

In December 1989 the Company and Entel amended the existing agreements regarding domestic long distance service by establishing a Company-provider relationship in accordance with the prevailing tariff decrees. This amendment agreement replaces the previous revenue-sharing agreement. Currently, CTC recognizes all revenues generated by its subscribers utilizing the domestic long distance service from CTC's equipment, and pays to Entel the cost of signal transmission services of Entel.

For international long distance service, CTC and Entel have established a revenue-sharing relationship under which CTC recognizes as income only its share of the revenues generated under this service, which corresponds to compensation for the use of the local network and for processing, controlling, billing and collecting payment in respect of each international call.

Additional concessions for the provision of intermediate international long distance services have recently been issued to certain telecommunications companies which may in the future become providers of such service to CTC. Hence, in May 1992 CTC agreed in principle that, subject to certain terms and conditions, Chilesat S.A. could become one of such providers.

The following table sets forth information on domestic and international long distance telephone communications carried through circuits owned or accessed by CTC.

Long Distance Communications
(in thousands)

	1987	1988	1989	1990	1991
Domestic Long Distance (in number of calls)	77,450	92,354	104,652	128,521	172,662
International Long Distance (in minutes)	57,303	68,770	81,064	99,599	122,380