

Please return this table completed to the following address:
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ANNEX
(to TSB Circular 192)

Response to the Questionnaire on economic aspects of "IP Telephony"

If you are unable or unwilling to provide the data requested in the remainder of the questionnaire, please fill in this first page anyway and return it to us.

Name of your Administration/Organisation:Undersecretary of Telecommunications.....
Contact person:Raúl Lazcano M.
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Email:rlazcano@subtel.cl.....

Please indicate whether it is difficult or impossible for your administration to answer this questionnaire. If you reply yes, please indicate the reason:

- No, it is not difficult to answer.
- Yes, it is difficult or impossible to answer. The reason is:
 - The data are not easily obtained.
 - It is our policy not to collect or provide the data.
 - Other, please specify: _____

Please fill out the following questions either on this survey or in a separate document to the best of your knowledge.

For the purposes of this questionnaire, please consider Voice over IP (VoIP) as equivalent to "IP Telephony".

This questionnaire consists of two parts:

- I. Current situation: the questions relate to the current status.
- II. Expectations for the future: the questions cover the same topics and issues as part I, but relate to planned activities or announced expectations for the future.

I. Current situation

1) **What is the current general regulatory approach or treatment of "IP Telephony" in your country?**

- Regulation for convergent services
- Regulation individually for voice telephony/services
- Technology neutral regulation
- Other (please specify):

2) **At present, in your country, is "IP Telephony" considered:**

- A basic service
- A data service
- An information service
- Other (please specify):

3) **Are the above services regulated differently in your country?**

- Yes
- No

Please elaborate:

The undersecretary of telecommunications does not regulate contents. In case of television, the national committee of television regulates the contents of it and the of telecommunication regulates the technical provision of the service.

4) **In your view, should regulation be based on:**

- Technology
- Type of service
- Other (please specify):

5) **Is there specific regulatory treatment in your country for "IP Telephony"?**

Yes

No

If yes, please explain:

However, there is a decree under vision concern to Internet service called "Reglamento del servicio público de voz sobre Internet".

6) **Does your Administration distinguish between different models of "IP Telephony" according to the nature of the end-user's terminal (please check the box for all that apply):**

standard telephone to IP Network to standard telephone

PC to PC over IP network/Internet

PC to IP Network to standard telephone

standard telephone to IP network to PC

If yes, please explain:

As mentioned above, currently there is not regulation related to IP telephony.

7) **Which, if any, of the following universal services provisions are currently implemented in your country for "IP Telephony":**

Universal service fund

Universal service obligation

Subsidies for high cost areas

Subsidies for low income areas

Special funds, for example for schools or libraries

Special funds for community access centers

Other (please specify):

Our current regulation considers different types of funds in order to reduce the digital gaps. Public service of telephony is defined and has a fund for development of telecommunications which subsidize low income/high cost areas. In case of access to Internet, these are other funds for schools (e.g. Enlaces) and cost.

8) Which, if any, of the following are currently mandatory for "IP Telephony":

- Calls to emergency services, such as "112" or "911"
- Freephone calls (toll-free calls, such as national 800 numbers)
- Calls to premium rate services (such as national 900 numbers)
- Shared cost calls (such as national 8xx numbers)
- Legal intercept requirements
- Archiving of call tracking information (originator and recipient numbers/addresses)
- Quality of Service
- Other (please specify):

Refer to Annex

9) Do mandatory provisions apply currently with respect to interconnection for the following (please tick the box if there is a mandatory interconnection provision):

- Fixed PSTN from/to fixed PSTN
- Fixed PSTN from/to Mobile PSTN
- Mobile PSTN from/to Mobile PSTN
- PSTN (mobile or fixed) from/to "IP Telephony"
- "IP Telephony" from/to "IP Telephony"

Refer to Annex

10) Have you undertaken studies or carried out consultations in the following areas with respect to "IP Telephony" (please check all boxes that apply):

- Universal service obligations
- Emergency services
- Legal interception, archiving of call tracking information
- Quality of Service requirements
- Interconnection requirements
- Technology-neutral regulatory approaches
- Other (Please specify)

11) What types of pricing models are currently offered for "IP Telephony" by operators in your country?

- Flat rate: no individual pricing per call
- International calls are priced differently than national calls
- Call price depends on the geographical distance between originator and recipient, even for a national call
- Call price depends on call duration (length of time of call)
- Other (please specify):

Refer to Annex

12) In your country, do operators currently provide "IP Telephony" with guaranteed Quality of Service?

- Yes
- No

13) Do you currently monitor or require reporting of investments by operators who are in the following categories (please check the boxes for all that apply):

- Former monopoly
- Dominant operator(s)
- Recognized Operating Agencies (ROAs)
- Operating Agencies (OAs)

14) Do you currently regulate the prices of the following services:

- PSTN
- Mobile telephony
- "IP Telephony"
- Data services (including access to Internet)

15) Do you currently monitor the prices of the following services:

- PSTN
- Mobile telephony
- "IP Telephony"
- Data services (including access to Internet)

Refer to Annex
16) Do you currently prohibit cross-subsidization of service, for example between PSTN and "IP Telephony"?

- Yes
- No

Please elaborate:

.....
.....

17) When a call made by "IP telephony" is terminated in your country, are there any termination fees paid to:

- The Internet Service Provider (ISP) in your country that connects the end-user
- The "IP Telephony" gateway in your country

Refer to Annex
18) Do you believe that further implementation of IP Telephony in your country would improve (please check all boxes that apply):

- Total penetration of telephony
- Penetration of fixed telephony (with "IP Telephony" counted as fixed)
- Investment in broadband infrastructure
- Penetration of Internet access

19) Please provide an estimate of the shares of current reported revenues by operators in your country for (please fill in an estimated percentage, the total should be 100%):

- Mobile telephony
- Fixed telephony
- Data services (including access to Internet)
- "IP Telephony"

Refer to Annex

II. Expectations for the future

20) What do you expect the future general regulatory approach or treatment of "IP Telephony" to be in your country?

- Regulation for convergent services
- Regulation individually for voice telephony/services
- Technology neutral regulation
- Other (please specify):

21) In the future, would you expect "IP Telephony" to be considered:

- A basic service
- A data service
- An information service
- Other (please specify):

22) Would you expect, in the future, the above services to be regulated differently in your country?

- Yes
- No

Please elaborate:

The role of our regulation to foster the telecommunication sector, as well as
correct imperfections of the market..... Thus due to convergence our regulation
follows the better approaches to increase the quality of our regulations.

23) Do you expect that, in the future, there would be specific regulatory treatment in your country for "IP Telephony"?

Yes

No

If yes, please explain:

In respect a voz to Internet, it is necessary a specific regulation due to the characteristics of the service.

24) Do you expect that, in the future, your Administration would distinguish between different models of "IP Telephony" according to the nature of the end-user's terminal (please check the box for all that apply):

standard telephone to IP Network to standard telephone

PC to PC over IP network/Internet

PC to IP Network to standard telephone

standard telephone to IP network to PC

If yes, please explain:

It depends on the type of IP network: if it is private or a public network.

25) Which, if any, of the following universal services provisions would you expect to be implemented in the future in your country for "IP Telephony":

Universal service fund

Universal service obligation

Subsidies for high cost areas

Subsidies for low income areas

Special funds, for example for schools or libraries

Special funds for community access centers

Other (please specify):

If yes, please explain:

The subsidies under FDT (development of telecommunication fund) as well as our general law of telecommunications, is technologically neutral.

26) Which, if any, of the following would you expect to be mandatory in the future for "IP Telephony":

- Calls to emergency services, such as "112" or "911"
- Freephone calls (toll-free calls, such as national 800 numbers)
- Calls to premium rate services (such as national 900 numbers)
- Shared cost calls (such as national 8xx numbers)
- Legal intercept requirements
- Archiving of call tracking information (originator and recipient numbers/addresses)
- Quality of Service
- Other (please specify):

27) ^{Refer to Annex} Do you expect that mandatory provisions would apply in the future with respect to interconnection for the following (please tick the box if there is a mandatory interconnection provision):

- Fixed PSTN from/to fixed PSTN
- Fixed PSTN from/to Mobile PSTN
- Mobile PSTN from/to Mobile PSTN
- PSTN (mobile or fixed) from/to "IP Telephony"
- "IP Telephony" from/to "IP Telephony"

28) Do you expect to undertake studies or carry out consultations in the future in the following areas with respect to "IP Telephony" (please check all boxes that apply):

- Universal service obligations
- Emergency services
- Legal interception, archiving of call tracking information
- Quality of Service requirements
- Interconnection requirements
- Technology-neutral regulatory approaches
- Other (please specify):

See question 25.

29) **What types of pricing models would you expect to be offered in the future for "IP Telephony" by operators in your country?**

- Flat rate: no individual pricing per call
- International calls are priced differently than national calls
- Call price depends on the geographical distance between originator and recipient, even for a national call
- Call price depends on call duration (length of time of call)
- Other (please specify):

Refer to Annex
30) **In your country, do you expect that operators would in the future provide "IP Telephony" with guaranteed Quality of Service?**

- Yes
- No

Refer to Annex

31) **Do you expect, in the future, to monitor or require reporting of investments by operators who are in the following categories (please check the boxes for all that apply):**

- Former monopoly
- Dominant operator(s)
- Recognized Operating Agencies (ROAs)
- Operating Agencies (OAs)

Refer to question 13.

32) **Do you expect, in the future, to regulate the prices of the following services:**

- PSTN
- Mobile telephony
- "IP Telephony"
- Data services (including access to Internet)

Refer to Annex

33) Do you expect, in the future, to monitor the prices of the following services:

- PSTN
- Mobile telephony
- "IP Telephony"
- Data services (including access to Internet)

NO

34) Do you expect, in the future, to prohibit cross-subsidization of service, for example between PSTN and "IP Telephony"?

- Yes
- No

Please elaborate:

The competent authority to determine if it is necessary to regulate this issue is the tribunal of defense of free competition.....

If you have any additional comments, please write them in below, or on an additional page.

Please refer to Annex attached to this document.....

Thank you very much.

Annex to the Questionnaire on economic aspects of 'IP Telephony'

I. Contextual information

According with the Decree 1762 of 1977, the Undersecretary of Telecommunications-Ministry of Transport and Telecommunications is mandated to orient, control, foster and develop the telecommunication sector in Chile.¹

Moreover, the General Law of Telecommunications (DL 18168) in its third article defines and classified telecommunications services as follow: a) telecommunications services with free broadcasting; b) public telecommunications services; c) limit telecommunication services; d) radio amateur; and e) intermediate service of telecommunications.

In terms of universal service, title IV of the General Law creates a fund of telecommunication, Law 19302 of 1994 formalizes it and Decree 353 of 2001 regulates it. The aims are to foster and increase the availability of telecommunication services in low income areas, rural or urban and those which difficult geographical access or isolated.

According with 2001 decree, allow the development of infocenters (communitarian centers), local broadcasting and telecommunication projects and any other project with direct benefit to the local communities.

Currently, the projects which can access to subside are:

- -Public telephones or calling centers
- -Communitarian centers of information
- -Free broadcasting telecommunication services
- -Other telecommunication service which benefits to the community

In terms of markets, in Chile the mobile market is not regulated. The regulation applied to the interconnections charges. In addition, the Undersecretary regulates the tariffs which are indicated by the Tribunal of Defense of Free Competition (TDLC). The TDLC is an independent body exclusively dedicated to the competence matters. It was created by the Law 19911 of 2003.²

II. Current situation

2. IP telephony is not currently classified as a service by itself. In our market we have operators which use IP private networks as the technology to provide public telecommunication services.

3. The undersecretary of telecommunications does not regulate contents. In case of television, the national committee of television regulates the contents of it and the undersecretary of telecommunication regulates the technical provision of the service.

4. Regulation has to be based on convergence of services and technologies.

¹ More information in www.subtel.cl

² More information in www.tdlc.cl

5. However, there is a decree under revision concern to Internet service called “ Reglamento del servicio publico de voz sobre Internet”.

6. As mentioned above, currently there is not regulation related to IP telephony

7. Our current regulation considers different types of funds in order to reduce the digital gaps. Public service of telephony is defined and has a fund for development of telecommunications, which subsidize low income/high cost areas. In case of access to Internet, there are other funds for schools (e.g. Enlaces) and cost.

8. Under public telecommunication concession, telephony which uses IP for its network has same obligations than RPT. The service of voice over Internet is not yet regulated.

9. For private IP networks, operates under a public telecommunication concession and has the same obligations than others.

10. We carried out a consultation in 2004 of a proposed regulation. We received responses from the industry, consumers and all the ones who wanted to express their opinion. The opinions cover the issues checked in the list plus others like legal, economic and technical concerns.

11. The undersecretary only regulates dominant operators. Thus, it does not have official pricing information of non-dominant concessionaries of public telecommunication services.

12. The concessionaries operating under public telecommunication service which uses private IP networks, not Internet, has to guarantee the service provision.

13. The undersecretary collects information considering its right by Law 18168. The automatization of it is cover by STI (transfer of information system, <http://sti.subtel.cl>, decree 159 of 2006. Inside STI data base, investment series are included as part of the whole statistical information that the registered companies has to provide. The companies which send information includes: paid TV, long distance, mobile telephony, fix telephony and Internet.

14. The undersecretary regulates prices of dominant public fix telephony and interconnection charges of mobile telecommunication services.

15. The prices are not included in our STI system. However, we are continuously monitoring the market.

17. In case of private IP networks for public telecommunication service, it pays access charges for each interconnection.

18. This information is not currently available.

III. Expectations for the future³

20. The proposed regulation of voice over internet looks forward the convergence of services.

22. The role of our regulation to foster the telecommunication sector, as well as correct imperfections of the market. Thus, due to convergence our regulation follows the better approaches to increase the quality of our regulation.

³ More information in http://www.subtel.cl/prontus_subtel/site/artic/20070413/pags/20070413171803.html

23. In respect to voice over Internet, it is necessary a specific regulation due to the characteristics of the service.
24. It depends on the type of IP network: if it is private or a public network.
25. The subsidies under FDT (development of telecommunication fund), as well as our general law of telecommunications, is technologically neutral.
26. In some cases, will be mandatory to interconnect with other operator of public telecommunication services.
27. It depends on the kind of IP network.
28. *ibid.* 25.
29. The pricing models for non-dominants are not part of our regulatory domain.
30. It depends on the type of network.
31. Refer to 13.
32. The Tribunal of Defense of Free competition defines services and operators which need to be regulated.
34. The competent authority to determine if it is necessary to regulate this issue is the tribunal of defense of free competition.