante él. Las decisiones y los procedimientos empleados por los reguladores serán imparciales con respecto a todos los participantes en el mercado.

### 6. Atribución y uso de recursos escasos

Cualquier procedimiento para la atribución y el uso de recursos escasos, incluyendo frecuencias, números y derechos de vía será llevado a cabo de manera objetiva, oportuna, transparente y no discriminatoria. La situación actual de las bandas de frecuencia atribuidas, deberá hacerse públicamente disponible no requiriéndose la identificación detallada de frecuencias atribuidas para propósitos gubernamentales.



## PERÚ

### Lista de compromisos específicos

#### Suplemento 1

(Esta lista es auténtica en español únicamente)

Este texto complementa los compromisos en la sección sobre Servicios de Telecomunicaciones contenidos en las páginas 12 a 14 del documento GATS/SC/69.

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
2. SERVICIOS DE COMUNICACIONES			
C. <u>Servicios de Telecomunicaciones</u>			
a. Servicios de teléfonos	1) Los servicios de telefonía fija estarán en período de exclusividad hasta junio de 1999.	1) Ninguna	Ver hoja adjunta.
	No se permite la oferta de servicios Telefónicos basados en la realización de Intentos de llamadas en el país con el fin De obtener una llamada de retorno con Tono de invitación a discar de redes Provenientes de una red básica de Telecomunicaciones ubicada fuera del Territorio nacional.		
	Está prohibida la interconexión de Servicios privados entre sí.		
	2) Ninguna, excepto que no se permite la oferta de servicios telefónicos basada en la realización de intentos de llamadas en el país con el fin de obtener una llamada de	2) Ninguna	

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
	retorno con tono de invitación a disar de redes provenientes de una red básica de telecomunicaciones ubicada fuera del territorio nacional.		
	3) Los servicios de telefonía fija estarán en exclusividad hasta junio de 1999.	3) Ninguna	
	Se podrá restringir <i>por razones técnicas</i> el número de concesionarios de un determinado Servicio. En estos casos será obligatorio el Otorgamiento de concesiones por el mecanismo del concurso público.		
	Está prohibida la interconexión de servicios privados entre sí.		
	4) Ninguna, excepto lo indicado en los compromisos horizontales.	4) Sin consolidar, salvo lo señalado en los compromisos horizontales.	
b. Servicios de transmisión de datos con conmutación de paquetes c. Servicios de transmisión de datos con conmutación de circuitos d. Servicios de télex	1) Ninguna para la prestación del servicios en las áreas de concesión local.  La prestación del servicio para las comunicaciones de larga distancia nacional e internacional estará obligada a utilizar los servicios portadores otorgados en exclusividad hasta junio de 1999	1) Ninguna	Ver hoja adjunta.
e. Servicios de telégrafo f. Servicios de facímil	El servicio de alquiler de circuitos privados de larga distancia está considerado como una modalidad de		

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
g. Servicios de alquiler de circuitos privados (0).Otros	explotación de los servicios portadores.  Hasta junio de 1999 no se autorizará a quienes establezcan o hayan establecido un servicio privado:		
- Servicios analógicos/digitales/ móviles/celulares  - Servicios de comunicaciones personales	i) a utilizar líneas o circuitos para la prestación de servicios de telecomunicaciones, incluyendo el transporte de señales y la reventa de capacidad a terceras personas; o		
- Servicios de buscapersonas  - Servicio de datos móviles  - Servicio troncalizado	ii) a interconectar líneas o circuitos arrendados a la red pública de telecomunicaciones.  Está prohibida la interconexión de servicios privados entre sí.		
	2) Ninguna.	2) Ninguna	
	3) Ninguna para la prestación del servicio	3) Ninguna	
	La prestación del servicio para las comunicaciones de larga distancia nacional e internacional estará obligada a utilizar los exclusividad hasta junio de 1999.		
	Se podrá restringir <i>por razones técnicas</i> el número de concesionarios de un determinado servicio. En estos casos será obligatorio el otorgamiento de concesiones por el mecanismo del concurso público.		

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
	Hasta junio de 1999 no se autorizará a quienes establezcan o hayan establecido un servicio privado:		
	i) a utilizar líneas o circuitos para la prestación de servicios de telecomunicaciones, incluyendo el transporte de señales y la reventa de capacidad a terceras personas; o		
	ii) a interconectar tales líneas o circuitos arrendados a la red pública de telecomunicaciones.		
	Está prohibida la interconexión de servicios privados entre sí.		
	4) Ninguna, excepto lo indicado en los compromisos horizontales.	4) Sin consolidar, salvo lo señalado en los compromisos horizontales.	

## **DOCUMENTO DE REFERENCIA**

### Alcance

A continuación figuran definiciones y principios relativos al marco reglamentario de los servicios de telecomunicaciones básicas.

### Definiciones

Por usuarios se entiende los consumidores de servicios y los proveedores de servicios.

Por instalaciones esenciales se entiende toda instalación de una red o servicio públicos de transporte de telecomunicaciones que:

- a) sea suministrada exclusivamente o de manera predominante por un solo proveedor o por un número limitado de proveedores; y
- b) cuya sustitución con miras al suministro de un servicio no sea factible en lo económico o en lo técnico.

Un proveedor importante es un proveedor que tenga la capacidad de afectar de manera importante las condiciones de participación (desde el punto de vista de los precios y del suministro) en un mercado dado de servicios de telecomunicaciones básicas como resultado de:

- a) el control de las instalaciones esenciales; o
- b) la utilización de su posición en el mercado.

## 1. Salvaguardias de la competencia

### 1.1 Prevención de las prácticas anticompetitivas en la esfera de las telecomunicaciones

Se mantendrán medidas adecuadas con el fin de impedir que aquellos proveedores que, individual o conjuntamente, sean un proveedor importante empleen o sigan empleando prácticas anticompetitivas.

### 1.2 Salvaguardias

Las prácticas anticompetitivas a las que se hace referencia *supra* incluirán, en particular, las siguientes:

- a) realizar actividades anticompetitivas de subvención cruzada;
- b) utilizar información obtenida de competidores con resultados anticompetitivos; y
- c) no poner oportunamente a disposición de los demás proveedores de servicios la información técnica sobre las instalaciones esenciales y la información comercialmente pertinente que éstos necesiten para suministrar servicios.

## 2. Interconexión

2.1 Este artículo se refiere al enlace con los proveedores que suministran redes o servicios públicos de transporte de telecomunicaciones, con objeto de que los usuarios de un proveedor puedan comunicarse con los usuarios de otro proveedor y tener acceso a los servicios suministrados por otro proveedor, respecto de los que se contraigan compromisos específicos.

### 2.2 Interconexión que se ha de asegurar

La interconexión con un proveedor importante quedará asegurada en cualquier punto técnicamente viable de la red. Esta interconexión se facilitará:

- a) en términos y condiciones (incluidas las normas y especificaciones técnicas) y con tarifas que no sean discriminatorios, y será de una calidad no menos favorable que la facilitada para sus propios servicios similares o para servicios similares de proveedores de servicios no afiliados o para sus filiales u otras sociedades afiliadas;
- b) en una forma oportuna, en términos y condiciones (incluidas las normas y especificaciones técnicas) y con tarifas basadas en el costo que sean transparentes y razonables, tengan en cuenta la viabilidad económica, y estén suficientemente desagregados para que el proveedor no deba pagar por componentes o instalaciones de la red que no necesite para el suministro del servicio; y
- c) previa solicitud, en puntos adicionales a los puntos de terminación de la red ofrecidos a la mayoría de los usuarios, a un precio que refleje el costo de construcción de las instalaciones adicionales necesarias.

### 2.3 Disponibilidad pública de los procedimientos de negociación de interconexiones

Se pondrán a disposición del público los procedimientos aplicables a la interconexión con un proveedor importante.

### 2.4 Transparencia de los acuerdos de interconexión

Se garantiza que todo proveedor importante pondrá a disposición del público sus acuerdos de interconexión o una oferta de interconexión de referencia.

### 2.5 Interconexión: solución de diferencias

Todo proveedor de servicios que solicite la interconexión con un proveedor importante podrá presentar recurso:

- a) en cualquier momento, o
- b) después de un plazo razonable que se haya dado a conocer públicamente

ante un órgano nacional independiente, que podrá ser el órgano de reglamentación al que se hace referencia en el párrafo 5 *infra*, para resolver dentro de un plazo razonable las diferencias con respecto a los términos, condiciones y tarifas apropiados de interconexión, siempre que éstos no hayan sido establecidos previamente.

### 3. Servicio universal

Todo Miembro tiene derecho a definir el tipo de obligación de servicio universal que desee mantener. No se considerará que las obligaciones de esa naturaleza son anticompetitivas *per se*, a condición de que sean administradas de manera transparente y no discriminatoria y con neutralidad en la competencia y no sean más gravosas de lo necesario para el tipo de servicio universal definido por el Miembro.

### 4. Disponibilidad pública de los criterios de concesión de licencias

Cuando se exija una licencia, se pondrán a disposición del público:

- a) todos los criterios de concesión de licencias y los plazos normalmente requeridos para tomar una decisión relativa a una solicitud de licencia y
- b) los términos y condiciones de las licencias individuales.

A solicitud del interesado le serán comunicadas las razones de la denegación de la licencia.

### 5. Independencia de la entidad de reglamentación

El órgano de reglamentación será independiente de todo proveedor de servicios de telecomunicaciones básicas, y no responderá ante él. Las decisiones del órgano de reglamentación y los procedimientos aplicados serán imparciales con respecto a todos los participantes en el mercado.

### 6. Asignación y utilización de recursos escasos

Todo procedimiento para la atribución y utilización de recursos escasos, como las frecuencias, los números y los derechos de paso, se llevará a la práctica de manera objetiva, oportuna, transparente y no discriminatoria. Se pondrá a disposición del público el estado actual de las bandas de frecuencia, atribuidas pero no es preciso identificar detalladamente las frecuencias atribuidas a usos oficiales específicos.



## REPÚBLICA DOMINICANA

### Lista de compromisos específicos

#### Suplemento 2

(Esta lista es auténtica en español únicamente)

Este texto reemplaza el compromiso sobre el subsector (b) Servicios de transmisión de datos, contenido en la sección sobre las Telecomunicaciones en la página 20 y complementa los otros compromisos sobre las Telecomunicaciones contenidos en la página 22 del documento GATS/SC/28.

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
2.C. SERVICIOS DE TELECOMUNICACIONES			

Los compromisos asumidos en esta lista, están sujetos a las siguientes condiciones generales:

#### Aspectos regulatorios.

1. El órgano regulador de las telecomunicaciones, que a la fecha de la presente oferta es la Dirección General de Telecomunicaciones (DGT), ejerce la supervisión específica en materia reglamentaria del sector, incluyendo la elaboración y aplicación de reglamentos. Tiene competencia nacional, y es independiente de todo proveedor de telecomunicaciones de carácter privado. Sin embargo, administra bajo forma de gestión directa una parte de la red de telefonía rural. Bajo la forma de gestión indirecta, varias operadoras privadas operan los servicios de telecomunicaciones básicas en nombre del Estado, en el marco de un régimen de concesión.
2. Todo equipo terminal o cualquier otro equipo producido en el extranjero que esté en interfaz con la red telefónica pública con conmutación, deberán estar homologados de acuerdo a las normas prevalecientes en la Zona de Numeración Mundial 1. El órgano regulador podrá requerir pruebas de esta homologación.

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
3. Toda referencia en la oferta a las condiciones que se asegurarán en materia de interconexión con el proveedor importante se entenderá como válida para todos aquellos proveedores que ostenten concesiones de operación.			
a) Servicios de telefonía vocal (CCP 7521). b) Transmisión de datos con conmutación de paquetes (CCP 7523). c) Transmisión de datos con conmutación de circuitos (CCP 7523). d) Servicios de télex (CCP 7523). e) Servicios de telégrafo (CCP 7522). f) Servicios de facsímil (CCP 7521 y 7529). g) Servicios de circuitos privados arrendados (CCP 7522 y 7523).	1) Sin consolidar. 2) Sin consolidar. 3) Se requiere cumplir con los  a) Establecer domicilio legal en territorio dominicano;  a) Constituirse como persona jurídica en la República Dominicana, y;  c) Obtener concesión del Poder Ejecutivo, por conducto del órgano regulador de las telecomunicaciones, que a la fecha de esta oferta es la Dirección General de las Telecomunicaciones (DGT).	1) Sin consolidar. 2) Sin consolidar. 3) Sin consolidar.	Contenidos en el anexo.
o) Otros:  • Servicios de conexión e interconexión (CCP 7543 y 7525).	4) Sin consolidar, excepto por lo indicado en los compromisos horizontales, establecidos en la Lista de servicios de la República Dominicana de la Ronda Uruguay (GATS/SC/28).	4) Sin consolidar, excepto por lo indicado en los compromisos horizontales, establecidos en la Lista de servicios de la República Dominicana de la Ronda Uruguay (GATS/SC/28).	

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de personas físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
<ul style="list-style-type: none"> <li>• Servicios de localización ("paging", CCP 75291).</li> <li>• Servicios de telecomunicaciones móviles marítimas y aire-tierra (CCP 75299).</li> </ul>			

## **DOCUMENTO DE REFERENCIA**

### Alcance

A continuación figuran definiciones y principios relativos al marco reglamentario de los servicios de telecomunicaciones básicas.

### Definiciones

Por usuarios se entiende los consumidores de servicios y los proveedores de servicios.

Por instalaciones esenciales se entiende toda instalación de una red o servicio públicos de transporte de telecomunicaciones que:

- a) sea suministrada exclusivamente o de manera predominante por un solo proveedor o por un número limitado de proveedores; y
- b) cuya sustitución con miras al suministro de un servicio no sea factible en lo económico o en lo técnico.

Un proveedor importante es un proveedor que tenga la capacidad de afectar de manera importante las condiciones de participación (desde el punto de vista de los precios y del suministro) en un mercado dado de servicios de telecomunicaciones básicas como resultado de:

- a) el control de las instalaciones esenciales; o
- b) la utilización de su posición en el mercado.

## 1. Salvaguardias de la competencia

### 1.1 Prevención de las prácticas anticompetitivas en la esfera de las telecomunicaciones

Se mantendrán medidas adecuadas con el fin de impedir que aquellos proveedores que, individual o conjuntamente, sean un proveedor importante empleen o sigan empleando prácticas anticompetitivas.

### 1.2 Salvaguardias

Las prácticas anticompetitivas a las que se hace referencia *supra* incluirán, en particular, las siguientes:

- a) realizar actividades anticompetitivas de subvención cruzada;
- b) utilizar información obtenida de competidores con resultados anticompetitivos; y

- c) no poner oportunamente a disposición de los demás proveedores de servicios la información técnica sobre las instalaciones esenciales y la información comercialmente pertinente que éstos necesiten para suministrar servicios.

## 2. Interconexión

2.1 Este artículo se refiere al enlace con los proveedores que suministran redes o servicios públicos de transporte de telecomunicaciones, con objeto de que los usuarios de un proveedor puedan comunicarse con los usuarios de otro proveedor y tener acceso a los servicios suministrados por otro proveedor, respecto de los que se contraigan compromisos específicos.

### 2.2 Interconexión que se ha de asegurar

La interconexión con un proveedor importante quedará asegurada en cualquier punto técnicamente viable de la red. Esta interconexión se facilitará:

- a) en términos y condiciones (incluidas las normas y especificaciones técnicas) y con tarifas que no sean discriminatorios, y será de una calidad no menos favorable que la facilitada para sus propios servicios similares o para servicios similares de proveedores de servicios no afiliados o para sus filiales u otras sociedades afiliadas;
- b) en una forma oportuna, en términos y condiciones (incluidas las normas y especificaciones técnicas) y con tarifas basadas en el costo que sean transparentes y razonables, tengan en cuenta la viabilidad económica, y estén suficientemente desagregados para que el proveedor no deba pagar por componentes o instalaciones de la red que no necesite para el suministro del servicio; y
- c) previa solicitud, en puntos adicionales a los puntos de terminación de la red ofrecidos a la mayoría de los usuarios, a un precio que refleje el costo de construcción de las instalaciones adicionales necesarias.

### 2.3 Disponibilidad pública de los procedimientos de negociación de interconexiones

Se pondrán a disposición del público los procedimientos aplicables a la interconexión con un proveedor importante.

### 2.4 Transparencia de los acuerdos de interconexión

Se garantiza que todo proveedor importante pondrá a disposición del público sus acuerdos de interconexión o una oferta de interconexión de referencia.

### 2.5 Interconexión: solución de diferencias

Todo proveedor de servicios que solicite la interconexión con un proveedor importante podrá presentar recurso:

- a) en cualquier momento, o
- b) después de un plazo razonable que se haya dado a conocer públicamente

ante un órgano nacional independiente, que podrá ser el órgano de reglamentación al que se hace referencia en el párrafo 5 *infra*, para resolver dentro de un plazo razonable las diferencias con respecto a los términos, condiciones y tarifas apropiados de interconexión, siempre que éstos no hayan sido establecidos previamente.

### 3. Servicio universal

Todo Miembro tiene derecho a definir el tipo de obligación de servicio universal que desee mantener. No se considerará que las obligaciones de esa naturaleza son anticompetitivas *per se*, a condición de que sean administradas de manera transparente y no discriminatoria y con neutralidad en la competencia y no sean más gravosas de lo necesario para el tipo de servicio universal definido por el Miembro.

### 4. Disponibilidad pública de los criterios de concesión de licencias

Cuando se exija una licencia, se pondrán a disposición del público:

- a) todos los criterios de concesión de licencias y los plazos normalmente requeridos para tomar una decisión relativa a una solicitud de licencia y
- b) los términos y condiciones de las licencias individuales.

A solicitud del interesado le serán comunicadas las razones de la denegación de la licencia.

### 5. Independencia de la entidad de reglamentación

El órgano de reglamentación será independiente de todo proveedor de servicios de telecomunicaciones básicas, y no responderá ante él. Las decisiones del órgano de reglamentación y los procedimientos aplicados serán imparciales con respecto a todos los participantes en el mercado.

### 6. Asignación y utilización de recursos escasos

Todo procedimiento para la asignación y utilización de recursos escasos, como las frecuencias, los números y los derechos de paso, se llevará a la práctica de manera objetiva, oportuna, transparente y no discriminatoria. Se pondrá a disposición del público el estado actual de las bandas de frecuencia asignadas, pero no es preciso identificar detalladamente las frecuencias asignadas a usos oficiales específicos.

## THE REPUBLIC OF SURINAME

### Schedule of Specific Commitments

#### Supplement 1

(This is authentic in English only)

This text is inserted as the Telecommunication services section in document GATS/SC/80.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
COMMUNICATION SERVICES C. Telecommunications services			See attached additional commitments on regulatory disciplines.
<u>For public use</u>  - Fixed network infrastructure - Local, domestic, long distance and international  (a) Voice telephone services (including public pay telephone services, operator and emergency services)	(1) Bypass of the duopoly operators is not permitted. Long distance and international traffic must be routed through the operators that are licensed to supply long-distance services. Deliberately reversing the real direction of this international traffic is not allowed.  (2) Long distance and international traffic must be routed through the operators that are licensed to supply long-distance services. Deliberately reversing the real direction of this international traffic is not allowed.	(1) None       (2) None	A regulatory body will be established in 1998.  The Government will submit to Parliament a new draft law on Telecommunication . This law will provide the legislative framework for the provision of tele-

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(d) Telex services (f) Facsimile services (f) Private leased circuit services (o) Other services Fixed satellite services	(3) The duopoly operators are granted exclusivity for a period of five years ending on 1 January 2003. Before the expiration of this period, the Government will determine the circumstances under which additional operators can be licensed. Foreign equity participation which is applicable as of 1 January 1998 is limited to 40%.	(3) None	communication services reflecting technological advances and pro-competitive practices in the sector.  Duopoly was established to provide services in competition. Duopoly operators have the obligation to provide services to the underserved population centers.
	(4) Unbound except as indicated under horizontal measures.	Unbound except as indicated under horizontal measures.	
<u>For public use and non-public use on leased lines only:</u> (b) Packet-switched data transmission services (c) Circuit-switched data transmission services	(1) Bypass of the network facilities of the duopoly operators is not permitted. Long distance and international traffic must be routed through the operators that are licensed to supply long distance and international transmission facilities.  (2) None	(1) None  (2) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(o) Other services: Internet and Internet access services (except voice) Teleconferencing services	(3) None, except that bypass of the network facilities of the duopoly operators is not permitted.  (4) Unbound except as indicated under horizontal measures	(3) None  (4) Unbound except as indicated under horizontal Measures	
<u>For non-public use:</u>  (a) Voice telephone services	(1) Only on network facilities supplied by the exclusive duopoly operators. Bypass and resale of excess capacity are not permitted.  (2) None  (3) Only on network facilities supplied by the exclusive operators. Bypass and resale of excess capacity are not permitted.  (4) Unbound except as indicated under horizontal measures	(1) None  (2) None  (3) None  (4) Unbound except as indicated under horizontal measures	
<u>For public use:</u>  (o) Other services: Mobile services (terrestrial and satellite based)  - Cellular/mobile telephone Services	(1) Licenses are granted for a period of five years ending on 1 January 2003. Before the expiration of this period, the Government will determine the circumstances under which additional operators can be licensed. Bypass of the network facilities of the duopoly operators is not permitted.	(1) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
- Personal communications Services	<p>(2) None</p> <p>(3) Licenses are granted for a period of five years ending on 1 January 2003. Before the expiration of this period the Government will determine the circumstances under which additional operators can be licensed. Foreign equity participation which is applicable as of 1 January 1998 is limited to 40%.</p> <p>(4) Unbound except as indicated under horizontal measures.</p>	<p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated under horizontal measures</p>	
<p><u>For public use</u></p> <p>(c) Other services:</p> <ul style="list-style-type: none"> <li>- Mobile data services</li> <li>- Paging services</li> <li>- Trunked radio systems services (excluding phone patching)</li> <li>- Telecommunications equipment sales</li> <li>- Telecommunications equipment, rental maintenance, connection, repair and consulting services</li> </ul>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated under horizontal measures</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated under horizontal measures</p>	

## **REFERENCE PAPER**

### Scope

The following are definitions and principles on the regulatory framework for the basic telecommunications services.

### Definitions

Users mean service consumers and service suppliers.

Essential facilities mean facilities of a public telecommunications transport network or service that

- (a) are exclusively or predominantly provided by a single or limited number of suppliers; and
- (b) cannot feasibly be economically or technically substituted in order to provide a service.

A major supplier is a supplier which has the ability to materially affect the terms of participation (having regard to price and supply) in the relevant market for basic telecommunications services as a result of:

- (a) control over essential facilities; or
- (b) use of its position in the market.

## 1. Competitive safeguards

### 1.1 Prevention of anti-competitive practices in telecommunications

Appropriate measures shall be maintained for the purpose of preventing suppliers who, alone or together, are a major supplier from engaging in or continuing anti-competitive practices.

### 1.2 Safeguards

The anti-competitive practices referred to above shall include in particular:

- (a) engaging in anti-competitive cross-subsidization;
- (b) using information obtained from competitors with anti-competitive results; and
- (c) not making available to other services suppliers on a timely basis technical information about essential facilities and commercially relevant information which are necessary for them to provide services.

## 2. Interconnection

2.1 This section applies to linking with suppliers providing public telecommunications transport networks or services in order to allow the users of one supplier to communicate with users of another supplier and to access services provided by another supplier, where specific commitments are undertaken.

## 2.2 Interconnection to be ensured

Interconnection with a major supplier will be ensured at any technically feasible point in the network. Such interconnection is provided.

- (a) under non-discriminatory terms, conditions (including technical standards and specifications) and rates and of a quality no less favourable than that provided for its own like services or for like services of non-affiliated service suppliers or for its subsidiaries or other affiliates;
- (b) in a timely fashion, on terms, conditions (including technical standards and specifications) and cost-oriented rates that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled so that the supplier need not pay for network components or facilities that it does not require for the service to be provided; and
- (c) upon request, at points in addition to the network termination points offered to the majority of users, subject to charges that reflect the cost of construction of necessary additional facilities.

## 2.3 Public availability of the procedures for interconnection negotiations

The procedures applicable for interconnection to a major supplier will be made publicly available.

## 2.4 Transparency of interconnection arrangements

It is ensured that a major supplier will make publicly available either its interconnection agreements or a reference interconnection offer.

## 2.5 Interconnection: dispute settlement

A service supplier requesting interconnection with a major supplier will have recourse, either:

- (a) at any time or
- (b) after a reasonable period of time which has been made publicly known

to an independent domestic body, which may be a regulatory body as referred to in paragraph 5 below, to resolve disputes regarding appropriate terms, conditions and rates for interconnection within a reasonable period of time, to the extent that these have not been established previously.

3. Universal service

Any Member has the right to define the kind of universal service obligation it wishes to maintain. Such obligations will not be regarded as anti-competitive *per se*, provided they are administered in a transparent, non-discriminatory and competitively neutral manner and are not more burdensome than necessary for the kind of universal service defined by the Member.

4. Public availability of licensing criteria

Where a licence is required, the following will be made publicly available:

- (a) all the licensing criteria and the period of time normally required to reach a decision concerning an application for a licence and
- (b) the terms and conditions of individual licences.

The reasons for the denial of a licence will be made known to the applicant upon request.

5. Independent regulators

The regulatory body is separate from, and not accountable to, any supplier of basic telecommunications services. The decisions of and the procedures used by regulators shall be impartial with respect to all market participants.

6. Allocation and use of scarce resources

Any procedures for the allocation and use of scarce resources, including frequencies, numbers and rights of way, will be carried out in an objective, timely, transparent and non-discriminatory manner. The current state of allocated frequency bands will be made publicly available, but detailed identification of frequencies allocated for specific government uses is not required.



## TRINIDAD AND TOBAGO

### Schedule of Specific Commitments

#### Supplement 1

(This is authentic in English only)

This text is inserted as the Telecommunication services section in document GATS/SC/86.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
2. COMMUNICATION SERVICES  <u>B. Telecommunication services</u>			
<u>For Public use:</u> a. Voice telephone Services (CPC 7521) b. Packet-switched data Transmission services (CPC 7523**) c. Circuit-switched data Transmission services (CPC 7523**) d. Telex services (7523**) e. Telegraph services (7522) g. Private-leased circuit	(1) Until 2010 bypass of the network of Exclusive public operator not permitted. None as of 2010  (2) None  (2) Reserved to exclusive supply until 2010. None as of 2010  (4) None	(1) None  (2) None  (3) None  (4) None	See attached additional commitments on regulatory disciplines.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
services (CPC 7522**, 7523**, 7525)			
j. On-line information and data base retrieval (CPC 7523**)	(1) Until 2010 bypass of the network of exclusive public operator not permitted. None as of 2010	(1) None	
k. Electronic data interchange (CPC 7523**)	(2) None	(2) None	
l. Enhanced/value-added facsimile services, incl. store and forward, store and retrieve (CPC 7523**)	(3) Until 2010, only on network facilities supplied by the exclusive public operator. None as of 2010	(3) None	
m. Code and Protocol conversion			
n. On-line information and/or data processing (incl. transaction processing) (CPC 843**)	(4) None	(4) None	
o. Other			
Internet and Internet access services (CPC 75260)	(1) Unconfirmed, to be negotiated with exclusive provider.	(1) None	
	(2) None	(2) None	
	(3) Unconfirmed, to be negotiated with exclusive provider.	(3) None	
	(4) None	(4) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<u>For non-public use:</u> Mobile services (satellite-based) <ul style="list-style-type: none"> <li>- Mobile telephone services</li> <li>- Mobile data services</li> <li>- Personal communications services</li> </ul> Fixed satellite services	(1) Unconfirmed, to be negotiated with exclusive provider.  (2) None  (3) Until 2000 only on satellite network capacity supplied by the exclusive public operator. None as of 2000  (4) None	(1) None  (2) None  (3) None  (4) None	
Trunked radio system services	(1) None  (2) None  (3) None  (4) None	(1) None  (2) None  (3) None  (4) None	
Teleconferencing services (CPC 75292)	(1) Unconfirmed, to be negotiated with exclusive provider.  (2) None  (3) Unconfirmed, to be negotiated with exclusive provider.  (4) None	(1) None  (2) None  (3) None  (4) None	
<u>For Public use:</u> Mobile services (terrestrial based)	(1) Unconfirmed, to be negotiated with exclusive provider.	(1) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<ul style="list-style-type: none"> <li>- Cellular/mobile/telephone services</li> <li>- Mobile data services</li> <li>- Personal communications services</li> <li>- Paging (CPC 75291)</li> </ul>	<p>(2) None</p> <p>(3) None</p> <p>(4) None</p>	<p>(2) None</p> <p>(3) None</p> <p>(4) None</p>	
<p><u>For Public use:</u></p> <p>Mobile services (satellite based)</p> <ul style="list-style-type: none"> <li>- Mobile telephone services</li> <li>- Mobile data services</li> <li>- Personal communications services</li> </ul> <p>Fixed satellite services (incl., but not limited to CPC 7524**)</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) None</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) None</p>	
<p>Telecommunications equipment sales, rental, maintenance, connection, repair and consulting services (CPC 75410, 75450)</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) None</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) None</p>	

## ANNEX

### ADDITIONAL COMMITMENTS ON BASIC TELECOMMUNICATIONS SERVICES

#### Scope

The following are definitions and principles on the regulatory framework for the basic telecommunications services.

#### Definitions

Users mean service consumers and service suppliers.

Essential facilities mean facilities of a public telecommunications transport network of service that:

- (a) are exclusively predominantly provided by a single or limited number of suppliers; and
- (b) cannot feasibly be economically or technically substituted in order to provide a service.

A major supplier is a supplier which has the ability to materially affect the terms of participation (having regard to price and supply) in the relevant market for basic telecommunications services as a result of:

- (a) control over essential facilities; or
- (b) use of its position in the market.

#### 1. Competitive safeguards

##### 1.1. Prevention of anti-competitive practices in telecommunications

Appropriate measures shall be introduced for the purpose of preventing suppliers, who, alone or together, are a major supplier from engaging in or continuing anti-competitive practices.

##### 1.2. Safeguards

The anti-competitive practices referred to above shall include in particular:

- (a) engaging in anti-competitive cross-subsidization;
- (b) using information obtained from competitors with anti-competitive results;

- (c) not making available to other services suppliers on a timely basis technical information about essential facilities and commercially relevant information which are necessary for them to provide services.

## 2. Interconnection

2.1. This section applies to linking with suppliers providing public telecommunications transport networks or services in order to allow the users of one supplier to communicate with users of another supplier and to access services provided by another supplier, where specific commitments are undertaken.

### 2.2. Interconnection to be ensured

Interconnection with a major supplier will be ensured at any technically feasible point in the network. Such interconnection is provided:

- (a) under non-discriminatory terms, conditions (including technical standards and specifications) and rates of a quality no less favourable than that provided for its own like services or for like services of non-affiliated services suppliers or for its subsidiaries or other affiliates;
- (b) in a timely fashion, on terms, conditions (including technical standards and specifications) and cost-oriented rates, that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbounded so that the supplier need not pay for network components or facilities that it does not require for the service to be provided;
- (c) upon request, at points in addition to the network termination points offered to the majority of users, subject to charges that reflect the cost of construction of necessary additional facilities.

### 2.3. Public availability of the procedures for interconnection negotiations

The procedures applicable for interconnection to a major supplier will be made publicly available.

### 2.4. Transparency of interconnection arrangements

It is ensured, that a major supplier will make publicly available either its interconnection agreements or a reference interconnection offer.

### 2.5. Interconnection dispute settlement

A service supplier requesting interconnection with a major supplier will have recourse, either:

- (a) at any time; or

(b) after a reasonable period of time which has been made publicly known

to an independent domestic body, which may be a regulatory body as referred to in paragraph 5 below, to resolve disputes regarding appropriate terms, conditions and rates for interconnection within a reasonable period of time, to the extent that these have not been established previously.

3. Universal service

Any Member has the right to define the kind of universal service obligation it wishes to maintain. Such obligations will not be regarded as anti-competitive *per se*, provided they are administered in a transparent, non-discriminatory and competitively neutral manner and not more burdensome than necessary for the kind of universal service defined by the Member.

4. Public availability of licensing criteria

Where a licence is required, the following will be made publicly available:

- (a) all the licensing criteria and the period of time normally required to reach a decision concerning an application for a licence;
- (b) the terms and conditions of individual licences.

The reasons for the denial of a licence be made known to the applicant upon request.

5. Independent regulators

The regulatory body is separate from, and not accountable to, any private supplier of basic telecommunications services. The decision of and the procedures used by regulators shall be impartial with respect to all market participants.

6. Allocation and use of scarce resources

Any procedures for the allocation and use of scarce resources, including frequencies, numbers and rights of way, will be carried out in an objective, timely, transparent and non-discriminatory manner. The current state of allocated frequency bands will be made publicly available, but detailed identification of frequencies allocated for specific government uses is not required.



## THE UNITED STATES OF AMERICA

### Schedule of Specific Commitments

#### Supplement 2

(This is authentic in English only)

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This text supplements the entries relating to the Telecommunications section contained on pages 45 to 46 of document GATS/SC/90.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
2.C. TELECOMMUNICATIONS SERVICES:			
2.C.a. Voice services	(1) None	(1) None	The United States undertakes the obligations contained in the reference paper attached hereto.
2.C.b. Packet-switched data transmission services	(2) None	(2) None	
2.C.c. Circuit-switched data transmission services	(3) None, other than - Comsat has exclusive rights to links with Intelsat and Inmarsat.	(3) None	
2.C.d. Telex services	- Ownership of a common carrier radio license:		
2.C.e. Telegraph services			
2.C.f. Facsimile services	Indirect: None		

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
2.C.g. Private leased circuit services	<p>Direct: May not be granted to or held by</p> <p>(a) foreign government or the</p> <p>(b) non-U.S. citizen or the</p>		
<p>2.C.o. Other</p> <p>Mobile Services</p> <p>Analogue/Digital cellular services</p> <p>PCS (Personal Communications services)</p> <p>Paging services</p> <p>Mobile data services</p> <p>Excluding one-way satellite transmissions of DTH and DBS television services and of digital audio services</p>	<p>(c) any corporation not organized under the laws of the United States or</p> <p>(d) U.S. corporation of which more than 20% of the capital stock is owned or voted by a foreign government or its representative, non-U.S. citizens or their representatives or a corporation not organized under the laws of the United States.</p> <p>(4) Unbound except as indicated by</p>	<p>(4) Unbound except as indicated by horizontal commitments.</p>	

## ATTACHMENT TO THE UNITED STATES SCHEDULE

### REFERENCE PAPER

#### Scope

The following are definitions and principles on the regulatory framework for the basic telecommunications services.

#### Definitions

Users mean service consumers and service suppliers.

Essential facilities mean facilities of a public telecommunications transport network or service that

- (a) are exclusively or predominantly provided by a single or limited number of suppliers; and
- (b) cannot feasibly be economically or technically substituted in order to provide a service.

A major supplier is a supplier which has the ability to materially affect the terms of participation (having regard to price and supply) in the relevant market for basic telecommunications services as a result of:

- (a) control over essential facilities; or
- (b) use of its position in the market.

#### 1. Competitive safeguards

##### 1.1 Prevention of anti-competitive practices in telecommunications

Appropriate measures shall be maintained for the purpose of preventing suppliers who, alone or together, are a major supplier from engaging in or continuing anti-competitive practices.

##### 1.2 Safeguards

The anti-competitive practices referred to above shall include in particular:

- (a) engaging in anti-competitive cross-subsidization;
- (b) using information obtained from competitors with anti-competitive results; and
- (c) not making available to other services suppliers on a timely basis technical information about essential facilities and commercially relevant information which are necessary for them to provide services.

## 2. Interconnection

2.1 This section applies to linking with suppliers providing public telecommunications transport networks or services in order to allow the users of one supplier to communicate with users of another supplier and to access services provided by another supplier, where specific commitments are undertaken.

### 2.2 Interconnection to be ensured<sup>12</sup>

Interconnection with a major supplier will be ensured at any technically feasible point in the network. Such interconnection is provided.

- (a) under non-discriminatory terms, conditions (including technical standards and specifications) and rates and of a quality no less favourable than that provided for its own like services or for like services of non-affiliated service suppliers or for its subsidiaries or other affiliates;
- (b) in a timely fashion, on terms, conditions (including technical standards and specifications) and cost-oriented rates that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled so that the supplier need not pay for network components or facilities that it does not require for the service to be provided; and
- (c) upon request, at points in addition to the network termination points offered to the majority of users, subject to charges that reflect the cost of construction of necessary additional facilities.

### 2.3 Public availability of the procedures for interconnection negotiations

The procedures applicable for interconnection to a major supplier will be made publicly available.

### 2.4 Transparency of interconnection arrangements

It is ensured that a major supplier will make publicly available either its interconnection agreements or a reference interconnection offer.

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<sup>12</sup>Rural local exchange carriers may be exempted by a state regulatory authority for a limited period of time from the obligations of section 2.2. with regard to interconnection with competing local exchange carriers.

Rural telephone companies do not have to provide interconnection to competing local exchange carriers in the manner specified in section 2.2. until ordered to do so by a state regulatory authority.

## 2.5 Interconnection: dispute settlement

A service supplier requesting interconnection with a major supplier will have recourse, either:

- (a) at any time or
- (b) after a reasonable period of time which has been made publicly known

to an independent domestic body, which may be a regulatory body as referred to in paragraph 5 below, to resolve disputes regarding appropriate terms, conditions and rates for interconnection within a reasonable period of time, to the extent that these have not been established previously.

## 3. Universal service

Any Member has the right to define the kind of universal service obligation it wishes to maintain. Such obligations will not be regarded as anti-competitive *per se*, provided they are administered in a transparent, non-discriminatory and competitively neutral manner and are not more burdensome than necessary for the kind of universal service defined by the Member.

## 4. Public availability of licensing criteria

Where a licence is required, the following will be made publicly available:

- (a) all the licensing criteria and the period of time normally required to reach a decision concerning an application for a licence and
- (b) the terms and conditions of individual licences.

The reasons for the denial of a licence will be made known to the applicant upon request.

## 5. Independent regulators

The regulatory body is separate from, and not accountable to, any supplier of basic telecommunications services. The decisions of and the procedures used by regulators shall be impartial with respect to all market participants.

## 6. Allocation and use of scarce resources

Any procedures for the allocation and use of scarce resources, including frequencies, numbers and rights of way, will be carried out in an objective, timely, transparent and non-discriminatory manner. The current state of allocated frequency bands will be made publicly available, but detailed identification of frequencies allocated for specific government uses is not required.

## **THE UNITED STATES OF AMERICA**

### List of Article II (MFN) Exemptions

#### Supplement 2

(This is authentic in English only)

This text is inserted in document GATS/EL/90.

Sector or subsector	Description of measure indicating its inconsistency with Article II	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
Telecommunication services: One-way satellite transmission of DTH and DBS television services and of digital audio services	Differential treatment of countries due to application of reciprocity measures or through international agreements guaranteeing market access or national treatment	All	Indefinite	Need to ensure substantially full market access and national treatment in certain markets.

## VENEZUELA

### Lista de compromisos específicos

#### Suplemento 2

(Esta lista es auténtica en español únicamente)

Este texto reemplaza a la sección sobre los Servicios de telecomunicaciones contenida en las páginas 7 y 8 del documento GATS/SC/92.

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de Personas Físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
<p><b>2.C. SERVICIOS DE TELECOMUNICACIONES<sup>1</sup></b></p> <p>Los servicios de telecomunicaciones suministrados por una red pública de telecomunicaciones y basados en la utilización de instalaciones (alámbricas y radioeléctricas) a través de cualquier medio tecnológico señalados en los literales a, b, c, g y o.</p>	<p>Modos de suministro 1, 2, 3 y 4:</p> <p>Para instalar y explotar todo servicio de telecomunicaciones se requiere de una concesión otorgada por el Estado venezolano. No se otorgarán concesiones a Personas Naturales o Jurídicas no domiciliadas en la República de Venezuela ni a Gobiernos Extranjeros, según lo estipulado en el artículo 4 de la Ley de Telecomunicaciones promulgada en el año 1940.</p> <p>El enrutamiento del tráfico de larga distancia tiene que hacerse por intermedio de operadores con licencia para prestar el servicio de telefonía de larga distancia. No se permite la</p>		<p>De acuerdo al Documento de Referencia, Venezuela asume taxativamente los siguientes compromisos:</p> <p>1. Salvaguardias competitivas</p> <p>1.1 Prevención de prácticas</p> <p>1.2 Salvaguardias</p> <p>Las prácticas anticompetitivas mencionadas anteriormente incluirán en particular:</p> <p>1.2.1 Utilizar información</p> <p>1.2.2 No poner a disposición de otros prestadores de servicios de manera oportuna la información técnica acerca de instalaciones esenciales, información comercialmente relevante que le sea necesaria para</p>

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de Personas Físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
<sup>1</sup> La Lista no se hace extensiva a los servicios de radiodifusión y televisión.	inversión deliberada del sentido verdadero del tráfico internacional (Call back).		prestar el servicio.
a) Servicios de teléfono local LDN, LDI (CPC 75211 / 75212)	<p>1) Ninguna, excepto lo siguiente: Todo tráfico telefónico conmutado internacional debe ser cursado a través de la Red Básica de Telecomunicaciones de la CANTV, hasta que finalice el período de concurrencia limitada, el 27 de noviembre del año 2000.</p> <p>2) Ninguna, excepto lo indicado en el segundo párrafo de las limitaciones generales al acceso a los mercados.</p> <p>3) A partir de 27 de noviembre del año 2000, una vez finalizado el período de concurrencia limitada de la Compañía Anónima Nacional Teléfonos de Venezuela (CANTV), no habrá ninguna limitación.</p> <p>4) Sin consolidar, excepto lo indicado en las medidas</p>	<p>1) Sin consolidar.</p> <p>2) Ninguna</p> <p>3) Ninguna</p> <p>4) Sin consolidar, excepto lo indicado en las medidas</p>	<p>1) Interconexión Venezuela velará porque la Interconexión con un operador se establezca en cualquier punto técnicamente posible de la red Básica de telecomunicaciones.</p> <p>2) Servicio universal</p> <p>3) Disponibilidad pública de criterios para el otorgamiento de concesiones.</p> <p>4) Ente regulador autónomo.</p>

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de Personas Físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
	horizontales contempladas en la Lista de Venezuela de la OMC.	horizontales contempladas en la lista de Venezuela de la OMC.	Atribución y uso de recursos
<p>a) Servicios de Telefonía Rural (CPC 75212)</p> <p>Servicios telefónicos móviles (CPC 75213)</p>	<p>1) Ninguna excepto lo siguiente: Todo tráfico telefónico conmutado internacional debe ser cursado a través de la red Básica de Telecomunicaciones de la CANTV, hasta que finalice el período de concurrencia limitada, el 27 de noviembre del año 2000.</p> <p>2) Ninguna, excepto lo indicado en el segundo párrafo de las limitaciones generales al acceso a los mercados.</p> <p>3) Ninguna</p> <p>4) Sin consolidar, excepto lo indicado en las medidas horizontales contempladas en la Lista de Venezuela en la OMC.</p>	<p>1) Sin consolidar</p> <p>2) Ninguna</p> <p>3) Ninguna</p> <p>4) Sin consolidar, excepto lo indicado en las medidas horizontales contempladas en la Lista de Venezuela en la OMC.</p>	
<p>b) Servicios de redes de transmisión de datos con conmutación de paquetes (CPC 7523 **)</p> <p>c) Servicios de redes de</p>	<p>1) Sin consolidar</p> <p>2) Ninguna</p> <p>3) Ninguna</p>	<p>1) Sin consolidar</p> <p>2) Ninguna</p> <p>3) Ninguna</p>	

Modos de suministro: 1) Suministro transfronterizo 2) Consumo en el extranjero 3) Presencia comercial 4) Presencia de Personas Físicas

Sector o subsector	Limitaciones al acceso a los mercados	Limitaciones al trato nacional	Compromisos adicionales
transmisión de datos con conmutación de circuitos (CPC 7523 **) g) Servicios integrados de telecomunicaciones. Propias o alquiladas (CPC 75260)  o) Otros Servicios de radio búsqueda (CPC 75291) Servicios de teleconferencias (CPC 75292)	4) Sin consolidar, excepto lo indicado en las medidas horizontales contempladas en la Lista de Venezuela en la OMC.	4) Sin consolidar, excepto lo Indicado en la medidas horizontales contempladas en la Lista de Venezuela en la OMC.	

# **ANNEX “B”**

**Overview of results of the negotiations (WT), 1997)**



# OVERVIEW OF RESULTS OF THE NEGOTIATIONS\*

## Commitments in the GATS 4th Protocol

Participant	Voice telephone(1)					Data transmission (2)	Private leased circuit services	Terrestrial mobile telephone (3)	Other terrestrial mobile services (4)	Mobile satellite services/capacity	Fixed satellite services/capacity	Trunked radio services (5)	Other (5)	Add'l commitments Ref. Ppr. (6)	Add'l commitments (other) (7)
1. <i>Antigua &amp; Barbuda</i>	1			(I)		1	1	1	1	1	1	1	Equipment SRM, Teleconference, Value added services	1	
2. <i>Argentina</i>	1	(L)	(LD)	(I)	(R)	1	1	1	1	1				1	
3. <i>Belize</i>									1			1	Teleconference, Value added services	1	
4. <i>Bolivia</i>	1	L	(LD)	(I)	(R)	1	1	1	1	1	1		Teleconference		1
5. <i>Brazil (9) (11)</i>	1					1	1	1	1	1	1		Value added services		To introduce later
6. <i>Canada</i>	1	L	LD	(I)	R	1	1	1	1	1	1			1	
7. <i>Chile</i>	1		LD	I	R	1	1	1	1	1	1			1	
8. <i>Colombia</i>	1	L	LD	I		1	1	1	1		1	1		1	
9. <i>Dominica</i>						1				1	1	1	Internet access, Equipment SRM, Teleconference, Value added services	1	
10. <i>Dominican Republic</i>	1	L	LD	I	R	1	1		1	1	1		Mobile air to ground & maritime services	1	

<b>11. Ecuador</b>								1								
<b>12. El Salvador</b>	1	L	LD	I	R	1	1	1	1	1	1	1	1	Public pay phones	1	
<b>13. Grenada</b>	1	(L)	n.a.	(I)	(R)	1	1	1	1	1	1	1	1	Internet access, Equipment SRM, Teleconference, Value added services	1	
<b>14. Guatemala</b>	1	L	LD	I	R	1	1	1	1	1	1	1			1	
<b>15. Mexico</b>	1	L	LD	I	R	1	1	1	1	1	1	1			1	
<b>16. Peru</b>	1	(L)	(LD)	(I)	(R)	1	1	1	1	1	1	1	1		1	
<b>17. Trinidad &amp; Tobago</b>	1	(L)	(LD)	(I)	(R)	1	1	1	1	1	1	1	1	Equipment SRM, Value added serv	1	
<b>18. United States</b>	1	L	LD	I	R	1	1	1	1	1	1	1			1	
<b>19. Venezuela</b>	1	(L)	(LD)	(I)		1		1	1	1	1	1		Integrated telecom services, Teleconference		1

**Other schedules/commitments submitted**

<b>20. Barbados</b>	1	(L)	(LD)	(I)	(R)	1	1	1	1	1	1	1	Value added services, Internet access, VSAT services, Equipment SRM	1	
<b>21. Suriname (11)</b>	1	L (12)	LD (12)	I (12)		1	(12)	(12)	1	(12)	(12)	1	Internet access, Teleconference, Equipment SRM	1	

\*See the "Explanatory Notes", including footnotes, on the following page.

\*\* Submitted improved commitments

SRM = Sales, rental & maintenance

Fuente: WTO<sup>211</sup>

For all services shown in the table, shaded areas mean a commitment has been made.

Table footnotes:

(1) Key to categories used for listing commitment on public voice telephone services:

- L = Local
- LD = Domestic long-distance
- I = International
- ( ) = Phased-in commitment
- R = Resale of public voice

(2) Includes circuit switched and/or packet switched data transmission.

(3) Includes analog and/or digital.

(4) Includes personal communication services, paging, and/or mobile data services.

(5) Where these are indicated the schedule concerned explicitly listed these services as separate entries. However, it is important to note that some schedules may implicitly cover such services in their commitments.

(6) Incorporated the Reference Paper on regulatory principles with few, if any modifications.

(7) Included some portions of the Reference Paper or independently drafted texts.

(8) Commitments made conditional upon the passage of relevant national legislation.

(9) Commits to improve offer once pending national legislation has been adopted.

(10) Phase-in of facilities-based voice service applies for Greece, Ireland, and Portugal.

(11) Where no public voice telephone commitments are indicated, voice over closed user groups is nonetheless committed.

(12) Commits to review the possibility of allowing market access for additional suppliers.



## Notes.

<sup>1</sup> <http://itu.int.treg> All background information cited in section 1 is available at the aforementioned address, or at <http://itu.int>, unless otherwise indicated.

<sup>2</sup> See: "The Right to Communicate. An Inter-Agency (UN Agencies) Project on Universal Access to Basic Communication and Information Services".

<sup>3</sup> International Telecommunication Union (ITU). Telecommunications Industry at a Glance. <http://www.itu.int/ti>.

<sup>4</sup> International Telecommunication Union (ITU). Telecommunications Industry at a Glance. <http://www.itu.int/ti>

<sup>5</sup> See, for example, the projects being executed in Argentina (subsection 4.1 of this document).

<sup>6</sup> ITU. Document 1/RGQ7/010-S.

<sup>7</sup> The background information cited in section 2 is available at <http://www.citel.oas.org>.

<sup>8</sup> See <http://wto.org> All background information cited in section 3 of this document is available at the aforementioned address, unless otherwise indicated.

<sup>9</sup> Decision on basic telecommunications commitments, adopted by the WTO's Council for Trade in Services, on April 30, 1996.

<sup>10</sup> <http://www.itu.int/wtpt>

<sup>11</sup> The development of national legislation and regulations can be consulted in the discussion of each country contained in Section 4 of this document.

<sup>12</sup> FCC, International Bureau, Report on International Telecommunications Markets 1997-1998, December 7, 1998. <http://www.fcc.gov>.

<sup>13</sup> Universal Telecommunications Service: Social Obligation or Business Opportunity?, February 1998. <http://www.worldbank.org>.

<sup>14</sup> The term "legislation" is used here in the broad sense to include laws in the formal meaning of the word, as well as executive decrees, orders, and decisions of regulatory agencies, or the provisions of any normative rank issued by a competent authority.

<sup>15</sup> For the countries listed in the first column under 1, 3, 4, 14, 21, 31, 32 and 33, the data under "Environment" were taken from "General Trends in Telecommunications Reform," V.III, 1998, ITU-BDT.

<sup>16</sup> Decree 62/90 and amendments, and Decree 1185/90. <http://www.secom.gov.ar>. Except Law 25.000, all of the preceding legal instruments cited in subsection 4.1 are available at the aforementioned address.

<sup>17</sup> Decree 264/98.

<sup>18</sup> Law 25.000 (*Boletín Oficial*, July 27, 1998).

<sup>19</sup> This table and the following figures are available at <http://secom.gov.ar>.

<sup>20</sup> Decree 1185/90.

<sup>21</sup> Cellular mobile radio service (CMRS) and mobile telephony service (MTS).

<sup>22</sup> Bossa, Mauricio: "El servicio universal en Argentina", Foro CITEI, Seminario sobre Servicio Universal, Abril de 1998, Buenos Aires, Argentina.

<sup>23</sup> Resolution 2516/98-SC.

<sup>24</sup> Resolution 18.917/99-SC.

<sup>25</sup> The RGSU provide for the establishment of a committee of experts (comprising one representative of the BSL, one for the new entrants, and one for the regulatory authority) to analyze the aforementioned reference parameters.

<sup>26</sup> Until interconnection with the BSL takes place, it will be carried out in accordance with the specific regulations which establish that the independent operators retain 78% of income from outgoing traffic originating in their networks and the BSL retain 100% of income for the same source. In the case of calls originating with independent operators and ending in a BSL, and vice versa, between service areas having a rate equivalent to that of a local call, each party retains 100% of the income from traffic (outgoing) originating on its networks (Resolution 61/97-SC).

<sup>27</sup> Two representatives will be designated by each sector of telecommunications service providers (local telephony, long distance telephony, public telephony, and telecommunications with own infrastructure (except telephony), value added services, mobile services or cellular telephony services).

<sup>28</sup> Decree 1018/98.

<sup>29</sup> Decrees 554/97 and 1279/97.

<sup>30</sup> Resolution 999/98.

<sup>31</sup> Resolution 2765/97-SC.

<sup>32</sup> Resolution 2814/97-SC.

<sup>33</sup> Resolution 18771/99-SC.

<sup>34</sup> Decrees 1297/97, 1503/98, 847/99, and Resolution 10870/99-SC.

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- <sup>35</sup> The "Directrices Generales para la Apertura del Mercado de Telecomunicaciones," established by the Ministry of Communications in April 1997, specifically included these principles as basic tenets for the restructuring. <http://www.mc.gob.br>.
- <sup>36</sup> Law 9472/97. <http://www.anatel.gov.br>. All legal background mentioned in subsection 4.2 is available at the aforementioned address, unless otherwise indicated.
- <sup>37</sup> The "Program for the Recovery and Extension of the Telecommunications and Postal Systems (PASTE)" (1997 edition) estimates are: by 1999, 15.8 terminals per 100 people in fixed telephony and by 2003, 23.2 terminals per 100 people. Regarding mobile telephony, it envisaged 7.3 terminals per 100 people by 1999 and by 2000, 13.4 terminals. All of the foregoing would be achieved with an investment calculated for 1995-2003 of 90.7 billion reales. <http://www.mc.gov.br>.
- <sup>38</sup> Renato Navarro Guerreiro, President, ANATEL: "Telecomunicações: Um ano de Privatização," September 27, 1999. <http://www.anatel.gov.br/Biblioteca/index.htm>.
- <sup>39</sup> Juarez Quadros do Nascimento, Secretario Ejecutivo, Ministerio de Comunicaciones. Palestra TELEXPO 25/3/99, "O Brasil e Os novos rumos das Telecomunicaciones". <http://www.mc.gov/Biblioteca/publicacoes/informes/telexpo99>
- <sup>40</sup> Renato Navarro Guerreiro, Presidente, ANATEL: "O Panorama Mundial e Brasileiro das Telecomunicacoes e do desenvolvimento industrial do setor", 30/4/99. <http://www.anatel.gov.br/Biblioteca/index.htm>
- <sup>41</sup> Decree 2592/98.
- <sup>42</sup> After December 31, 1999, these obligations must be met within one week of the respective entity's application.
- <sup>43</sup> Luiz Tito Cerasoli, ANATEL: "Universalização," August 1998. <http://www.anatel.gov.br/Biblioteca/index.htm>.
- <sup>44</sup> Luiz Tito Cerasoli, ANATEL: "Universalizacao", agosto de 1998. <http://www.anatel.gov.br/Biblioteca/index.htm>
- <sup>45</sup> <http://www.crtc.gc.ca>. The regulatory data mentioned below may be found at this site, unless otherwise indicated.
- <sup>46</sup> Name of the Stentor Canadian Network Management.
- <sup>47</sup> CITEL, VII Meeting PCC.I, October 1997, Brazil, Document PCC.I 426/97, Canadian response to the universal service questionnaire.
- <sup>48</sup> The Canadian Telecommunications Service Industry an Overview. <http://www.ic.gc.ca>.
- <sup>49</sup> Telecom Decision CRTC 92-12. COMPETITION IN THE PROVISION OF PUBLIC LONG DISTANCE VOICE TELEPHONE SERVICES AND RELATED RESALE AND SHARING ISSUES. 12 June 1992. <http://www.crtc.gc.ca>.
- <sup>50</sup> Telecom Decision CRTC 94-19. REVIEW OF REGULATORY FRAMEWORK. 16 September 1994.
- <sup>51</sup> Telecom Decision CRTC 96-10. LOCAL SERVICE PRICING OPTIONS. 15 November 1996.
- <sup>52</sup> Independent telephone companies that were not participating in the proceeding were required to describe the rationale for not offering similar conditions.
- <sup>53</sup> Telecom Decision CRTC 97-8. LOCAL COMPETITION. 1 May 1997.
- <sup>54</sup> Pursuant to a later notice a proceeding to review the contribution policy of independent companies was initiated. (Telecom Public Notice CRTC 97-4. REVIEW OF THE CONTRIBUTION OF INDEPENDENT TELEPHONE COMPANIES IN ONTARIO AND QUEBEC. 18 December 1997).
- <sup>55</sup> Reference to the discussion on the meaning and purpose of "obligation to server" and "universal service obligation".
- <sup>56</sup> The policy to freeze contribution rates was subject to a proceeding initiated by PN 99-5 (PROCEEDING TO REVIEW FROZEN CONTRIBUTION RATE POLICY. 2 February 1999) in order to establish contribution revenues in the territories served by ILECs during the price cap period (in compliance with Decisions 97-8 and 97-9 commented herein) should revenues based on the CFA's report exceed stipulated levels for the 1999-2001 period; to consider appropriate measures to be adopted should that be the case, and to decide whether contribution rates should no longer be frozen or whether customer rates or a combination of customer and contribution rates should be adjusted.
- <sup>57</sup> Telecom Decision CRTC 97-9. PRICE CAP REGULATION AND RELATED ISSUES. 1 May 1997.
- <sup>58</sup> Telecom Decision CRTC 98-2. IMPLEMENTATION OF PRICE CAP REGULATION AND RELATED ISSUES. 5 March 1998.
- <sup>59</sup> Telecom Decision CRTC 98-17. REGULATORY REGIME FOR THE PROVISION OF INTERNATIONAL TELECOMMUNICATIONS SERVICE. 1 October 1998.
- <sup>60</sup> Telecom Public Notice CRTC 99-6. REVIEW OF CONTRIBUTION COLLECTION MECHANISM AND RELATED ISSUES. 1 March 1999. Decision 99-5 reviewed the contribution regime for independent telephone companies (Telecom Decision CRTC 99-5. REVIEW OF CONTRIBUTION REGIME OF INDEPENDENT TELEPHONE COMPANIES IN ONTARIO AND QUEBEC. 21 April 1999).
- <sup>61</sup> Telecom Public Notice CRTC 97-42. SERVICE TO HIGH COST SERVICE AREAS. 18 December 1997. <http://www.crtc.gc.ca>

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- <sup>62</sup> Telecom Public Notice CRTC 99-16. TELEPHONE SERVICE TO HIGH-COST SERVICE AREAS. 19 October 1999.
- <sup>63</sup> The CRTC decided not to include speed as part of the basic service objective as proposed by some parties, e.g. 28.8 kb/s or more for data transmission.
- <sup>64</sup> These are all areas not served by the established company for the northernmost part of the country.
- <sup>65</sup> The CRTC rejected proposals made by some parties to establish a competitive bid system. It was considered that, as there are very few Canadians who do not have access to telephone service, a competitive bid system would not guarantee basic service provision.
- <sup>66</sup> Companies not subject to a price cap must include their plans in the proceeding to be begun to implement a price cap system when the CRTC has ruled on that issue. The implementation thereof has been announced for those companies through Public Notice 99-15 (Telecom Public Notice CRTC 99-15)
- <sup>67</sup> Telecom Decision CRTC 99-5.
- <sup>68</sup> Telecom Decision CRTC 97-16.
- <sup>69</sup> Decision 462 of the Andean Community Commission, issued May 25, 1999, issuing the rules and regulations to govern the process of integration and liberalization of trade in telecommunications services in the Andean Community.
- <sup>70</sup> Decision 462 of the Andean Community makes specific reference to universal service in the Andean Community countries, in Article 35.
- <sup>71</sup> Law 1632 of July 5, 1995.
- <sup>72</sup> Law 1600. Sectoral Regulatory System.
- <sup>73</sup> The extended rural area is defined as the concession area defined by the Telecommunications Superintendence where the local operator can and must provide rural service. Decree 24132 of 1995.
- <sup>74</sup> ENTEL was capitalized in 1995.
- <sup>75</sup> Supreme Decree 24132 of September 27, 1995.
- <sup>76</sup> Supreme Decree 21132 of September 27, 1995. In November 2001, ENTEL's period of exclusivity for the provision of telecommunications services ends.
- <sup>77</sup> Ministry of Communications. Publication, current status of telecommunications sector and projections. May 1999.
- <sup>78</sup> At the time this document was prepared, the draft law approving the National Development Plan was being prepared for presidential approval.
- <sup>79</sup> The telecommunications company of Santafé de Bogotá, public companies of Medellín, Transtel, TELECOM, and independent companies.
- <sup>80</sup> Ministry of Communications publication. Telecommunications sector, current status and projections. May 1999.
- <sup>81</sup> TELECOM and the telecommunications company of Santafé de Bogotá (ETB) are public, and ORBITEL, mixed, 50% public and 50% private capital.
- <sup>82</sup> Resolutions of the Telecommunications Regulatory Commission, Nos. 156 of May 26, 1999, 087 of September 5, 1997 and Decree 899 of May 24, 1999.
- <sup>83</sup> On the date this document was being prepared, the draft general telecommunications law was being prepared for submission to Congress.
- <sup>84</sup> Priority services are local, departmental, national and international long distance telephony, and telegraphy.
- <sup>85</sup> Law 142 of 1994 regulates the provisions of domestic public services, local, rural mobile, and long distance telephony.
- <sup>86</sup> National Telecommunications Plan 1997-2007. Ministry of Communications.
- <sup>87</sup> The National Telecommunications Plan defines urban as the five main cities of Colombia (Bogotá, Medellín, Cali, Barranquilla and Bucaramanga), and suburban is defined to mean the capitals of the *municipios* in the rest of the country.
- <sup>88</sup> CONPES document 2925 of 1997.
- <sup>89</sup> National Planning Department. Telecommunications Infrastructure Department.
- <sup>90</sup> CONPES document 3032 of 1999.
- <sup>91</sup> National Development Plan 1998-2000.
- <sup>92</sup> Decree-Law 1900 of 1990 defines carrier services and teleservices as basic services. Teleservices are telephone, fixed, mobile, mobile cellular, telegraphy, and telex services. Part of carrier services is the leasing of isolated pairs and dedicated circuits, among others.
- <sup>93</sup> National Planning Department, Telecommunications Infrastructure Division.
- <sup>94</sup> Decree 899 of May 24, 1999. Establishes policies to promote social telephony programs and regulates the functions of the Communications Fund.

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- <sup>95</sup> Law 142 of 1994 and Decree 2041 of 1998 establishes the counterpart system for the provision of all telecommunications services.
- <sup>96</sup> Law 37 of 1993. Regulates the provision of mobile cellular telephony.
- <sup>97</sup> COMPARTEL publication. Ministry of Communications.
- <sup>98</sup> Locations are defined as the capitals of the *municipios* and *corregimientos*, villages, and police inspectorates.
- <sup>99</sup> Decree 2041 of 1998. Regulates the counterpart system for concessions, authorizations, permits, and registrations of telecommunications services.
- <sup>100</sup> Telecommunications Regulatory System, Resolution 156 of May 26, 1999.
- <sup>101</sup> Law 142 of 1994.
- <sup>102</sup> The residential telephony market in Colombia is divided into six categories, category 6 being the highest-income and category 1 the lowest-income.
- <sup>103</sup> Law 286 of 1996.
- <sup>104</sup> Political Constitution, Art 368.
- <sup>105</sup> Telecommunications Regulatory Commission. Resolutions 87 of 1997, 099 of 1997, and 116 of 1998.
- <sup>106</sup> Law 142 of 1994.
- <sup>107</sup> Decree 2041 of 1998.
- <sup>108</sup> Telecommunications Regulatory Commission. Resolutions 155/97, 115/98, and 087/97.
- <sup>109</sup> Telecommunications Regulatory Commission. Resolution 087/97. Local, extended local, mobile rural, and long distance telephony services are included in switched basic public telephony services.
- <sup>110</sup> Law 142 of 1994.
- <sup>111</sup> Decree 2041 of 1998.
- <sup>112</sup> Telecommunications Regulatory Commission. Resolution 086 of 1997 contained in Decree 2542 of 1997.
- <sup>113</sup> ELSBPT operators are those providing switched basic public telephony service to users in a continuous geographic area formed by adjacent *municipios*, provided that this does not exceed the limits of a single department.
- <sup>114</sup> Decree 2542 of 1997.
- <sup>115</sup> CONPES Document 2810 of September 1995 and 2894 of December 1996.
- <sup>116</sup> CONPES Document 3032 of April 1999.
- <sup>117</sup> CONPES Document 3032 of April 1999.
- <sup>118</sup> Article 4. Law 37 of 1993.
- <sup>119</sup> CONPES Document 3032 April 8, 1999.
- <sup>120</sup> There is no definition of suburban areas. Any populated area, adjacent to an urban area, with less than 5000 inhabitants in a defined area, plus the surrounding area with the associated scattered population, is considered suburban.
- <sup>121</sup> Public telephony regulations. Resolution 335 of June 18, 1998.
- <sup>122</sup> CONATEL Resolution 84-20 of 1996.
- <sup>123</sup> Source: OPSITEL. Peru.
- <sup>124</sup> Supreme Decree 06 of 1994.
- <sup>125</sup> Supreme Decree 020-98, Ministry of Transportation and Communications.
- <sup>126</sup> Telecommunications Law, Supreme Decree 013 of May 6, 1993, Art. 12.
- <sup>127</sup> Ministerial resolutions Nos. 147-99 and 148-99.
- <sup>128</sup> Resolution 017-98 of October 5, 1998.
- <sup>129</sup> General Regulations of the Telecommunications Law, Supreme Decree 06 of February 18, 1994.
- <sup>130</sup> Source: Concession contract concluded between the Ministry of Transportation and Communications of Venezuela and the *Compañía Anónima Nacional of Teléfonos of Venezuela* (CANTV).
- <sup>131</sup> The concession contract for operators that will handle service in rural areas defined "rural" as a populated area of under 5000 inhabitants.
- <sup>132</sup> The states to be served are in Region 1: Apure, Barinas, Lara, Mérida, Portuguesa, Táchira, Trujillo, and Zulia.
- <sup>133</sup> Law 18.168/82 and amendments.
- <sup>134</sup> Among those were mainly CTC (originally private) and ENTEL-CHILE, in addition to other companies controlled by the state corporation *Corporación of Fomento de la Producción* (CORFO). Privatization of these companies did not mean that specific expansion goals were set.
- <sup>135</sup> Law 19302/94.
- <sup>136</sup> It was estimated that with the close of the 1996 competitive biddings, 97% of Chileans would have access to basic telecommunications in 1998. Wellenius, Björn: "Extending Telecommunications Service to Rural Areas - The Chilean Experience", Private, The World Bank Group, February 1997. <http://www.worldbank.org/html/fpd/telecoms/subtelecom/telecommunications.htm>.

- <sup>137</sup> Universal Telecommunications Service: social obligation or business opportunity? <http://worldbank.org/html/fpd/telecoms/gif>.
- <sup>138</sup> See Beca Infante, R, CTC, *El servicio universal en la era of la competencia y la globalización*. CITEL, Seminar on Universal Service, April 1998, Argentina.
- <sup>139</sup> "... efforts have focused on establishing the 'rules of the game' that make it possible to maximize the entrepreneurial capacity of the private sector to benefit the community in general ... The FDT combines social objectives with criteria of efficiency in the allocation of resources." See Gana Quiroz, J., Telecommunications Secretariat of Chile, "Fondo de Desarrollo de las Telecomunicaciones", CITEL, Seminar on Universal Service, Buenos Aires, April 1998.
- <sup>140</sup> The Chilean mechanism of competitive bidding to award subsidies has been used as background by the regulatory bodies in deliberations concerning the search for alternatives for improved allocation of resources. See: FCC 97-157.CC Docket N° 96-45, Note 808. [http://www.fcc.gov/universal\\_service](http://www.fcc.gov/universal_service).
- <sup>141</sup> CITEL, IX Meeting of PCC. I, November 1998, Colombia. Document PCC.I/doc.668/98. Reply by the Chilean Government to the Questionnaire (Resolution PCC.I/RES.36 (VI-97)).
- <sup>142</sup> <http://www.subtel.cl>.
- <sup>143</sup> CITEL IX Meeting of PCC. I, November 1998, Colombia. Document PCC.I/doc.668/98. Reply by the Chilean Government to the Questionnaire (Resolution PCC.I/RES.36 (VI-97)).
- <sup>144</sup> <http://www.subtel.cl>.
- <sup>145</sup> 1998 Annual Report. Telecommunications Development Fund. Telecommunications Secretariat. <http://www.subtel.cl>.
- <sup>146</sup> Laws 3226 of October 28, 1963 and 3293 of June 18, 1964.
- <sup>147</sup> CITEL, VII Meeting of PCC.I, October 1997, Brazil, Document PCC.I/doc.426/97, Reply of CITEL Administrations to the Questionnaire on Universal Service Programs.
- <sup>148</sup> Also the law creating RACSA as a subsidiary company of ICE.
- <sup>149</sup> Article 2 of Law 3226/63.
- <sup>150</sup> Law 7593 of August 7, 1996. <http://www.aresp.go.cr>.
- <sup>151</sup> CITEL, VII Meeting of PCC.I, October 1997, Brazil, Document PCC.I/doc.426/97, Response from CITEL's members on the Questionnaire on Universal Service Programs.
- <sup>152</sup> Decree 27106-MP of June 13, 1998. <http://casapres.go.cr/concerta/telecom>.
- <sup>153</sup> Law 7566 of January 18, 1996.
- <sup>154</sup> In both cases, certain percentages of shareholdings correspond to foreigners through economic associations among Cuban and foreign entities regulated by Decree 50/82. In 1995, the Foreign Investment Act N° 77/95 was passed.
- <sup>155</sup> General Telecommunications Act 153-98 of May 28, 1998. <http://www.indotel.org.do>.
- <sup>156</sup> CITEL, VII Meeting of PCC. I, October 1997, Brazil, Document PCC.I-426/97, Response from CITEL's members to the Questionnaire on Universal Service Programs.
- <sup>157</sup> Pursuant to the provisions of Law 153-98, neither resellers of providers' services nor providers interconnected through an interconnection contract are considered final users of a provider.
- <sup>158</sup> Law 153-98 does not specifically establish the particular services included in the CDT. The transitory regulation of the CDT provides that the contribution will be applied to all public telecommunications services that may be billed to final users, such as final services, value added services, and broadcasting, itemizing separately installation of lines, local telephone service, national and international long distance, cellular service, PCS, data transmission, trunking, radio paging, Internet, fax, video, e-mail, cable broadcasting, and others.
- <sup>159</sup> <http://www.indotel.org.do>.
- <sup>160</sup> Legislative Decree 142/97. <http://www.siget.gob.sv>.
- <sup>161</sup> Telecommunications Act of 1996. <http://www.fcc.gov/telecom.html>. All regulatory citations given throughout are available at this web address.
- <sup>162</sup> Communications Act of 1934
- <sup>163</sup> In "Competition in Telecommunications", National Contributions, United States, OECD, Paris 1996, [www.oecd.org/dat/clp/tel-2.htm](http://www.oecd.org/dat/clp/tel-2.htm), mention is made that the goal of the 1996 Act is to foster fundamental and pro-competition changes throughout the telecommunications industry while encouraging the opening up of communications markets, including local services, more competition, and elimination of entry barriers, as well as limiting the ability of one state to impede telecommunications competition. The Act of 1996 stimulates development of local competition in several senses. Section 251 of the Act requires, among other things: (i) that all telecommunications companies allow other service providers to interconnect with their networks; (ii) that all local carriers (LECs) allow their services to be resold; (iii) number portability; (iv) that LECs provide access for facilitating the construction of competitive networks. Section 271 governs the entry of BOCs in the long distance

market. Other factors that affect local competition relate to the growth of radiocommunications services (in 1996: 24 million cellular subscribers) and new licenses for PCS. For a number of reasons, including price and quality, radiocommunications services are generally used as a supplement to, although also as a substitute for, fixed telephony services.

<sup>164</sup> For the history of universal service policies in the U.S., the genesis of the concept of universal service, its interpretations, and various stages, see: the FCC web site on Universal Service at <http://fcc.gov/ccb/universalservice>; Benton Foundation, "The New Definition of Universal Service," June 10, 1997; <http://www.benton.org/Cannon>, Robert: "An Internet Service Provider's Guide to the Universal Service \$2.25 Billion Fund for Schools and Libraries," January 20, 1998; <http://www.cybertelecom.org/usf/usfguide.htm>. Mueller, Milton: "Universal Service and the New Telecommunications Act: Mythology Made Law," March 1997; <http://www.vii.org/univsvce/caem.htm>. Section 1 of the Communications Act of 1934 states: "(SEC. 1 (47 U.S.C. 151)... For the purpose of regulating interstate and foreign commerce in communication by wire and radio so as to make available, so far as possible, to all the people of the United States without discrimination on the basis of race, color, religion, national origin, or sex, a rapid, efficient, nation-wide, and world-wide wire and radio communication service with adequate facilities at reasonable charges...")

<sup>165</sup> FCC 97-157. CC Docket No. 96-45. Report and Order: "In the Matter of Federal-State Joint Board on Universal Service," May 8, 1997. [http://www.fcc.gov/ccb/universal\\_service](http://www.fcc.gov/ccb/universal_service)

<sup>166</sup> FCC 97-157. CC Docket No. 96-45, paragraph 47.

<sup>167</sup> Telecommunications Act of 1996, Section 254(i) and 254(b)(1)

<sup>168</sup> FCC 97-157. CC Docket No. 96-45, paragraphs 26 and 199

<sup>169</sup> For determining levels of federal subsidy, the United States is divided into large areas and an average of the cost of service in the area under study is taken into consideration. Even if some parts or sub-areas under study are high cost areas, if the average for the entire area is low, the FCC does not support universal service. It was ruled that, for non-rural carriers, those sub-areas be "unaveraged" for purposes of better focalizing a high cost area that needs universal service. Pursuant to the document "United States Response to the Universal Service Questionnaire from the March 1997 Porlamar, Isla Margarita PCC.I Meeting," CITEL/doc.580/98), June 29 - July 3, 1998, Cartagena de Indias, Colombia.

<sup>170</sup> For its considerations of the use of competitive bidding mechanisms, the FCC mentions as background the bids that were held in Chile and Peru for awarding the respective funds. FCC 97-157. CC Docket No. 96-45, Note 808

<sup>171</sup> See definitions in FCC 97-157. CC Docket No. 96-45, Appendix I, Subsection E, 54.400

<sup>172</sup> The New Definition of Universal Service, Benton Foundation: <http://www.benton.org/Uptades/summary.html>

<sup>173</sup> FCC 97-157. CC Docket N° 96-45, Appendix I, 54.505 (c).

<sup>174</sup> Any wide band telecommunications service above 1,544 Mbps that may be necessary for providing health services is eligible. FCC 97-157. CC Docket No. 96-45, paragraph 608.

<sup>175</sup> Pursuant to: "United States Response to the Universal Service Questionnaire from the March 1997 Porlamar, Isla Margarita PCC.I Meeting," (CITEL/doc.580/98), June 29 - July 3, 1998, Cartagena de Indias, Colombia.

<sup>176</sup> Telecommunications Act of 1996, Section 214(e)(1)

<sup>177</sup> Telecommunications Act of 1996, Section 214(d)

<sup>178</sup> Excluded are open video systems (OVS) and direct broadcasting by satellite services (DBS). FCC 97-157. CC Docket No. 96-45, Appendix I, 54.703

<sup>179</sup> FCC 97-157. CC Docket No. 96-45, paragraphs 808 and 809

<sup>180</sup> FCC 97-157. CC Docket No. 96-45, paragraphs 842, 843, and 844

<sup>181</sup> End user revenues are the carrier's total income, including income from subscriber line charges (SLC). See document "United States Response to the Universal Service Questionnaire from the March 1997 Porlamar, Isla Margarita PCC.I Meeting," CITEL/doc.580/98), June 29 - July 3, 1998, Cartagena de Indias, Colombia.

<sup>182</sup> FCC 97-157. CC Docket No. 96-45, paragraph 750

<sup>183</sup> Myndy J. Ginsburg, FCC, IB, "Universal Service Support Programs", CITEL Forum, Seminar on Universal Service, April 1998, Buenos Aires, Argentina

<sup>184</sup> CITEL: Doc.580/98: "United States Response to Universal Service Questionnaire," pp. 7-8, (VIII Meeting PCC.I, June 29 - July 3, 1998), Cartagena de Indias, Colombia.

<sup>185</sup> Chairman Kennard's Draft Strategic Plan, FCC. See [http://www.fcc.gov/21st\\_century](http://www.fcc.gov/21st_century) CITEL00501E

<sup>186</sup> FCC: Chairman Kennard's Draft Strategic Plan, August 12, 1999.

<sup>187</sup> Decree 94-96. [http://www.sigloxxi.com/SIT\\_GUA](http://www.sigloxxi.com/SIT_GUA).

<sup>188</sup> Telecommunications sector framework law, Decree 185-95. <http://www.conatel.gob.hn>.

<sup>189</sup> A similar provision is contained in the general regulations to the Law, approved in 1997.

<sup>190</sup> <http://www.cft.gob.mx>

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- <sup>191</sup> Ministry of Communications and Transportation, "Work Program 1999-SCT", <http://www.fecotel.gob.mx>.
- <sup>192</sup> Public Telephone Service Regulations of December 16, 1996. <http://www.cft.gob.mx>.
- <sup>193</sup> COFETEL, 1997 Activity Report - May 1999. <http://www.cofetel.gob.mx>.
- <sup>194</sup> CITEL, X Meeting of PCC.I, Colombia, June-July 1999, "Evolution of Rural Telephony in Mexico and its Application in Social Programs" (Document submitted by the delegation of Mexico).
- <sup>195</sup> The General Telecommunications and Postal Service Act N° 200/95 and the Operation and Extension of Public Telecommunications Services Deregulation Act N° 210/95. <http://www.telcor.gob.ni>.
- <sup>196</sup> CITEL, VII Meeting of PCC.I, October 1997, Brazil, Document PCC.I/doc.426/97, Response from CITEL's members to the Questionnaire on Universal Service Programs.
- <sup>197</sup> <http://www.telcor.gob.ni>.
- <sup>198</sup> See the document mentioned in the note above.
- <sup>199</sup> Law 31 of February 8, 1996. <http://www.enteregulador.go.pa>.
- <sup>200</sup> Executive Decree 73/97. <http://www.enteregulador.go.pa>.
- <sup>201</sup> Law 26/1996. <http://www.enteregulador.go.pa>.
- <sup>202</sup> Law 642/95.
- <sup>203</sup> Decree 14.235/95.
- <sup>204</sup> COMISION NACIONAL of TELECOMUNICACIONES (CONATEL), "Paraguay en el contexto mundial de las telecomunicaciones," October 1998.
- <sup>205</sup> Ancel is the subsidiary of ANTEL that provides cellular services in Band A, with national coverage.
- <sup>206</sup> <http://www.antel.com.uy>.
- <sup>207</sup> Law 14.235/74. <http://Lawes.parlamento.gub.uy>.
- <sup>208</sup> <http://parlamento.gub.uy>.
- <sup>209</sup> Law 15.671/84.
- <sup>210</sup> ITU, Meeting of the Americas Region on Telecommunications Policy, Montevideo, December 1995, Doc. 13-S, Origin: Eastern Republic of Uruguay. Title: "Visión del Marco Regulatorio y del Sector de las Telecomunicaciones en la República Oriental de Uruguay."
- <sup>211</sup> <http://www.wto.org/wto/services/tel10.htm>.