

Response ITU Consultation for GSR 2009

In connection with the consultation process on regulatory approaches to foster investment and stimulate growth in the ICT sector in a converged world, the Chilean Telecommunication Subsecretariat (Subtel) can reply that it has worked in the areas below.

- **Promoting convergence to develop ICT markets and realize its benefits**

- 1) Coordinated strategy between Subtel and the telecommunication industry for Chile's smooth transition from IPv.4 to IPv.6. The application of a subsidy for future implementation is currently being evaluated (by a development agency that is separate from Subtel).
- 2) Connectivity plan for Isla Grande de Chiloé, in order to improve the quality of connectivity and lower the price of telecommunication services for the various social players in Chiloé province and to increase the ITC penetration rate, thereby lessening the island's isolation. The plan received a grant of \$739,162,000 from the Telecommunication Development Fund, awarded to the firm TELMEX SERVICIOS EMPRESARIALES S.A.
- 3) Fibre-optic network between Puerto Natales and Cerro Castilla. The aim of this project was to create a fibre-optic grid with little impact on the environment (most of the network is underground) between Puerto Natales and Cerro Castillo and between Villa Tehuelches and Río Verde. Quality telecommunication services were thus provided to areas in which they had previously been practically non-existent. The Telecommunication Development Fund awarded \$1,030,536,000 for this project. The work was completed at the end of 2008.
- 4) Fibre-optic Transmission Project for the island of Chiloé and Coyhaique (Southern Fibre-optic Project), awarded to the firm Telsur iPas Telecomunicaciones S.A. The project's aim was to provide topflight telecommunication services to remote localities, extending the national fibre-optic backbone from the town of Puerto Montt to the town of Coyhaique. Thanks to this project, Chile's southern community has access to telephony, the Internet, IP TV, data transmission and state-of-the-art technological applications on a par with Chile's main towns. The project represents a tangible step towards bridging the digital divide.

The project was to build an 830-km fibre-optic network and a state-of-the-art SDH transport network with a capacity of 10,000 Mbps. The total project cost exceeded 6 billion pesos, of which about 1.35 billion pesos took the form of a grant from the Telecommunication Development Fund to the firm Telsur iPas Telecomunicaciones S.A. Work on the project was completed in December 2007.

- **Building effective regulatory institutions**

- 1) In June 2008 Subtel issued the Voice over Internet Regulations for the purpose of regulating voice over Internet services. The Regulations define voice over Internet as a public telecommunication service distinct from the public telephone service and establish that service providers require a Subtel licence.

The new rules regulate those voice over Internet services that place calls to the public telephone network and receive calls from the public telephone network. This means that calls between Internet users (e.g. using MSN) and services that place calls to the public network but cannot receive calls (such as Skype out) are not regulated.
- 2) Adoption of the ISDB-T digital television standard with MPEG 4 created by Japan and adopted by Brazil. Thanks to this technological choice, reception quality will be improved in line with Chile's geography, and it will be possible to receive free open cellular television and to provide viewers with high definition and a wider range of channels.

The standard selected guarantees better technical quality and provides the possibility that more spaces will open for new players and content in television. More channels of all kinds: local, community, regional, cultural, for children.

At present, over 65 per cent of Chilean households have access to open television only, many of them via receiving antennas built into their television sets. The introduction of digital TV will considerably improve the quality of the image and sound received in the home, and will gradually allow access to new services and interactive applications.

Now that the standard has been adopted, for digital television to be effectively deployed in Chile, Congress will have to approve the necessary regulations, amending the existing Television Act.