

4. APPENDIX:

4.1 TELECOMMUNICATION REGULATORY ENVIRONMENT

A.1 HISTORICAL BACKGROUND

This chapter is a summary presentation and analysis of the legal and regulatory scenario of Brazilian telecommunications prior to the present government (March, 1990). Focusing on the regulatory issues that defined industrial procurement, international trade and technology policies for the Telebras system and for the private sector participants in telecommunications, the study will try to provide the basis to understand the present situation and expected short term evolution in this field.

After over 20 years of debates in the National Congress, the first formal law directed to telecommunications in Brazil, the Brazilian Code of Telecommunication - Law No. 4.177 - was issued in August 27, 1962. Still not revoked, this law defined, for the first time, the directives, the tariffs, and the regulatory structure. CONTEL created a national fund for telecommunications (FNT) and, specially of importance for the future, the first categorization of telecommunications services.

The services defined by Law 4177, classified by use, are the following:

- a. Public Services
- b. Public - Restricted Services
- c. Limited Services
- d. Broadcast
- e. Amateur Radio-Communication
- f. Special Services

Expecting the Public Services, all other five classes of services are defined as not "open to public correspondence", i.e. services directed to a group of users (Amateur Radio, Private companies) differentiated from the common citizen by a special requirement in term of terminal equipment (TV set, cellular phone, data access terminals) or means of transportation used (boats, automobiles, airplanes).