

Chile

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This monograph is up-to-date as of October 2013

2014



Wolters Kluwer
Law & Business

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Part I. Regulation of the ICT Market

Chapter 1. Regulatory Framework of the Telecommunications Sector

§1. BACKGROUND

19. Until the 1970s, Chile's telecommunications were government-owned companies. By the end of that decade, however, Pinochet's government announced its intention to privatize the sector as a part of the general process of privatization pushed by its neoliberal economic policy. By the close of the 1980s, the telecommunication sector was fully privatized, transferring property to the private sector and relegating government's role to regulator and toothless enforcer of the law. This process attracted some investment, increased efficiency, and introduced new technologies.

The benefits of privatization were not transferred to consumers by the dominant operator, however. In the 1990s, the government adopted regulations, reinforced competition, and incorporated incentives in order to achieve social goals. In 1994, for instance, the Fund for Development of Telecommunications was created, a paradigmatic programme that still supports initiatives to achieve connectivity in rural and deprived areas of Chile. During the last decade, new operators have entered into the market, with particular vitality in mobile and Internet communications.

In 1992, the first testing of the Internet took place in the country. Through the 1990s, the percentage of the population with access to the Internet was low. Internet access noticeably increased only during the last decade, rising from 4.0% to 45.0% of the population, according to statistics provided by the International Telecommunication Union.⁴⁹ Currently, over 62.0% of the population has Internet access, making Chile the Latin American country with highest Internet penetration.⁵⁰

§2. LEGAL FRAMEWORK

20. Law 18.168, known as the General Telecommunications Law (LGTel),⁵¹ is the leading piece of legislation in the telecommunication legal framework. This framework is also integrated by other pieces of law, including several decrees, and

49. International Telecommunication Union, *ICT Data and Statistics (IDS)*.

50. *Ibid.*

51. D.O. 2 Oct. 1982.