

it is not expected that this would be a topic for negotiation.

The emphasis of the Chapter is in ensuring equal treatment to enhanced value-added services, as well as common North American rules for providers and users of telecommunications and computer services. The agreement is expected to create a more competitive environment for telecom equipment companies. The Chapter also establishes a common approach for the standardization of the telecom equipment attached to public networks, and sets up a Telecommunications Standards Sub-Committee.

A few identifiable points of discrepancy between Chilean legislation and Chapter 13 are the following:

(a) There are restrictions in Chile to interconnect privately leased or owned circuits to the public network. This interconnection is explicitly prohibited in Chile because it omits the cost of use of the public network which is implicit in the regulated tariff.

(b) The pricing of private services could also represent a discrepancy, as NAFTA contemplates only a flat rate; in Chile the price would be freely negotiated between user and supplier (Law 18.268, article 29).

(c) With respect to standards, Article 1304 section 6 requires each country to accept tests and results from laboratories in the territory of another member country. This may face technical objections from the regulatory agency in the Chilean government (SUBTEL).

A matter where no objections are anticipated is that of conditions for the provision of enhanced value-added services. At present, there is freedom in the provision of many services under agreement with the concessionaire of public telephone services, subject to the fulfillment of technical conditions which are compatible to those in Article 1303.

A final word about Article 1305 (Monopolies) and Article 1306 (Transparency). Monopolies in Chile are regulated not only through tariffs and technical standards. The largest Chilean telephone company --CTC-- is a public corporation which trades in both the