

Metropolis which will contribute expertise in television and additional coverage through its subscriber network.

The plan is to begin with Premium channels (scrambled channels with a charge on top of the charge for basic service) and Pay-Per-View, which the company may implement within two or three years, since on the technical level these services require only shortwave frequencies. Pay-per-view movies may be included in the service at a later date.

During the first half of 1996, the company hopes to conduct a pilot trial to determine whether the network meets all the required technical specifications for proper operation of the system, but also to test it from the business point of view: determine the demand structure, level of acceptance of the service by customers and their willingness to pay.

In view of the country's socio-economic diversity, two sectors of the capital will be selected. About 400 selected households in these two sectors will be connected to the system. The pilot trial is divided into five phases over a three-year period. In 1996 the offering will include Pay-Per-View, Pay-TV, segmented basic cable (a group of channels targeted at different socio-economic groups) and also telephone service on the same network. Phase Two will be implemented in 1997 with distance education, video games and digital music, while Phase Three will include interactive games and Near Video on Demand (rotating movies). Telemedicine, Video on Demand, Home Shopping and high-definition television will come later during Phase Four of the project, which will be the most comprehensive in terms of technological development.

2.2.4 Market Opportunities

Canadians have undeniable telecommunications expertise. Since the Chilean cable market is not yet fully developed, Canadian companies could participate in delivering basic service and so provide the latest technologies implemented in Canada.

Services:

- delivery of interactive television service, cable television and multimedia (Pay-Per-View movies, Home Shopping, etc.);
- installation of satellite (wireless) television;
- planning and design of optical fibre networks for simultaneous cable and telephone service;
- consulting services for interactive television, multimedia and cable television;
- program production services for interactive television and multimedia;

Products:

- decoders, satellites and dish antenna;
- programs for interactive television and multimedia;
- tools, equipment and machinery for cable television, interactive television and multimedia transmission and reception;
- optical fibre and microwave cable.