

## **Summary of U.S.-Chile FTA Telecommunications Chapter**

Telecommunications Chapter: The telecommunications chapter covers access to and use of the public telecommunications network for the provision of services. It covers all providers of public telecommunications service providers, with a focus on the major supplier of those services. Thus, it combines elements of NAFTA Chapter 13, the GATS Telecommunications Annex, and the WTO Reference Paper to form a comprehensive access to and use of chapter.

Non-discriminatory access to the public telecommunications network is essential for all service suppliers. Chile and the United States have competitive telecommunications markets, in no small part because access has been well disciplined by legislators and regulators (both at the Federal and State level). Indeed, the elements of the telecommunications chapter are consistent with each market's regulatory construct. In addition, the chapter built in significant flexibility to account for changes that may occur through new legislation or new regulatory decisions. These disciplines, however, are the hallmark for successful innovation and development of the telecommunications network; something that is lacking in many markets around the world.

Also of note, Chile does not have a commitment in the WTO on local basic telecommunication services. Therefore, commitments it made to the pro-competitive reference paper in that fora would not likely apply to local telecommunications services. Thus, the chapter in this agreement is essential to locking in pro-competitive regulatory disciplines on the major supplier, Telefonica (the dominant Spanish provider). In addition, the United States secured a commitment under this agreement to allow access to the market for local basic services. This is WTO plus.