

- In early 1996, CTC Celular joined VTR Celular to create the company Startel Comunicaciones Moviles to tackle the mobil telecommunication sector. Together they have 50% of the mobile phone market share with a total of 175,000 subscribers. CTC is in the process of digitalizing the whole cellular network.
- CTC installed a "multi-carrier system" to allow callers to choose from eight long-distance firms: ENTEL, Chilesat, VTR, CTC Mundo, Bell South, CNT Carrier, Iusatel or Transam.
- In 1996, CTC earned profits amounting to US\$354 million.
- CTC plans to invest US\$500 million in 1997 and an additional US\$2 billion by the year 2000.

Both CTC and ENTEL are facing increasing competition from a slew of small cellular and regional communications firms who are, for the most part, backed by foreign capital and funds. Other smaller firms, such as Chilesat, Telefónica Manquehue, Iusatel and Telefónica del Sur, also continue to claim telecom market share from the two major companies and aim specifically for more of the long-distance and international market. Telefónica del Sur is investing US\$12 million in a rural telephone system for the 11th Region. Chilesat has secured an agreement from CTC to handle up to 50% of overseas calls and plans to integrate more satellite capacity into its already active corporate data services (Chilesat is a subsidiary of the large Telex Chile group which provides a wide range of business services such as telex, facsimile and land-line rentals). Chilesat will spend over US\$40 million over the next three years to upgrade its international and national long-distance capacity.

VTR S. A., one of the new competitors to CTC and ENTEL, is owned by the group Luksic (50.7%) and by SouthWestern Bell (40%). Its activities include local telephony, T.V. cable, long distance and cellular. VTR plans to invest US\$705 million in the 1995-1997 period. Of this amount, US\$270 million will be spent in private T.V. to increase its capacity (cable and microwave), as well as cable-telephony and DBS services at a national level. The company plans to invest US\$230 million in their wireless system by increasing its area and digitalizing its cellular network. US\$120 million will be invested in the long distance market and US\$85 million in local lines and rural telephony.

In Chile, there are seven companies that are licensed to operate the local telephone market. These are CTC, ENTEL Local, Manquehue, CMET and Telesat (an affiliate of Telex Chile) for the metropolitan area, Telefónica del Sur (an affiliate of VTR) for the 10th region and Telcoy for the 11th region of Chile. Telesat estimates that it will invest US\$200 million for the installation of 200,000 lines in Santiago until the year 2000.