

transmission; it has recently started to provide intermediate services. The latter was authorized with the purpose of opening up competition in the long distance communications field. Thus, VTR appears as an alternative to ENTEL for users of long distance telephone services.

A point worth mentioning is the foreign participation in the ownership of several of the largest telecommunications companies. Telefónica de España and foreign ADR holders own nearly 70% of CTC: Telefónica de España and --until recently-- the Chase Manhattan Bank and Banco Santander owned 40% of ENTEL; Italcable owns 25% of VTR; Bell South owns 50% of CIDCOM cellular; and so on. Moreover, some of these stock blocks have been changing hands with no objection from the authority. In fact, there is widespread impression that foreign ownership and free movement within the sector has facilitated its very dynamic growth.

15.4 Regulation of the public services

The provision and operation of telecommunications services, systems and equipment in Chile is regulated by the Telecommunications Law, which specifies which telecommunications services require a concession (permit) from the Undersecretary of Telecommunications. Among those services requiring a concession are public, intermediate and limited services.

Concessions are valid for a fixed period of time and may apply only within a specified geographic area. By virtue of receiving the concession, the holder is obliged to provide services to all parties requesting the service in the area of the concession for a specified period of time. The concession holder must also provide service to those users located outside the concession area who are willing to pay for the extensions needed to provide the service.

Technical rules have been established governing the routing, transmission, signalling and assignment of numbers in the Chilean telephone network. Every new installation must comply with these technical specification set forth by the Undersecretary of Telecommunications. Non-compliance of these norms can carry the