

## 2.5 Regulatory Environment

### 2.5.1. Concessions

The provision and operation of telecommunications services, systems and equipment in Chile are principally regulated by the Telecommunications Law (D.F.L. N° 1 (1987)) (the "Telecommunications Law") which specifies, in part, which telecommunications services require a concession or a permit from the Ministry of Transport and Telecommunications through the Undersecretary of Telecommunications. Among services requiring a concession are:

(a) Public Services

Those provided for the needs of the community.

(b) Intermediate Services

Those provided by and between companies that are holders of other telecommunications concessions

(c) Limited Services

Those encompassing radio telecommunications networks for business and institutional users.

Concessions, which may be granted to an individual or an institution, specify the conditions which the concession holder must fulfill in order to install and operate the service that is the subject of the concession. Concessions may be valid for a fixed period of time or may extend indefinitely and may apply only within a specified geographic area. By virtue of receiving the concession, its holder is obligated after a specified period of time to provide services of appropriate quality to all parties requesting the service in the geographic area of the concession, which after such a period of time becomes the "compulsory service area". A concession holder