

Supervision of the Chilean telecommunications sector and implementation of the new law is the responsibility of Subtel (Subsecretaria de Telecomunicaciones). Law 3A contains provisions on franchises and licences, functioning and operation, the telecommunications development fund, rates and market share restrictions for the first four years of the multicarrier system. Since the General Law is lengthy, only the most relevant points in each provision will be mentioned.

5.1 Franchises and Licences

- 1- Franchises will be awarded for a period of 30 years for public telecommunications and intermediate service companies and are renewable for a similar period.
- 2- A franchise or licence is not necessary for installation and development of ancillary services.
- 3- Subtel authorization is required to operate limited telecommunications services (installation, operation and development); this authorization is valid for a 10-year period and is renewable.
- 4- Franchisees have the right to install and connect lines on streets, plazas, parks and other public property, but only for the specific service to be provided. Lines to be installed on private property must be certified by both parties under the Common Law. If there is no agreement, Subtel may declare installation of lines an essential service.
- 5- Franchisees or persons using franchises must be Chilean and must be resident in the country. Presidents, directors and executives must have no criminal record.

5.2 Service Functioning and Operation

- 1- The public telecommunications services franchisee (in this case, CTC) must set up a multicarrier system allowing the user or subscriber to place his national and international calls with the intermediate services franchisee of his choice. Each service provider can be reached via an access code.
- 2- Intermediate service providers can issue subscriber contracts if users so wish.
- 3- Intermediate service providers are responsible for rates and for billing the services provided. However, they can subcontract these functions to the public telecommunications services (PTS) provider.
- 4- The PTS franchisee must disclose without discrimination to all intermediate services suppliers all information relating to subscribers and the call rate (telephone traffic).
- 5- Separate companies must be set up to provide long distance intermediate services.