



INTERNATIONAL TELECOMMUNICATION UNION TELECOMMUNICATION DEVELOPMENT BUREAU

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PLENARY MEETING

Brazil

GENERAL GRANTING PLAN

The Brazilian General Telecommunications Law establishes the responsibility of the Government to organize the exploitation of telecommunication services. It was approved by the National Congress last July and was signed by the Republic President on 16 July 1997.

On its Article 65, the law establish two exploitation categories on the telecommunications services - public and private. In addition, on the Article 18 the law defines that the Executive Branch shall approve the General Granting Plan for services exploited under public system.

So, the General Grating Plan objective to define the fixed commuted telephone service to be exploited simultaneously in the public and private systems and define the roles to these exploitation.

The process to develop and to approve this plan began in 1997. The National Telecommunications Agency - ANATEL - prepared the original version of the plan. Last December the plan has been submitted to public audience. Then, the original text was improved with the society contributions. These new text was approved by the Executive Board of ANATEL last February. Now, the Consulting Board of the agency is analyzing the issue.

Finally, the document will be send to the President of Republic through the State Minister of Communications to get the final approval.

Below the General Granting Plan text:

GENERAL GRANTING PLAN

Article 1. Fixed commutated telephone service to the public in general shall be rendered pursuant to public and private systems and in accordance with Article 18, Section I, Article 64 and 65, Section III contained in Law 9,472 of 16 July 1997 and in accordance with the present General Granting Plan.

Paragraph 1. Fixed commutated telephone service is the telecommunications service applied in the communication between specified fixed points employing telephony systems, by means of transmission of voice and other signals.

Paragraph 2. Categories of fixed commutated telephone service to the public in general include local service, domestic long distance service, and international long distance service.

I - The local service is applied in the communication between specified fixed points situated in the same Local Area.

II - The domestic long distance service is applied in the communication between specified fixed points situated in distinct Local Areas in the national territory.

III - The international long distance service is applied in the communication between a fixed point situated in national territory and another point situated in a foreign country.

Article 2. The service described in Article 1 includes the establishment, expansion, and operation of branches, networks and commutation centres necessary to its rendering, as well as its Industrial Exploitation.

Article 3. To those telecommunications services which were not mentioned in Article 1, the legal proceedings described in Book III, Title III, Law 9,472 of 1997 are applied.

Article 4. The present General Program of Concessions shall assume that the Brazilian territory is divided into the areas that constitute the four Regions specified in Appendix 1.

Paragraph 1. In accordance with Articles 201 and 202 of Law 9,472 of 1997, the Regions mentioned in Appendix 1 constitute distinct areas from one another.

Paragraph 2. Regions I, II, and III are divided into Sectors, pursuant to Appendix 2.

Paragraph 3. The areas of concession and authorization established by the present General Program of Concessions shall not be affected by division or incorporation of Municipalities, Territories, member-States or the Federal District.

Article 5. In order to be rendered within the public system, the service specified in Article 1 shall be subject to concession to companies described in Article 207, Law 9,472 of 1997, which shall not be granted any exclusive rights on the rendering of the above-mentioned service.

Article 6. The concessions granted to the current providers, in accordance with Article 207, Law 9,472 of 1997, shall entitle them to render the categories of fixed commutated telephone service within the public system pursuant to the specifications in Appendix 3.

Single Paragraph. Distinct concession agreements for each item and category of service shall be established, in compliance with Appendix 3.

Article 7. After the denationalization specified in Article 187, Law 9,472 of 1997 has been completed, and pursuant to Article 209 present in the same Law, transfers of concession or partnership management shall only be admitted if they contribute to harmonizing operational areas with the Regions specified in the present General Granting Plan and to unifying the partnership management of the regulated companies operating in each Region.

Single Paragraph. Concession agreements, in addition to the dispositions contained in Law 9,472 of 1997, especially those in Article 93, shall respect the resolutions in this General Program of Concessions and shall contain, in accordance with Article 209 of the above-mentioned Law, dispositions and conditions related to transfer of concession or partnership management, so as to assure that the dispositions in the caption of the present Article are observed.

Article 8. The service described in Article 1 shall be rendered under permission only in extraordinary circumstances and temporarily, as long as Law 9,472 of 1997 is respected.

Article 9. Denationalization of those companies or groups of companies described in Article 187, Law 9,472 of 1997 involves, to the respective Region, immediate establishment by the Telecommunications National Agency (Agência Nacional de Telecomunicações) of a licitation in order to:

I - emit authorizations to each provider to render local service and domestic long distance service within the scope of a single region (Regions I, II, and III, in each Region).

II - emit authorizations to each provider to render domestic long distance service within any scope and international long distance service (Region IV).

Paragraph 1. A single company shall be allowed to receive authorizations in more than one region among those described in Subsection I of the current Article.

Paragraph 2. No company shall be allowed to receive any authorizations among those specified in Section I concomitantly with those specified in Section II of the present Article.

Paragraph 3. Should a regulated company that renders the service described in Article 1 obtain the authorization specified in this Article, it is required that its concession agreement be transferred to another company within a maximum period of 18 months, counted from the date of the expedition of the authorization.

Article 10. From 31 December 2001 on, no limit in the number of those providers described in Article 1 shall exist, with exception of dispositions in Articles 68 and 136, Law 9,472 of 1997.

Paragraph 1. The rendering of the service specified in Article 1 which motivated new authorizations, by the titleholder of authorization granted in accordance with Article 9, shall only be possible from 31 December 2002 on, or, before that date, from 31 December 2001 on, if the company holding the authorization has fully complied with its obligations related to expanding and rendering services; and pursuant to the agreement established, such obligations shall be observed until 31 December 2002.

Paragraph 2. The rendering of telecommunications services in general, which motivated new authorizations, by the titleholder of concession specified in Article 6 shall only be allowed from 31 December 2003 on, or, before that date, from 31 December 2001 on, if all regulated companies of its Region have fully complied with its obligations related to universalizing and expanding its scope; and pursuant to the concession agreements established, such obligations shall be observed until 31 December 2003.

Article 11. The service described in Article 1 can only be rendered under concession, permission or authorization by a company established in accordance with the Brazilian legislation, as long as the foreign investment sharing limit is observed, as specified in Article 18, Single Paragraph, Law 9,472 of 1997.

Article 12. The Telecommunications National Agency (Agência Nacional de Telecomunicações), having observed the universalization and competition principles, shall be entitled to grant concession or authorize the rendering of services specified in Article 1 in specific areas where either the regulated or the authorized company, in the respective Region, does not have an estimate of operation until 31 December 2001.

Article 13. The regulation elaborated by the Telecommunications National Agency shall control the rendering of services described in Article 1 in demarcating areas or in borders.

Article 14. Should a regulated company already rendering the service described in Article 1 obtain a concession in a determined Region, it is required that its concession agreement retained in a distinct Region be transferred to another company within a maximum period of 18 months, counted from the date in which the concession is obtained.

Article 15. In accordance with the present General Program of Concessions, a legal person shall be deemed connected to another person if one of them holds, either directly or indirectly, a minimum of twenty per cent of the participatory sharing capital of the other, or if the sharing capital of both persons is held, either directly or indirectly, in a minimum of twenty per cent by a single natural or legal person.

Single Paragraph. In case there is successive participation of various legal persons, the final rate of participation shall be calculated by applying the composition of control percentage fractions for each legal person in a series.

Article 16. The competition among the regulated companies rendering the service specified in Article 1 shall only begin in each Region after the denationalization of companies or groups of companies described in Article 187, Law 9,472 of 1997 is accomplished, in accordance with the present General Granting Plan.

Article 17. The concepts, definitions and all other dispositions established in the legislation shall be applied to the General Granting Plan.

ANNEX 1

Regions of the general granting plan

Region	Geographic area corresponding to territories of
I	Rio de Janeiro, Minas Gerais, Espírito Santo Bahia, Sergipe, Alagoas, Pernambuco, Paraíba, Rio Grande do Norte, Ceará, Piauí, Maranhão, Pará, Amapá, Amazonas and Roraima States.
II	Federal District and Rio Grande do Sul, Santa Catarina, Paraná, Mato Grosso do Sul, Mato Grosso, Goiás, Tocantins, Rondônia and Acre States.
III	São Paulo State.
IV	National.

ANNEX 2

Regional sectors of the general granting plan

Sectors forming Region I	
Sector	Geographic area corresponding to territories of
1	Rio de Janeiro State.
2	Minas Gerais State, excepting those which integrate the municipalities of Sector 3.
3	Municipalities of Araporã, Araújo, Campina Verde, Campo Florido, Campos Altos, Canápolis, Capinópolis, Carmo do Paranaíba, Carneirinhos, Centralina, Comendador Gomes, Conceição das Alagoas, Córrego Danta, Cruzeiro da Fortaleza, Delta, Frutal, Gurinhatã, Ibiraci, Igaratinga, Iguatema, Indianópolis, Ipiacú, Itapagipe, Ituiutaba, Iturama, Lagamar, Lagoa Formosa, Lagoa Grande, Limeira D'Oeste, Luz, Maravilhas, Moema, Monte Alegre de Minas, Monte Santo de Minas, Nova Ponte, Nova Serrana, Papagaios, Pará de Minas, Patos de Minas, Pedrinópolis, Pequi, Perdígão, Pirajuba, Pitangui, Planura, Prata, Presidente Olegário, Rio Paranaíba, Santa Juliana, Santa Vitória, São Francisco de Sales, São José da Varginha, Tupaciguara, Uberaba, Uberlândia, União de Minas e Vazante, from Minas Gerais States.
4	Espírito Santo State.
5	Bahia State.
6	Sergipe State.
7	Alagoas State.
8	Pernambuco State.
9	Paraíba State.
10	Rio Grande do Norte State.
11	Ceará State.
12	Piauí State.
13	Maranhão State.
14	Pará State.
15	Amapá State.
16	Amazon State.
17	Roraima State.

Sectors forming Region II	
Sector	Geographic area corresponding to territories of
18	Santa Catarina State.
19	Paraná State, excepting those integrating municipalities of Sector 20.
20	Londrina and Tamarana Municipalities, in Paraná State.
21	Mato Grosso do Sul State, excepting the municipality integrating Sector 22.
22	Paranaíba Municipality, in Mato Grosso do Sul State.
23	Mato Grosso State.
24	Tocantins and Goiás States, excepting municipalities integrating Sector 25.
25	Buriti Alegre, Cachoeira Dourada, Inaciolândia, Itumbiara, Paranaiguara and São Simão, municipalities, in Goiás State.
26	Federal District.
27	Rondônia State.
28	Acre State.
29	Rio Grande do Sul State, excepting those integrating municipalities of Sector 30.
30	Pelotas, Capão do Leão, Morro Redondo and Turuçu municipalities in Rio Grande do Sul State.

Sectors forming Region III	
Sector	Geographic area corresponding to territories of
31	São Paulo State, excepting those integrating municipalities of Sectors 32, 33 and 34.
32	Guataporá and Ribeirão Preto in São Paulo State.
33	Altinópolis, Aramina, Batatais, Brodosqui, Buritzal, Cajuru, Cássia dos Coqueiros, Colômbia, França, Guaira, Guará, Ipuã, Ituverava, Jardinópolis, Miguelópolis, Morro Agudo, Nuporanga, Orlândia, Ribeirão Corrente, Sales de Oliveira, Santa Cruz da Esperança, Santo Antônio da Alegria and São Joaquim da Barra municipalities, in São Paulo State.
34	Cubatão, Mogi das Cruzes, Santo André, São Bernardo do Campo, São Caetano do Sul, Diadema, Mauá, Ribeirão Pires, Rio Grande da Serra and Suzano municipalities, in São Paulo State.

ANNEX 3

Concession agreement per carrier of the switched fixed telephonic service

Region I			
Item	Carrier	Concession	
		Service modality	Carrier's geographic area
1	Rio de Janeiro Telecommunication - TELERJ	National intra-regional local and long distance.	Sector 1
2	Minas Gerais Telecommunication - TELEMIG	National intra-regional local and long distance.	Sector 2
3	<i>Brasil Central</i> Telecommunication Company - CTBC Telecom	National intra-regional local, long distance and national inter-regional long distance ^(*)	Sector 3
4	Espírito Santo Telecommunication - TELEST	National intra-regional local and long distance.	Sector 4
5	Bahia Telecommunication - TELEBAHIA	National intra-regional local and long distance.	Sector 5
6	Sergipe Telecommunication - TELERGIPE	National intra-regional local and long distance.	Sector 6
7	Alagoas Telecommunication - TELASA	National intra-regional local and long distance.	Sector 7
8	Pernambuco Telecommunication - TELPE	National intra-regional local and long distance.	Sector 8
9	Paraíba Telecommunication - TELPA	National intra-regional local and long distance.	Sector 9
10	Rio Grande do Norte Telecommunication - TELERN	National intra-regional local and long distance.	Sector 10
11	Ceará Telecommunication - TELECEARÁ	National intra-regional local and long distance.	Sector 11
12	Piauí Telecommunication - TELEPISA	National intra-regional local and long distance.	Sector 12
13	Maranhão Telecommunication - TELMA	National intra-regional local and long distance.	Sector 13
14	Pará Telecommunication - TELEPARÁ	National intra-regional local and long distance.	Sector 14
15	Amapá Telecommunication - TELEAMAPÁ	National intra-regional local and long distance.	Sector 15
16	Amazon Telecommunication - TELEAMAZON	National intra-regional local and long distance.	Sector 16
17	Roraima Telecommunication - TELAIMA	National intra-regional local and long distance.	Sector 17

(*) The national inter-regional long distance service is limited to calls originated in Sector 3 and destined for Sectors 22, 25 and 33.

Region II			
Item	Carrier	Concession	
		Service modality	Carrier's geographic area
18	Santa Catarina Telecommunication - TELESC	National intra-regional local and long distance.	Sector 18
19	Paraná Telecommunication - TELEPAR	National intra-regional local and long distance.	Sector 19
20	Sercomtel Telecommunication - SERCOMTEL	National intra-regional local, and long distance	Sector 20
21	Mato Grosso do Sul Telecommunication - TELEMS	National intra-regional local and long distance.	Sector 21
22	<i>Brasil Central</i> Telecommunication Company - CTBC Telecom	National intra-regional local, long distance and national inter-regional long distance ^(**) .	Sector 22
23	Mato Grosso Telecommunication - TELEMAT	National intra-regional local and long distance.	Sector 23
24	Goiás Telecommunication - TELAGOIÁS	National intra-regional local and long distance.	Sector 24
25	<i>Brasil Central</i> Telecommunication Company - CTBC Telecom	National intra-regional local, long distance and national inter-regional long distance ^(***) .	Sector 25
26	Brasília Telecommunication - TELEBRASILIA	National intra-regional local and long distance.	Sector 26
27	Rondônia Telecommunication - TELERON	National intra-regional local and long distance.	Sector 27

(**) The national inter-regional long distance service is limited to calls originated in Sector 22 and destined for Sectors 3 and 33.

(***) The national inter-regional long distance service is limited to calls originated in Sector 25 and destined for Sectors 3 and 33.

28	Acre Telecommunication - TELEACRE	National intra-regional local and long distance.	Sector 28
29	Riograndense Telecommunication Company - CRT	National intra-regional local and long distance.	Sector 29
30	Melhoramento e Resistência Telephonic Company - CTMR	National intra-regional local and long distance.	Sector 30

Region III			
Item	Carrier	Concession	
		Service modality	Carrier's geographic area
31	São Paulo Telecommunication - TELESP	National intra-regional local and long distance.	Sector 31
32	Ribeirão Preto Telephonic Company - CETERP	National intra-regional local and long distance.	Sector 32
33	Brasil Central Telephonic Company - CTBC Telecom	National intra-regional local, long distance and national inter-regional long distance ^(****) .	Sector 33
34	Borda do Campo Telephonic Company - CTBC	National intra-regional local and long distance.	Sector 34

Region IV			
Item	Carrier	Concession	
		Service modality	Carrier's geographic area
35	Brazilian Telecommunication Company - EMBRATEL	National Long Distance and International Long Distance.	Sectors 1 to 34

(****) The national inter-regional long distance service is limited to calls originated in Sector 33 and destined for Sectors 3, 22 and 35.