

by the Undersecretary of Telecommunications in February 1992, in anticipation of the operation of a multicarrier system in the domestic and international long distance markets.

After notice of non-compliance, concessions can be terminated by executive decree of the Ministry of Transport and Telecommunications if the concession holder is in contravention of the law or does not comply with the terms and conditions to which such concession is subject. If the holder believes that a concession has been terminated unlawfully, the holder may appeal to the Chilean courts.

## 2.5.2. Legal Proceedings against CTC and Entel

### (a) Antimonopoly Proceeding with Entel

Prior to the privatization of CTC and ENTEL in 1988 and after their privatization, ENTEL has provided (with certain exceptions) domestic and international long distance transmission services in Chile, while CTC (with certain exceptions) has provided local telephone services.

As part of its plan to expand its domestic long distance telephone services, the CTC Company in June 1989 applied to the Undersecretary of Telecommunications through an essentially wholly owned subsidiary (CTC - Transmisiones Regionales S.A.), for a concession to provide intermediate domestic long distance services through satellite links. In addition to this application, in September 1989, CTC, through the same subsidiary, also applied for a concession to provide domestic long distance services to the Santiago - Valparaíso and Santiago - Temuco markets through a fiber optic cable system. ENTEL formally objected to CTC's applications, alleging that the requested concessions would place CTC in a monopolistic position in the telecommunications business. CTC responded, in essence, that its applications were an attempt to further the Chilean Government's objective of open competition in all sectors of the telecommunications industry and that CTC would introduce advanced technology into the sector.