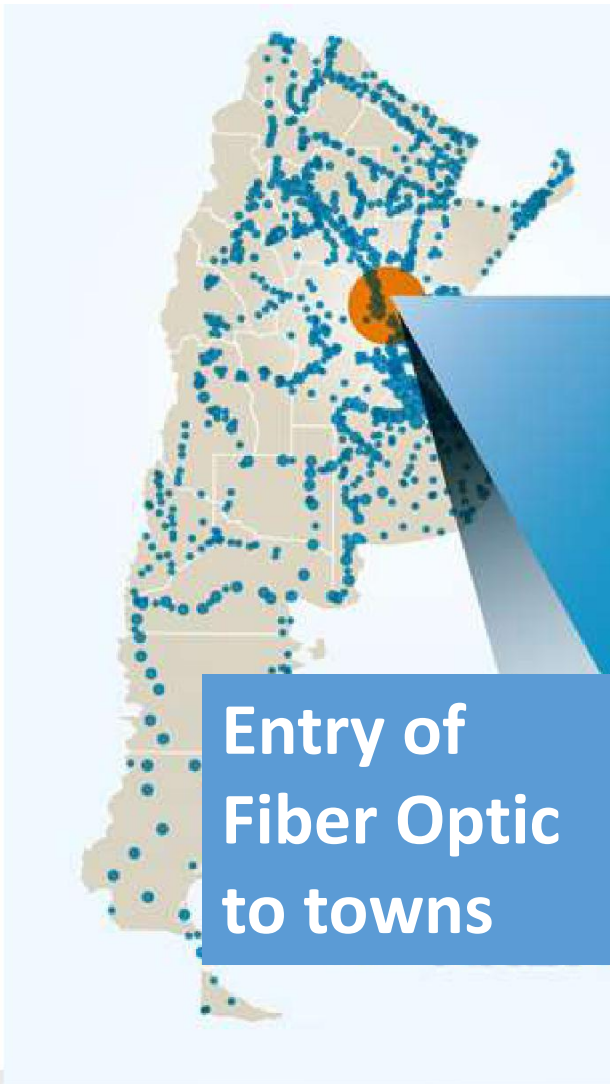


Federal Fiber Optic Network

(REFEFO)

ARSAT

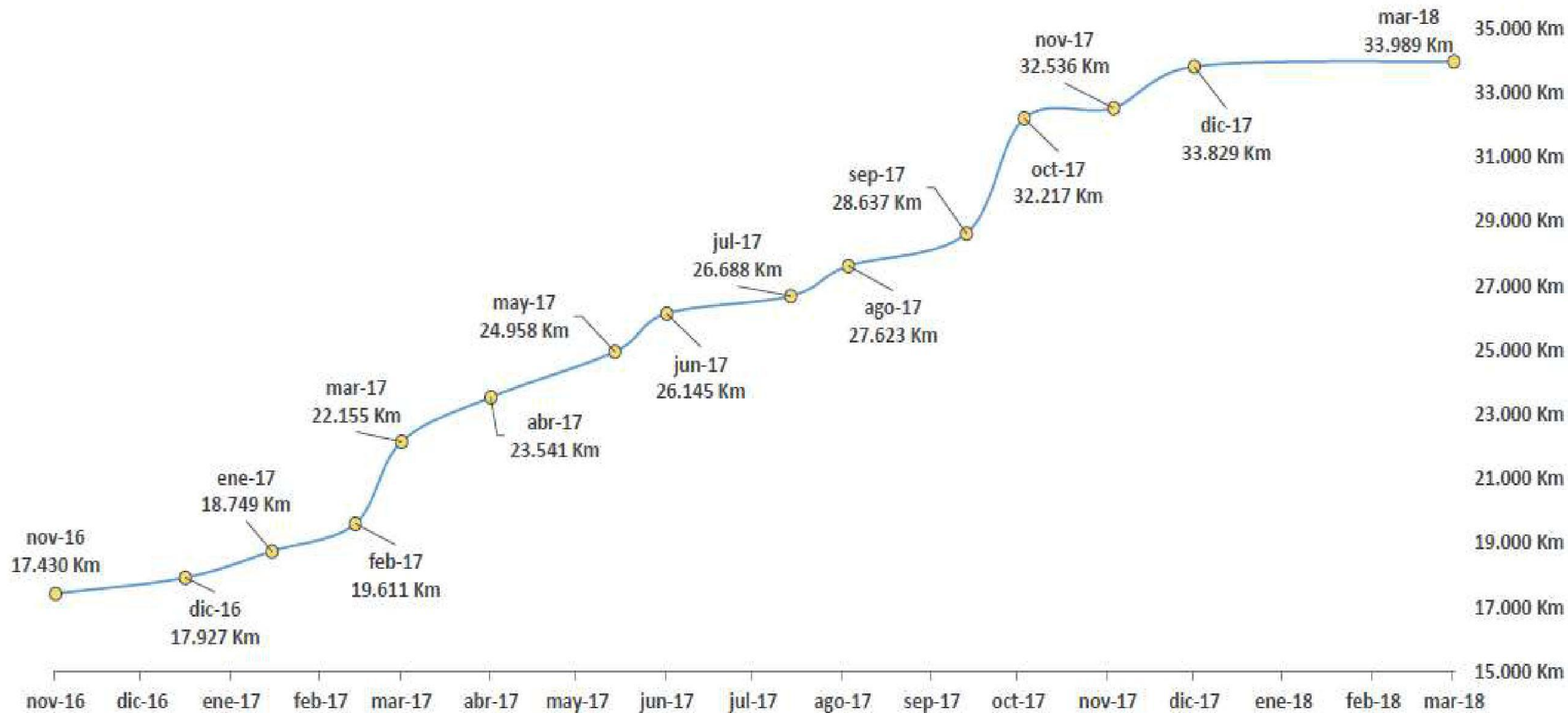
Physical Indicators PFI (Federal Internet Plan) (up to February)



	+ 117 towns							
Towns - PFI	65	173	182	460	648	800	1.105	1.147
Increase – (In Towns)	65	108	117	278	188	152	305	42
Total population (in MM)	5,9	9,5	9,7	13,0	14,6	17,2	22,3	22,9
Period			28/02/2017	1 Sem	3 Trim	4 Trim	1Sem	2Sem
Year	2015	2016	Feb. - 17	2017			2018	

Objective = 23 Provinces and 1.147 towns
Possibilities = 23 Provinces and 1.357 towns

Physical Indicators - Deployment and Illumination - REFEFO (up to December)



Evolution of Internet wholesale Price in towns connected to PFI

Who made the research? What were the results?

From 1995, Convergencia Group is the Leading Company in providing information over the telecommunications business in Latam and the Caribbean.

Who?



It is recognized and respected by the independence and rigorousness of its analysis, publications and investigations in the LATAM ICT sector.

Objectives

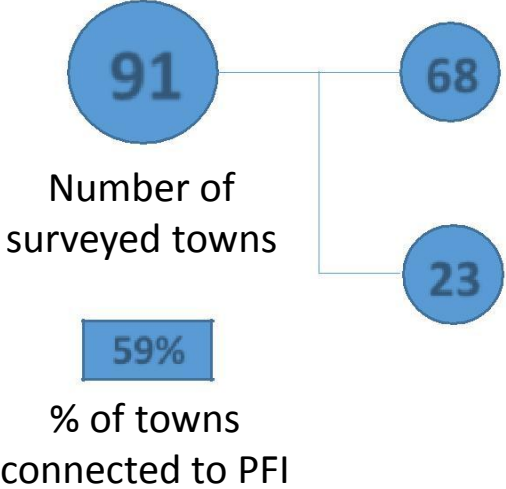
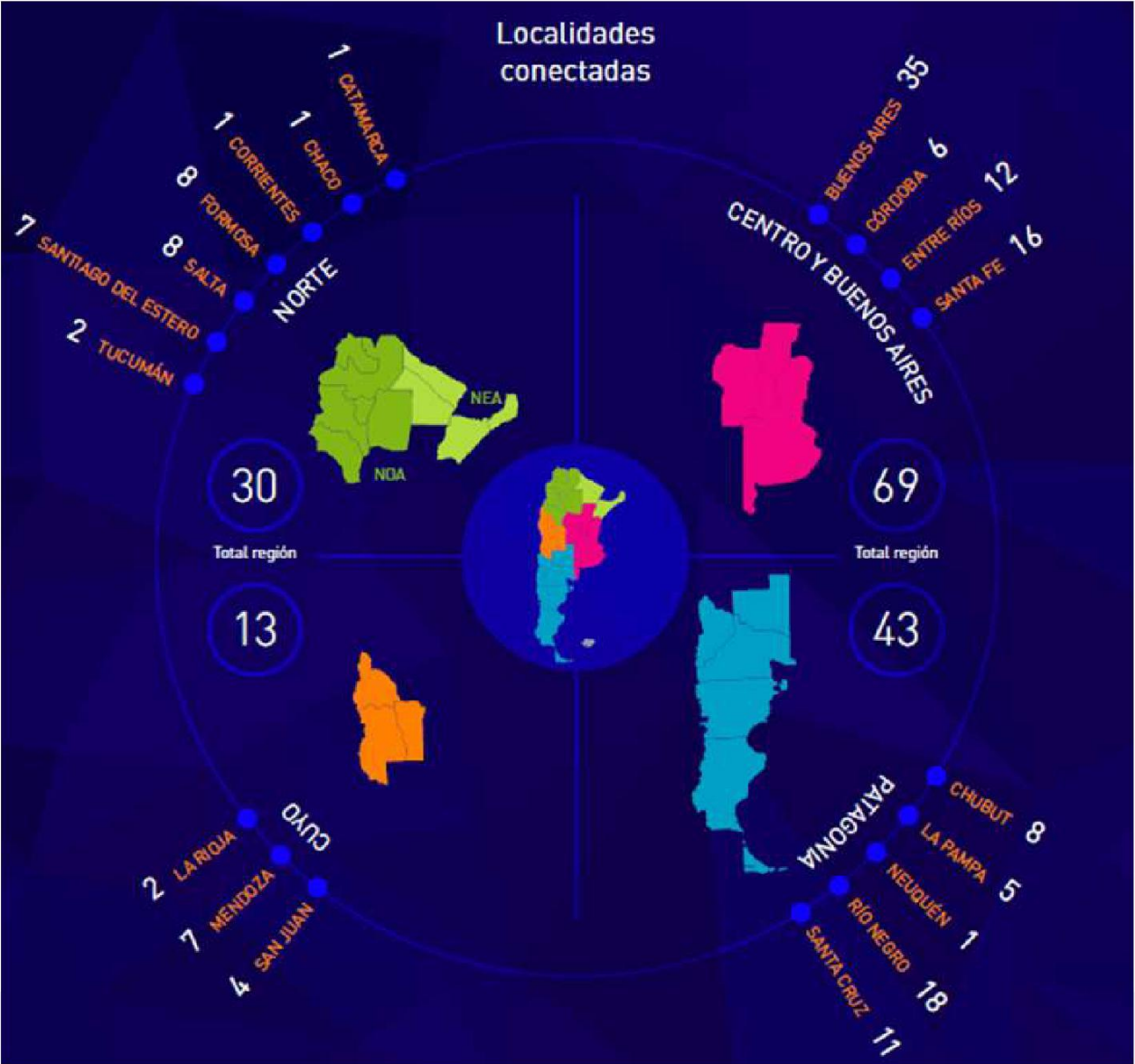
1

Determine how ARSAT's arrival has had an influence on the wholesale broadband price paid by ISPs that render service to the end user.

2

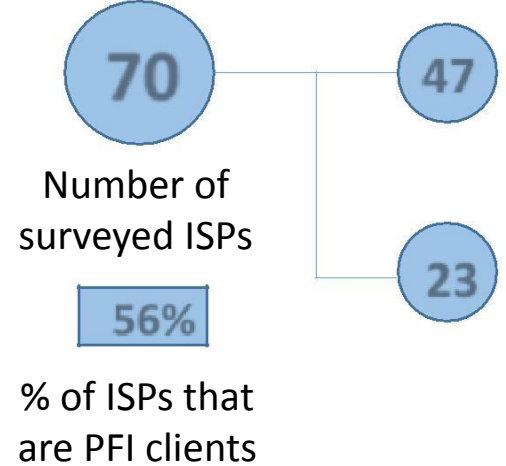
Have a first approximation on how the arrival of connectivity has had an impact on the other two indicators: the improvement on the speed offered to the end user and the price of the Mbit/s, paid by residential consumers.

Deployment of PFI up to 16/12/16 – Data sheet



Number of surveyed towns with at least one ISP connected to FPI (up to 16/12/2016)

Number towns with at least one ISP connected to FPI (up to 16/12/2016)



Number of surveyed ISPs connected to ARSAT (up to 16/12/2016)

Number of surveyed ISPs close to connect to ARSAT (up to 16/12/2016)

Main Conclusions

IMPACT OF FIXED PRICE OF USD 18 PER MBPS

50 % DECREASE ON THE AVERAGE PRICE OF TOWNS
WITH ISPS CONNECTED TO ARSAT
Commoditization of wholesale price, competition



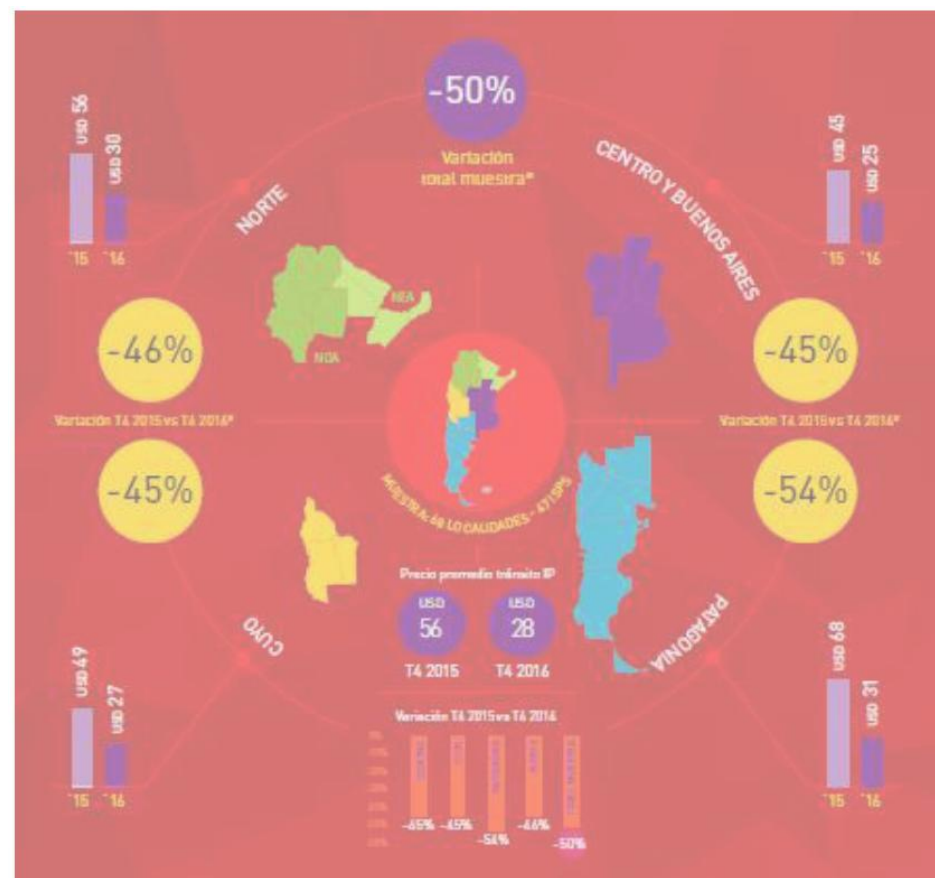
Highest
decrease in
Patagonia: 54 %



Highest % of decrease in
towns of up to 20.000
habitants: 52 %

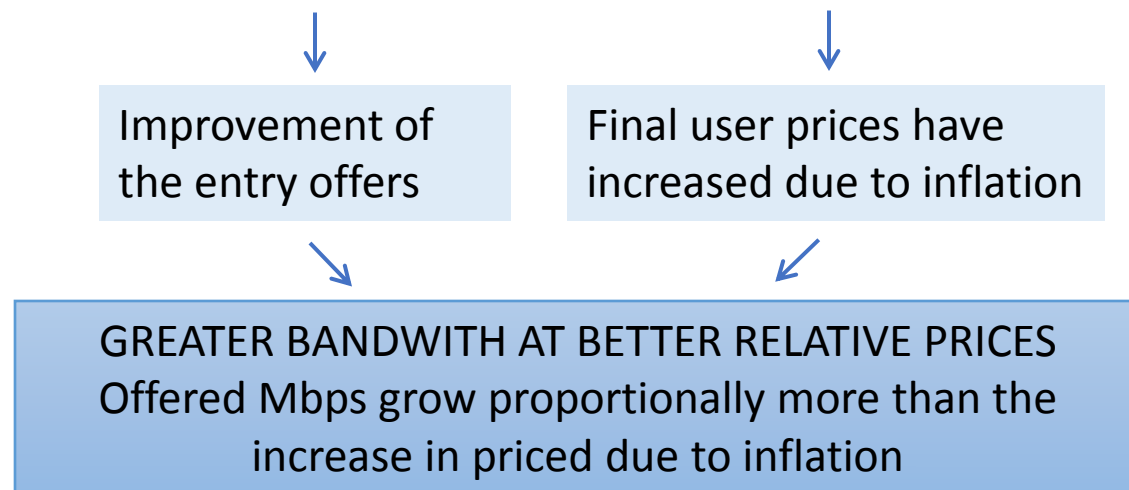
REDUCTIONS OF UP TO 20 % IN THE AVERAGE
WHOLESALE PRICES IN THOSE TOWNS WHERE ARSAT IS
NOT YET PRESENT

SME'S EMPOWERMENT TO NEGOTIATE BETTER
WHOLESALE PRICES WITH ARSAT AND ITS
COMPETITORS



Main Conclusions (cont)

POSSITIVE EFFECT ON FINAL USER PRICES



MORE AND BETTER SERVICES

- Entertainment
- Capacitation
- Access to new digital services
- AV Communication with the world
- Patrimonial security

Other complementary actions to measure the impact on the final user:

- ✓ Econometric analysis to measure the impact of the PFI in relation to different externalities: job creation, productivity of regional economies, etc.
- ✓ Measurement of the application of the Digital Inclusion clause on ISPs' contracts through the Board of Commercial Operative Control

ONGOING

ONGOING