

State	Line Number for First Phase	Line number In 5 Years	Supplier Consortium	Present Situation
Brasilia	2,500	10,000	Elebra/NT Canada	First Phase in 12/91
Rio de Janeiro	10,000	40,000	Comar/NEC	First Phase in 01/91 Second Phase in 10/92
Rio Grande do Sul	8,000	30,000	Ericsson	First Phase in 1992
Parana - Sercomtel	2,500	10,000	Ericsson	First Phase in 1992
Parana - Metrop.	12,000	50,000	Sid/ AT&T	First Phase in 1992
Parana - Inland	10,000	50,000		Bid July/92
Minas Gerais	15,000	66,000	Promon/NT Canada	1993
Santa Catarina	2,000	10,000		Proposals present. 08/92
Espirito Santo	2,800	30,000		Bid July/92
Sao Paulo	71,000	285,000		Bid issued 08/92 Winner in 12/92
Total Orders	135,800	581,000		

The cost per line in the last turn-key bids has been US\$ 1,200 (AT & T offered at US\$ 1,000 in Parana State), a significant drop from the regular line cost of approximately US\$ 3,800 per line.

The current service tariff structure, regulated by the Communications Secretariat, has replaced the up-front subscription fee of US\$ 2,000 by a connection fee (not reimbursable) of approximately US\$ 200 per line. Usage fees are divided between a flat monthly fee of US\$ 40 and an air time cost of 45 to 50 cents per minute. The average monthly time of usage has reached 180 minutes per user (June 1992 in Brasilia) and the cost to subscriber is reaching the average of US\$ 150 per month.

Accurately forecasting the cellular market future is very difficult at present due to uncertainty as to whether this market will be opened to private competition or will stay a monopoly. This segment being very responsive to price (Brazilian average annual income is US\$ 2,400) and costs depending on the scale of business. Telebras surveys indicate that 5 year market potential could reach 600,000 to 700,000 lines. This impressive service market is being closely studied by 5 major consortiums, each including one major international North American cellular service provider as listed below: