

Under this plan, Entel extended the microwave trunk network between Antofagasta and Puerto Montt and started extending its external plant.

The Board of Directors conferred new powers on the company's General Manager, who can now authorize significant investments.

Entel is continuing to decentralize its data processing and to increase automation. Equipment has been bought to develop a local area network linking the company's different sections and this should soon be extended to customers. Future developments include the commissioning of a digital carrier in the satellite link to Punta Arenas. Satellite projects are also being drawn up for the remote areas of Puerto Williams, Easter Island, Palena and Futaleufu.

Entel is also looking into possible new areas of business including cellular telephones and satellite services for private companies.

Until 1989 Entel maintained a monopolistic position, a situation that changed during 1990 with the entering to the market of Chilesat, a telecommunication company that provides national and international long distance service. This competition between companies of international traffic will tend to gradually diminish prices.

Entel has about 400 direct clients and Chilesat has about 180 direct clients. Also, with the beginning of operations of Chilesat, Entel lost as client the economic group called Telecomunicaciones de Chile.

Additionally, the new Telecommunications Law which is under revision in Congress, will enable Compañía de Teléfonos de Chile (CTC) to participate directly in the long distance telecommunications market from 1993 onward, in the national and international market.

For all these reasons, Entel is undergoing a diversification process within the telecommunications area with the aim of protecting itself from new competition and from the potential loss of clients.