

LAW OF TELECOMMUNICATIONS

TITLE I

SINGLE CHAPTER

GENERALITIES

PURPOSE

Art. 1.- The present Law's purpose is to norm the activities of the telecommunication sector, specially the regulation of the public telephony service, utilization of the radio-electric spectrum, access to essential resources, and the numbering plan, including the assignment of access keys to the multi-carrier system.

Likewise, it is established that the General Superintendence of Electricity and Telecommunications will be the entity responsible of applying and looking after the fulfilment of norms and regulations established by this law and its protocol.

The telecommunication activities carried out by the service operators of: a) free-reception sound broadcasting; b) free-reception television; c) sound broadcasting by subscription, through cable or radio-electric means; and d) television broadcasting by subscription, through cable or radio-electric means; will be subjected to the special system established in Title VIII of this Law.

AIMS

Art. 2. - The norms of this present Law will be applied, meeting the following aims:

- a) Encouragement of access to telecommunications for all sectors of the population.
- b) Protection of the rights of the subscribers and of the providing telecommunication service operators.
- c) Development of a competitive telecommunication market at all levels.
- d) Rational and efficient use of the radio-electric spectrum.

APPLICATION FIELD

Art. 3.- The provisions of this Law are applicable to every person that uses the radio-electric frequencies or that carries out activities in the telecommunication sector, whether natural person or legal entity, regardless of the last one's nature, autonomy grade or constitution system.

FREE COMPETITION SYSTEM

Art. 4.- The prices and conditions of the telecommunication services among operators will be freely negotiated, except regarding the access to essential resources, according to what is stated in this Law.

TECHNICAL STANDARDS

Art. 5.- All telecommunication equipment must be subjected to the norms and standards recommended by the International Telecommunication Union or by other international organizations acknowledged in El Salvador.

ABBREVIATIONS AND DEFINITIONS

Art. 6.- The following abbreviations will be used in the present Law: The General Superintendence of Electricity and Telecommunications, "SIGET"; The International Telecommunication Union, "UIT"; and the Electricity and Telecommunication Register, "Register".

As to interpret this Law and its regulation, all definitions and technical terms used will be understood as follows:

TELECOMMUNICATIONS: Every transmission, emission or reception of signs, written signs, images, sounds or any type of information, by wires, radio-electricity, optical means or any other electromagnetic systems.

COMMERCIAL TELECOMMUNICATION NETWORK, which can be abbreviated "NETWORK": infrastructure or installation used by an operator in order to provide commercial telecommunication services.

NETWORK ELEMENTS: The different elements of a commercial telecommunication network.

INTERCONNECTION: It is the service that allows the operators and subscribers of different networks to transmit telecommunication traffic from one network to another, so all final users are able to communicate among each other, or that final users connected to an access service network, are able to get services provided by an intermediate service operator.

DISAGGREGATION: The division in leased elements, of the different services which constitute the interconnection service.

MULTI-CARRIER SYSTEM: The system by which an access service operator gives to customers access to intermediate services in a non-discriminatory way, through dialing a specific number of digits.

PRE-SUBSCRIPTION: The system through which an access service operator gives to customers the access to intermediate services, without using the selection key of the multi-carrier system operator.

COMMERCIAL TELECOMMUNICATION NETWORK OPERATOR, which can be abbreviated "OPERATOR": A natural person or legal entity that offers one or more commercial telecommunication services.

INTERMEDIATE SERVICES: The services provided by an operator to interconnect two or more access networks among each other, or to offer temporary services to final users of an access service network through it.

ACCESS SERVICES, which can be abbreviated "ACCESS": Services that give the final users the possibility to start or receive communications, using the commercial telecommunication network.

ACCESS CHARGE: The minimum monthly charge that each subscriber must pay for its connection to the network, without including the cost of additional telephony services.

RADIO-COMMUNICATION SERVICE: Service that implies the transmission, emission or reception of radio-electric waves for specific telecommunication purposes.

BROADCASTING SERVICES: One-way communication carried out simultaneously to different reception targets.

RADIO-BROADCASTING SERVICES: Radio-communication service whose emissions are destined to be directly received by the public in general. Such services include sound and television emissions, or any other type.

TELECOMMUNICATION SERVICE RESELLER: Any natural person or legal entity that purchases telecommunication services at whole, directly from network operators or from other intermediaries, as to resell them to final users.

FINAL USER: Every natural person or legal entity that purchases the telecommunication services for its own use.

RADIOELECTRIC SPECTRUM, which can be abbreviated "SPECTRUM": the whole electromagnetic waves which frequencies are between the 3 Kilohertz and 3,000 Gigahertz.

FREQUENCY BAND, which can be abbreviated "BAND": The sector of the spectrum whose frequencies are between a minimum frequency and a maximum one.

NATIONAL FRAMEWORK OF FREQUENCY ALLOCATION, which can be abbreviated "CNAF": Document that includes the allocation and adjudication of the different radio-electric spectrum bands for different services, as well as the norms and dispositions for their use.

SPECTRUM DEALERS: Natural or juridical persons that resell or lease for periods or determined geographical areas, the utilization rights derived from the concessions of use of the frequency bands.

RADIO AMATEUR SERVICE: Radio-communication service whose purpose is the personal instruction, intercommunication, and technical studies carried out by amateurs, duly authorized persons interested in radio-technique, with exclusively personal and non-profit nature.

The technical concepts used in the present Law will be understood according to the definition they have in the corresponding chapter; and those ones without definition will be understood in accordance to the established terminology found in the international telecommunication treaties in effect in El Salvador, decided by the UIT or the Regulation of the present Law.

TITLE II

CHAPTER I

CONCESSIONS OF PUBLIC SERVICE

CONCESSIONS FOR TELEPHONY PUBLIC SERVICE

Art. 7.- Telephony is a public service.

Operators interested in providing telephony services must request the SIGET a concession for the utilization of the service, which will be granted automatically for a period of thirty years with the sole accomplishment of the registration requirements that will be established in the Regulation of this Law. Moreover, such concessions will be granted without any restriction regarding quantity and location, being possible the existence of more than one concession in the same geographic area.

Concessions for the utilization of the telephony public services can only be revoked due to the following reasons:

- a. Not being able to provide the telephony public service after two years of the granting of the concession, previous hearing of the interested party, or
- b. For being sanctioned for committing three infractions classified as very serious in the Law, within a period of three years.

The concessions will be canceled due to one of the following reasons:

- a) The operator's renounce to such concession, or
- b) Expiration of the period to which the concessions were granted.

Revoked or expired concessions can be renewed by a new request to the SIGET. Nevertheless, when the operator has renounced or committed infractions classified as very serious, a period of two years must pass before the SIGET can grant a new concession.

In cases in which the concession for providing telephony public services is revoked or expired, the SIGET must inform the Ministry of Economy about it in advance and with necessary reasonable time, in order to guarantee the continuity of the service.

APPROVAL OF PUBLIC SERVICE TARIFFS

Art. 8.- The maximum tariffs of the telephony public service will be decided and approved by the SIGET, without any injure to what is established in article 108, as follows:

- a) The maximum access charges will be the ones applied by the operators the previous day the Law of Telecommunications came into force. From that date on, up to and including year 2002, such charges must be annually readjusted by the SIGET in the same percentage of the Consumer's Price Index published by the Ministry of Economy, abbreviated IPC.
- b) The maximum charges for additional local and national and international long-distance telephony services, provided by the access service operators or by the intermediate service operators, will be decided and readjusted by the SIGET, as established in the paragraph above.

Up to and including year 2002, the telephony network operators who control less than ten percent of the specific market or services, and who are free of patrimony from any other operator, can choose to request the approval of their own maximum tariffs to the SIGET, based on their real costs, or accept the maximum tariffs that SIGET had approved for other operators. The Regulation will develop a methodology to be used in order to calculate the costs of such enterprises.

From year 2003 on, the SIGET must readjust the telephony maximum tariffs based on an index constituted by a fifty percent of the IPC and a fifty percent of the devaluation rate of the national currency, in relation to the currency of the United States of America.

The SIGET will publish the maximum tariffs of telephony public services. Likewise, the operators must publish, at least quarterly, the tariffs for the telephony public services they provide, in a nation wide written media.

The SIGET will suspend the approval of the readjustments indicated in this article while the affected operator is not fulfilling any resolution of the SIGET, related to conflict resolution for access to essential resources.

CHAPTER II UTILIZATION OF THE RADIO-ELECTRIC SPECTRUM

TITULARITY AND DIVISION OF THE RADIO-ELECTRIC SPECTRUM

Art. 9.- The radio-electric spectrum is property of the State and the SIGET will be the entity responsible of it's administration, management and surveillance, in accordance to what is established in this Law and according to the international regulations applicable in El Salvador. The SIGET will be entitled to carry out the coordination of the use of the radio-electric spectrum with all foreign countries.

The spectrum is divided in frequency bands, which can be used in different geographical areas and time periods.

NATIONAL FRAMEWORK OF FREQUENCY ALLOCATION

Art. 10.- The SIGET must elaborate and update the National Framework of Frequency Allocation, which can be abbreviated "CNAF", document that will include at least the allocation and adjudication of the different bands of the radio-electric spectrum for the different services, as well as the norms and conditions for their use, regardless the type of technology to be used. The CNAF must observe the pertinent norms and recommendations issued by the UIT, without hindering the alternative use of the spectrum by different technologies.

For the effect of the elaboration and updating of the CNAF, the assignment of a frequency band will be understood as the registration of such band in the CNAF, in order to be used in specific conditions by one or various radio communication services, or by the radio astronomy service. For the same effects, the adjudication of a frequency band or radio-electric channel will be understood as the registration of a specific channel in a frequency use plan adopted by the SIGET, to be used for a radio-communication service, according to specific conditions.

THE CNAF'S PUBLIC AND OBLIGATORY NATURE

Art. 11.- The CNAF will be public and of obligatory fulfilment, and can be consulted by any person, observing the steps issued by the SIGET, in order to protect and preserve it's information.

Such document will include the frequencies, norms, and technical conditions to be used by operators of radio broadcasting services.

CLASSIFICATION OF THE SPECTRUM

Art. 12.- The radio-electric spectrum is classified in spectrum of free, official, and restricted use.

The free use spectrum is made up by the set of frequency bands which can be used by the public in general under specific conditions established by the SIGET in the CNAF, in order to operate radio-electric stations that include transmitters.

The official use spectrum is made up by the set of frequency bands aimed to the exclusive use of government institutions, frequency bands that should be reserved for future applications, as well as the ones that should be protected by virtue of International Treaties, Agreements, or Covenants. The official frequencies will be allocated as such in the CNAF and, besides the ones assigned to different government institutions, they will be registered under the SIGET.

The restricted use spectrum is made up by the set of frequency bands not included in this Law as free use or official use frequency spectrum; it's use will require a concession. Changes in frequencies among the different types will only be done according to the method specified in Chapter V, Title VI of this Law.

CONCESSIONS, AUTHORIZATIONS, AND LICENSES

Art. 13.- For the utilization of the free use spectrum, a concession or authorization will not be required. Nevertheless, the SIGET will qualify, by technical or obligatory reasons, what frequency bands of free use will have to count with a license for their use, issued by the SIGET. Regarding radio amateurs, they can use the free use spectrum previous qualification by the SIGET and the proper registration in the Register.

For the utilization of the official use spectrum, government institutions will have to request the SIGET for the corresponding concession.

Any person who wish to exploit a sector of the restricted use spectrum must request the SIGET for the corresponding concession.

Authorizations, concessions, and licenses for the use of the spectrum will generate appraisals whose costs must be paid annually to the SIGET at the beginning of the year, to cover the costs of administration, management, and surveillance of the spectrum. Such appraisals will be expressed in colones per month and will be equal to the product of the spectrum unitary cost of seven colones and thirty cents per Megahertz, per watt of transmitter's rated power per month of use, multiplied by the bandwidth of the transmitter equipment expressed in MHz, multiplied by the transmitter's rated power expressed in watts, multiplied by a service factor, as follows:

FREQUENCY BAND MEGAHERTZ	DESCRIPTION	SERVICE FACTOR
from 1.605 to 66	Fixed-Mobile Private Radio-communication	20.7
from 108 to 174	Fixed-Mobile Private Radio-communications Shared repeaters	21.9
from 216 to 400	Fixed-Mobile Private Radio-communications Shared repeaters	21.9
from 402 to 430	Fixed-Mobile Private Radio-communications Shared repeaters	21.9
from 440 to 1,215	Fixed-Mobile Private Radio-communications Shared repeaters Trunking Systems Cellular Telephony System	21.9
from 1,427 to 1,535	Radio-electric links Global Positioning System INMARSAT System	17.0 0.2

from 1,710 to 2,484	Radio-electric links Personal Wireless Communication System	17.0 21.9
from 3,500 to 9,200	Radio-electric links Low Orbit Satellite System: Band C and L	1.7 0.2
from 9,200 to 35,000	Radio-electric links Low Orbit Satellite System: Band C, Ku and K	1.7 0.2
up to 35,000	Radio-electric links Satellite Systems Other Systems	1.7 0.2 0.2

For satellite links in general, the service factor will be 0.2.

The spectrum's unitary cost of seven colones and thirty cents will be annually readjusted in the month of January, in the same percentage of the IPC of the former year.

If the amount collected while applying this method of calculation generates an income of more than ten million colones per year, the SIGET must transfer the surplus of the former amount to the Nation's General Treasury. This limit will be annually adjusted as established in the paragraph above.

For experimental uses, scientific research or special events, the SIGET is entitled to grant concessions for the utilization of the restricted use radio-electric spectrum by a period up to sixty days. The SIGET must justify the granting of such concession in its resolution and must publish it in accordance to what is established in this Law. Such concessions cannot be renewed or extended, and will be subjected to previous payment of an appraisal, which will be calculated in base to the amount of rates established by the administration, management, and surveillance of the spectrum, multiplied by a two-factor.

SATELLITE COMMUNICATION

Art. 14.- All operators of satellite communication systems, which transmit from the national territory, must fulfil the following requirements:

- a) Conform their transmissions under the standards specified by the UIT for the frequencies of satellite use;
- b) Have the rights of use of orbit locations when required;
- c) Register their transmitter equipment according to the requirements of this Law; and,
- d) Have the rights for the use of the spectrum clearly established by international covenants, treaties or agreements subscribed and ratified by El Salvador, or through the granting of a concession for the use of the spectrum issued by the SIGET.

The installation and putting into service of the earth stations for satellite communications will require concessions for the frequencies their emissions will use, unless the right for the use of such frequencies is clearly established by international covenants, treaties or agreements in force in El Salvador. The operators of the earth stations will be responsible for the interference caused in the utilization of such frequencies.

UTILIZATION RIGHT

Art. 15.- The utilization right derived from the concessions granted by the SIGET for the use of the spectrum, is a private good that can be transferred and also fragmented in time, frequencies, as well as in geographic space.

The right of third parties derived from deeds held with the concessionaires, are extinguished due to the termination of the concession.

In any case, the representatives of the utilization right of the spectrum will be responsible for violations derived from the use of the same.

The utilization right derived from the authorizations for the utilization of the official use spectrum can only be transferred among government institutions, previous SIGET's authorization.

TIME OF AUTHORIZATIONS AND CONCESSIONS

Art. 16.- Concessions and authorizations for the utilization of the spectrum will be granted for a period of twenty years.

EXTINCTION OF THE CONCESSION

Art. 17.- The concession is extinguished because of:

- a) Expiration of the time to which it was granted.
- b) Renounce of the concessionaire.
- c) Revocation.

If any of the extinction reasons mentioned above occurs, any interested party can request a concession according to the procedure established by this Law.

USE OF NATIONAL GOODS OF PUBLIC USE

Art. 18.- The telecommunication service operator will have the right to lay aerial or subterranean cables in streets, squares, parks, roads, and other national goods of public use, with the purposes of installing the networks necessary for the provision of the services, being subjected to the norms that for such effect were applicable to them.

TITLE III TELECOMMUNICATION RESOURCES CHAPTER I ESSENTIAL RESOURCES

DESCRIPTION

Art. 19.- For the purpose of this Law, it will be considered as essential resources only the following:

- a) The interconnection at all levels or exchanges, when technically feasible, with the purpose of ending in one of the parties' networks, the telecommunications started in

any commercial network, or transferring telecommunications started in one of the parties' networks to any commercial telecommunication network chosen by the final user, implicitly or explicitly.

- b) Signaling.
- c) Transferring of automatic identification of the number of the subscriber who starts the communication.
- d) Billing data.
- e) Mobility of the subscriber's telephone number in case of change of access service provider operator, when technically feasible.
- f) The registry of the subscribers of the different operators, regarding the information to be published in the telephone book.
- g) Access right to the data bases of public directories of customers of the service provider operators, with the sole aim of its publishing in the pages that include the subscribers' data of the telephone book.

OBLIGATION TO GIVE ACCESS

Art. 20.- Every operator of commercial telecommunication networks must provide access to the essential resources to any operator who requests it, with the corresponding payment and without any type of discrimination. The access must be given with the quality and in the requested switching nodes, as long as it is technically feasible. Each operator, while requesting the access to an essential resource, will have the right of contractual terms similar to the ones that the operator who gives such resource had agreed with other operators. The access must not be given when the equipment to be interconnected can cause malfunctioning or damage to the equipment in use.

With the purpose to facilitate the interconnection among the different operators, the regulation will develop the way in which the interconnection among the networks will be technically feasible.

NEGOTIATION AMONG PARTICULARS

Art. 21.- Prices and technical conditions for the access to any essential resource will be negotiated among the parties.

Any operator who requires the access to the essential resources of another commercial telecommunication network operator must present to this one a contract offer, detailing the prices and technical conditions. This offer must be sent with an acknowledgment of receipt. For each request, a copy with a constancy of reception of the operator to whom it was sent, must be submitted to the SIGET.

After forty days passed from the next day of the presentation of the access request, and not having an agreement in all or some points, the interested parties can come to the SIGET for conflict solving. This period can be extended or reduced by common consent.

CHAPTER II OTHER RESOURCES

INTERCONNECTION

Art. 22.- The interconnection of networks will be freely negotiated, except in that regarding the access to essential resources, according to what is specified in Chapter I of this Title.

ACCESS TO THE MULTI-CARRIER SYSTEM

Art. 23.- Access service operators who have more than ten thousand lines in service, must provide to their subscribers, without any discrimination, the possibility to choose the intermediate service provider operator, through the use of an operator's selection key, according to what is stated in the Numbering Plan. The access to intermediary services by the multi-carrier system cannot be charged.

PRE-SUBSCRIPTION TO THE MULTI-CARRIER SYSTEM SERVICE

Art. 24.- Access service operators can offer to their subscribers the pre-subscription service to access the multi-carrier system, observing the dispositions in article 107 of this Law.

SPECIFICATION OF THE INTERMEDIATE SERVICE OPERATOR

Art. 25.- When the pre-subscription to intermediate services is offered by the access service operators, subscribers can specify to their access service operator, the intermediate service operator with whom they have chosen to subscribe.

FREEDOM OF CHOICE

Art. 26.- The pre-subscription cannot hinder the subscriber the access to intermediate service networks of other intermediate service operators, who provide their services by means of a multi-carrier system.

NUMBERING PLAN

Art. 27.- The numbering plan will be developed and administrated by the SIGET. The operator's selection keys for the multi-carrier service will be integral part of the numbering plan.

The operators who request the assignment of telephone numbers for their subscribers must request it to the SIGET. The SIGET will assign numbers based on shares. Within the next five days from the presentation of the request, the SIGET can grant what is requested or, if it considers that with it there is a risk to run out of the numbering plan, it must summon its granting through public auction, in accordance with the procedure established in article 102 of this Law.

When specific numbers are requested, the SIGET will assign them through the method of auction specified in article 102 of this Law.

All allocation of telephone numbers to an operator must be notified to the rest of operators. All telecommunication operators must observe the norms established in the Numbering Plan.

ALLOCATION OF OPERATOR'S SELECTION KEYS

Art. 28.- The network operator's selection keys will be granted by the SIGET by means of an auction, which will be carried out according to the procedure established in article 102 of this Law.

TITLE IV PROTECTION TO THE SUBSCRIBER SINGLE CHAPTER RIGHTS AND OBLIGATIONS

SUBSCRIBERS' RIGHTS

Art. 29.- The subscribers' rights are:

- a) Access to telephony public services and have communications free from interference or interventions;
- b) Secret of their communications;
- c) Connect in the ending points of the network any equipment or set of their deed, rented or acquired by any title, without previous authorization of the access service operator;
- d) Not to be arbitrarily disconnected from the service;
- e) To be compensated by damages caused by operators, according to what is established in the corresponding laws.
- f) That in the corresponding service agreement must be clearly specified the terms or conditions under which the service will be received, specially regarding quality, coverage, tariffs, and continuity of the same;
- g) To appear in the Telephone Directory of their corresponding operator;
- h) To be informed of the tariffs that operators charge for the telephony public services; as well as to be informed in advance of the cut off of these services in order to carry out maintenance tasks, and of the duration of time estimated of the services; and,
- i) That the operators resolve their claims for non-fulfillment of the telephony service agreement or for undue charges, in accordance with the procedure established in this Law.

SUBSCRIBERS' OBLIGATIONS

Art. 30.- Subscribers' obligations are:

- a) Pay the installation fees and pay on time the bills derived from the providing of the service;

- b) Become responsible before the competent courts for the malfunctioning or damage caused to the operators' network, due the connection of any equipment or set of their property or by any title deed in the ending points of the network; and
- c) Obtain the authorization of the access service operator to use or connect with its network, to which they must subscribe a service agreement with such operator.

DISCONNECTION OF SERVICE

Art. 31.- The operators can suspend the providing of their service without previous notice to the subscriber only in the following cases:

- a. When installation charges, billing payments or installments of two or more months in delay, derived from the providing of the service, are due.
- b. When malfunctioning or damage to the operators' network occurs, due to the connection of any equipment or set owned by the subscriber or obtained by any title deed in the ending points of such network.
- c. When being connected to the telecommunication network while not having the previous authorization of the access service operator.

The disconnection of the service does not invalidate the right of the operators to appeal to the appropriate legal procedure.

TITLE V REGIME OF INFRACTIONS AND SANCTIONS CHAPTER I REGIME OF INFRACTIONS

LESS SERIOUS INFRACTIONS

Art. 32.- Less serious infractions are:

- a) To cause the subscribers interference or interventions in their communications by technical reasons;
- b) Not to allow the subscribers to connect any type of equipment or set of their property or obtained by any title deed in the ending points of the network;
- c) To disconnect arbitrarily the telephony public service provided to the subscriber;
- d) Not to clearly specify in the corresponding telephony service agreement the terms and conditions under which the service will be provided, specially regarding quality, coverage, tariffs, and continuity of the same;
- e) Not to include in the corresponding Telephone Directory the pertinent data of more than one thousand subscribers, excepting those ones who have requested not to be included;

- f) Not to inform about the tariffs charged by the telephony public services; as well as not to inform in advance about the cutoff of such services in order to carry out maintenance tasks nor the time the same will probably last;

SERIOUS INFRACTIONS

Art. 33.- Serious infractions are:

- a) Commit three or more infractions typified as less serious infractions in a period of one month, or twelve in the course of one year;
- b) Not being registered in the registry when there is a legal obligation to do it;
- c) Operate services whose tariffs have not been yet approved by the SIGET;
- d) Not to provide information to SIGET when there is a legal obligation to do it, or to provide false information;
- e) Refuse to pay to the SIGET the corresponding rights of administration, management, and surveillance of the spectrum;
- f) Use of radio-electric frequencies in the spectrum of restricted or official use, without the appropriate concession or authorization;
- g) Cause interference harmful to the utilization of the radio-electric spectrum;
- h) Use the radio-electric spectrum without observing the norms and technical conditions established in the CNAF; and
- i) Not to fulfil with what is established in the Numbering Plan.

VERY SERIOUS INFRACTIONS

Art. 34.- Very serious infractions are:

- a) Violate the secret of communications by means of intentional interference or intervention of the same;
- b) Refuse to provide the access to essential resources, change the essential resources provided to another operator, or change the data needed for the collection of such resources;
- c) Interconnect or use a telecommunication network without the appropriate agreement with the network operator;
- d) To cause, by means of interconnection, any damage or malfunctioning in the equipment of another telecommunication operator, due to negligence or premeditation;
- e) Disconnect the operator's interconnection without and justified reason;
- f) Refuse to fulfil the resolutions issued by the SIGET in accordance with the procedures established in this Law, including those regarding the anti-competitive practices;
- g) Increase the tariffs approved by the SIGET without following the procedure established in this Law; and

- h) Not to fulfil the terms and conditions established in the agreements for the provision of telephony services, including excessive or undue charges, to more than one thousand subscribers in the course of a month.

PRESCRIPTION

Art. 35.- The less serious and serious infractions will prescribe in six months, and the very serious infractions will prescribe in a year if, before such periods end, the supposed transgressor has not been notified about the introduction of the corresponding procedure.

In cases of continued execution of constitutive infraction deeds, the term of prescription will begin from the date in which the infringing activity is suspended.

In the case of having been started the sanctioning proceedings, the infractions prescribe if the procedure is interrupted by imputable cause to the SIGET, for more than three months. The prescription will operate in full powers.

CHAPTER II SANCTIONING REGIME

SANCTIONS FOR LESS SERIOUS INFRACTIONS

Art. 36.- Minor sanctions will be sanctioned with a fine from ten thousand up to one hundred thousand colones for each infringement, plus a fine of five hundred colones for each day in which the infringement continues.

SANCTIONS FOR SERIOUS INFRACTIONS

Art. 37.- Serious infractions will be sanctioned with a fine from one hundred thousand up to two hundred thousand colones for each infringement, plus a fine of two thousand colones for each day in which the infringement continues.

SANCTIONS FOR VERY SERIOUS INFRACTIONS

Art. 38.- Without any injure to what is established in article 42 of this Law, the very serious infractions will be sanctioned with a fine from four hundred thousand up to five hundred thousand colones for each infringement, plus a fine of five thousand colones for each day in which the infringement continues.

PRESCRIPTION

Art. 39.- Will prescribe in two years the sanctions that were not carried out in this term, starting from the date of the resolution. The prescription will operate in full powers. Such period is interrupted by actions aimed to the obligatory execution of the sanction or by the beginning of the accomplishment of this one.

ADJUSTMENT OF FINES

Art. 40.- The appraisal of fines referred in articles 36, 37, and 38 of this Law, will be adjusted in base to the Consumer's Price Index published by the Ministry of Economy. The adjustment will be carried out biannually, starting from the first working day of the months of January and July. The SIGET will announce half-yearly the updated appraisal of the sanctions.

FUNDS INCOME

Art. 41.- Funds coming from the application of the sanctions will be entered into the Nation's General Treasury.

SUSPENSION AND REVOCATION OF THE CONCESSION

Art. 42.- The consecutive non-fulfilment of three or more sanctioning resolutions for committing infractions classified as serious and very serious against this Law, within a period of five years, is a reason to declare the provisional suspension of the concession by a maximum time of two months, previous hearing of the concessionaire. The suspension will only be stopped if the fulfilment of the sanctioning resolutions is proved.

If after the suspension time is passed, the concessionaire continues not fulfilling the sanctioning resolutions, the concession will be revoked, previous hearing of the concessionaire.

This procedure will be applied to concessions for the utilization of the radio-electric spectrum.

TITLE VI

PROCEEDINGS BEFORE THE SIGET

CHAPTER I

GENERAL DISPOSITIONS

FIRST SECTION

PROCEEDING PRINCIPLES

ECONOMY PRINCIPLE

Art. 43.- In every SIGET's performances, it will make sure that both the SIGET and the individuals will not fall into excessive expenses and it will avoid the demand or carrying out of unnecessary procedures.

CONCENTRATION PRINCIPLE

Art. 44.- Once the proceeding has started, will be agreed in the same resolution all the procedures that, by their nature, admit a simultaneous initiative and are not successively subordinated among themselves in their accomplishment.

OFFICIOUS PROMPTING PRINCIPLE

Art. 45.- Initiated the proceedings by an individual's request, this will be conducted and prompted ex officio by the SIGET.

PRINCIPLE OF EFFICIENCY

Art. 46.- It must make sure that both the proceeding acts as well as the procedure itself achieve their aim, for which effect will be provided the pertinent measures to eliminate purely formal obstacles, and will be corrected the procedure's vices which can be solved during it.

PRINCIPLE OF INTERPRETATION IN FAVOR OF AN INDIVIDUAL

Art. 47.- The proceedings' dispositions must be interpreted in the way to favor the admissions of requests and to make possible the final resolution regarding the core of the matter.

INFORMATION TO THE PUBLIC

Art. 48.- The SIGET must inform the public about its aims, competence, functioning, services provided, and location of its different units or branches, as well as its working schedules.

WRITTEN FORM

Art. 49.- Both the individuals' request as well as the SIGET's resolutions must be put on written records.

OBLIGATION TO EXTEND CERTIFICATIONS

Art. 50.- The SIGET is compelled to extend records or certifications requested by individuals, regarding the deeds that affect them, upon payment of the corresponding rights.

TIME PERIODS: CALCULATION AND ACCOMPLISHMENT IN ADVANCE

Art. 51.- The deeds must be carried out in the established time periods and will be counted in working days, being these ones of strict time limit and not being able to be extended, unless justified reasons, excepting the time periods established in the sanctioning system, which will be understood as calendar days.

The time period will be finished if all deeds to which it was foreseen are accomplished before its expiration.

SECOND SECTION INDIVIDUALS' DEEDS

COMMON REQUIREMENTS OF THE APPLICATIONS

Art. 52.- Every request addressed to the SIGET must include:

- a) Name and generalities of the applicant and, by the case, also the personal of whom is managing the applicant's affairs.
- b) Reasons that motivate the request and the precise relationship of the deeds, when is admissible.
- c) Offering and determination of the proof means that are to be considered, when is admissible.
- d) The request in accurate terms. When various requests are made, they are to be formulated separately.
- e) Determination of the place to receive the notices.
- f) Place and date of the request.
- g) Signature of the applicant or its representative.
- h) Any other requirement demanded by the Law.

In cases of complaints or conflict resolution, along with any paper or document, must be presented as many copies as many interested parties are, plus one.

VERIFICATION OF LEGAL PERSONALITY AND COMMON REPRESENTATION

Art. 53.- The powers to appear before the SIGET in behalf of another person, can be granted by means of a public deed or in a legalized private document.

In the first appearance of the empowered-attorney, this one must be accompanied by the document that verifies its legal personality.

When in a procedure before the SIGET several empowered-attorneys appeared representing the same interest, they must appoint a common representative.

EXPERTS

Art. 54.- Experts can be natural persons or legal entities, and the regulation will determine the way of their accreditation and the administration of the list of experts by the SIGET. In all cases, the experts are compelled to make confidential use of the information that is provided to them for the cases in which there is a suit between the parties, as well as the reports they generate.

In cases of conflicts due to interference in the use of the spectrum, the applicant can accompany the complaint with an expertise report issued by an expert properly accredited before the SIGET, or to request this last one the carrying out of the corresponding study.

THIRD SECTION DEEDS OF THE ADMINISTRATIVE ENTITY

REGISTRY AND VERIFICATION OF THE PRESENTATION OF DOCUMENTS

Art. 55.- The SIGET must keep a registry in which the date and hour of presentation of requests, documents, and papers, as well as the communications sent to other entities, will be on records.

A reception record, as well as the place, date, and hour of the same will be issued of all paper or document presented before the SIGET. The certification of the copies of the document submitted can be also issued.

ORDER FOR THE PROCEDURE OF DOSSIERS

Art. 56.- Regarding proceedings of the same nature, it will be strictly kept the order of presentation for the procedure of their corresponding dossiers, except urgent cases properly justified.

TIME OF THE RESOLUTIONS OF SIMPLE PROCEDURE

Art. 57.- Unless the Law established a special time, the SIGET must dictate the resolutions of simple procedure in a period of ten days.

INFORMATION TO INDIVIDUALS

Art. 58.- When during the procedure or the execution of a decision of SIGET, the fulfilment of a requirement, procedure or obligation corresponds to an individual, in the corresponding resolution, the individual will be acknowledged of it and informed exactly about the requirement, procedure or obligation to be met, the available period of time and the consequences of its non-fulfilment.

REASONS OF RESOLUTIONS

Art. 59.- Unless the ones of simple procedure, every resolution of the SIGET must be justified, with a brief but sufficient mention for its justification, and specially in the following cases:

- a) Definite denial of the request.
- b) Imposition of sanctions.
- c) Revocation of concessions.
- d) Conflict resolutions.
- e) Separation of the criterion to follow in similar preceding deeds, or the technical report.

TIME PERIOD AND WAY OF NOTIFICATION

Art. 60.- Every resolution must be notified within the three days after its pronouncement. The notice will be carried out by presenting to the interested party or its representative, an announcement which includes the whole text of the resolution. Such presentation must be done in person or in the place set up by the interested party for such effect.

The SIGET can accept the proposition of special ways of notification by the applicant, including any electronic means, as long as it allows a verification of the notice.

TIME AND WAY OF PUBLICATION

Art. 61.- In cases in which the Law or the regulation includes the publication of the SIGET's resolution, such must be carried out within the six days after its pronouncement, at expenses of the interested parties.

The SIGET will make effective the collection of expenses derived from the publication, within the six days after the pronouncement of SIGET's final resolution.

The publication must include the text of the resolution and will be carried out at least in the Official Gazette, and two times in the two newspapers of the widest nationwide coverage, with a gap of one day between the publications.

In every case, the concession request for the utilization of the radio-electric spectrum and the resolution that admits it, the notice of public auction and the adjudication of concession for the utilization of the spectrum, must be published in one international financial newspaper, besides the observation of what is stated in the former clauses.

EFFECTS OF SIGET'S RESOLUTIONS

Art. 62.- Any resolution issued by the SIGET will cause its effects since the moment the interested party is notified about it, except if rights are granted or acknowledged in the same, in which case the effects will start from the moment of its pronouncement.

Unusually, the effects of the resolution can be subjected to the requirements of efficiency, expressively fixed in the same resolution in accordance with the Law, directly imposed by the ordinance or derived from the very nature of the decision.

EXECUTION OF THE SIGET'S RESOLUTION

Art. 63.- When economic obligations are imposed on an individual in a resolution of SIGET, this one must proceed to its fulfilment within ten days.

If the individual does not fulfil the resolution in the time indicated in the above clause, the SIGET must initiate the corresponding executive suit according to the common rules. For this effect, the certification of the resolution issued by the Superintendence will be used as executive title.

When in a resolution it is established that an individual must carry out or observe a specific behavior, it must be stated in the same a reasonable time for its accomplishment, which in any case will not exceed ten days. If the compelled party refuses to accomplish the resolution, the SIGET can have the right to impose fines according to this Law, besides to inform the General Prosecutor of the Republic about it for the promotion of the corresponding penal process.

RECUSATION AND ABSTENTION OF KNOWLEDGE

Art. 64.- The Superintendent can be declined by means of a reasonable writing in any stage of the proceedings established in this Law and its regulation, when there is a serious and reasonable motive which does not guarantee its impartiality.

Likewise, when such official considers that it is affected by such reasons, it will communicate it to the interested parties.

From the date in which the declination writing is presented or the abstinence to know is expressed by the Superintendent, such official cannot intervene in the decision of the occurrence or in the procedure it is about, but the deeds carried out in advance will be valid. The knowledge and decision about the origin of the declination or of the abstinence correspond to the President of the Republic.

If any of the two circumstances were admissible, the knowledge and decision of the affair corresponds to the Ministry of Economy.

CHAPTER II COMMON STEPS TO ALL PROCEEDINGS

INITIATION

Art. 65.- The proceedings can be initiated ex officio or by request of one party.

The initiation ex officio can take place when it is absolutely necessary for the fulfilment of the SIGET's attributions.

For the initiation requested by an individual party, this must have interest in the resolution to be pronounced.

PREVENTION

Art. 66.- If the request or any writing of the interested parties does not fulfil the legal requirements, the SIGET will warn it so as to in a period of ten days can correct the observations.

If the demanded requirements are not fulfilled, the interested party will be notified that the request will be declared inadmissible in the formulation of the prevention.

INADMISSIBILITY

Art. 67.- If the interested party does not accomplish the prevention formulated by the SIGET in the legal period, the request or writing will be declared inadmissible the next day: having the right to present a new request if it were admissible.

IRRELEVANCY

Art. 68.- Within the ten days after the presentation of a request, the SIGET will declare it irrelevant in the following cases:

- a) When what is being request is not an attribution of the SIGET;
- b) When it is requested a right that according to the SIGET's records has been already granted to another person;
- c) When it has not been accomplished within the minimum time of forty days in the case of negotiation in order to get access to essential resources, unless there is an agreement between the parties to reduce it;
- d) When the request is about a prescribed infraction; and
- e) When the request is referred to a conflict between two parties for the access to an essential resource to which the SIGET has granted for such parties, a resolution in the last twelve months.

For these cases, what is established in article 75 of this Law will not operate.

TECHNICAL REPORT

Art. 69.- When, in order to resolve, it is necessary to have previously a technical report of the Telecommunication Manager, this one will be requested in the same request admission resolution.

Once the report is required, it must be submitted within the time stated by the Superintendence, which in no case will exceed twenty days.

GUARANTEE OF HEARING

Art. 70.- Regarding complaints or conflict solving, or when as demanded by the nature of the procedure, the supposed offender or any of the operators in conflict will be allowed a hearing within ten days, according to the case.

EXEMPTION OF PROBATORY TIME

Art. 71.- Unless in cases the Law expressively ordains the carrying out of an expertise report, if the SIGET has enough reasonable elements with the submitted requests, writings, and documents, it will come to solve the affair without more procedure.

PROOF: RELEVANCE, PRACTICE, AND APPRECIATION

Art. 72.- When the nature of the procedure demands it, it will be agreed the presentation of proofs for a time no less than ten days and no more than fifteen, in order to practice those ones which are leading and pertinent.

Facts can be accredited by any means of proofs.

The interested parties must be notified at least with two days in advance about the date in which the proofs will be practiced.

The interested parties must be responsible of the expenses caused by the practice of the probationary proceedings carried out at their request.

When this Law establishes specific criteria in order to appreciate the proofs, the SIGET must be strictly subjected to the same; in other instances, the proof will be appreciated according to the rules of sound criterion.

COMMON HEARING FOR THE INTERESTED PARTIES

Art. 73.- In cases in which the reception of probationary means is admissible, being the dossiers instructed, it will be granted to the interested parties a common time of five days for them to argue and present the documents they consider pertinent.

RESOLUTION

Art. 74.- The SIGET cannot abstain from resolving, arguing void or obscurity of the Law or in the issue it is aware of.

In cases of request that not imply conflict of interests among individuals, such must be resolved in the time of ten days after the presentation; or, in cases in which a technical report is required, with or without it, it must be resolved in the next ten days after the expiration date for the presentation of it.

Finished the common hearing period for the interested parties, the SIGET will resolve in ten days.

ADMINISTRATIVE SILENCE

Art. 75.- Unless decided otherwise by this Law, if the SIGET did not resolve what is requested within the time established in this Law, then a resolution favorable to the applicant will be understood, being this one entitled to exercise its right.

When the SIGET's decisions fall over affairs in which there is a conflict between the parties, the administrative silence will be understood in favor of that party by which request it has been initiated the procedure that caused the conflict.

The administrative silence will operate in a negative way in cases of modification requests to the numbering plan and assignment of selection keys to the multi-carrier system. In no case, rights against what is stated in the legal ordinance will be understood as acquired by administrative silence.

CHAPTER III PROCEDURE FOR THE GRANTING OF CONCESSIONS TO UTILIZE THE SPECTRUM

REQUEST

Art. 76.- Every party interested in getting a concession to use the radio-electric spectrum must present an application to the SIGET, in which it must clearly specify the features of the required sector of the spectrum, in such way that it allows to determine the electromagnetic compatibility of the same with stations legally authorized.

SPECIFIC REASONS OF IRRELEVANCY

Art. 77.- Specific reasons of irrelevancy of the request to get a concession are:

- a) When the interested party requests concessions for the use of the sector of the spectrum granted to other persons and it is evident that there is no electromagnetic compatibility among them;
- b) When the interested party requests frequencies that do not require a concession, according to the Law;
- c) When the applicant has pending the fulfilment of any sanction imposed according to this Law;
- d) When the request comes from an individual who, according to the Law, is not entitled to be granted with a concession.

PUBLICATION AND OPPOSITIONS TO THE REQUEST

Art. 78.- If the request is admitted, the Superintendence will ask the Telecommunication Manager a technical report and will ask for the publication of it, which must be carried by written means in the terms referred to in article 61 of this Law, indicating a period of twenty days, so any interested party can express its opposition to the request or its interest in the use of the frequencies that are part of the requested concession.

Oppositions can be presented due to the possibility of harmful interference to other radio-electric stations whose emissions are properly authorized, or due to any other legal cause.

TECHNICAL REPORT

Art. 79.- Within the same period indicated in the article above, the Telecommunication Manager must submit to the Superintendence a technical report about the feasibility and convenience of granting the utilization of the spectrum as requested by the interested party.

The Telecommunication Manager can recommend additionally in the report a fragmentation of the requested sector of the spectrum, both into its bandwidth as well as into time and geographic space, if with that the competition among different telecommunication operators and dealers of the spectrum is fostered.

HEARING TO THE APPLICANT

Art. 80.- When there is opposition to a request or the technical report is unfavorable to what is requested, the SIGET must allow a hearing to the applicant within ten days term to present its statements.

RESOLUTION AND ADMISSIBILITY OF THE AUCTION

Art. 81.- Once the indicated time is passed, with or without the Telecommunication Management's technical report, the SIGET will pronounce its resolution within ten days and will publish it according to what is established in this Law. The SIGET can grant more than one concession over the same frequency, as long as there is electromagnetic compatibility, in order not to cause harmful interference.

If there is no opposition or any other interest for the requested sector of the spectrum, and if the technical report is favorable and do not recommend a larger fragmentation of the requested bands, the SIGET will give the concession as requested, upon payment of the base price fixed by the SIGET, which will be calculated as established in the Regulation.

If there is opposition presented properly or if the technical report points out the inconvenience to give the concession as requested, the SIGET will pronounce a resolution based on the Telecommunication Management's technical report, the oppositions and the statements carried out by the applicant in the hearing period. If the resolution is favorable to the applicant, the SIGET will give the concession in the same conditions observed in the clause above. If the resolution is unfavorable because the SIGET considers that the concession must not be granted, it must base the technical reasons of its resolution.

If the technical report is favorable and if additional interest is expressed for the requested frequencies, the SIGET, observing what is established in article 111 of this Law, will ordain the opening of the procedure of public auction, indicating the date for its carrying out, which cannot exceed the sixty days starting from the last publication. If the SIGET resolution recommends in its resolution a larger fragmentation of the requested spectrum, it must also ordain the opening of the public auction, observing the period indicated before.

PROCEDURE FOR THE AUCTION

Art. 82.- In the carrying out of the auction, the SIGET, taking into account the features of the requested sector of the spectrum, will determine the auction system to be used, the base price, and the guarantee of offer keeping, or any other form of guarantee decided by the SIGET. Such guarantee must be equal to the fifty percent of the base price of the auction.

In case the SIGET had decided to fragment the requested sector of the radio-electric spectrum, it must use the auction system in simultaneous and successive rounds, having the offers being presented in closed envelopes. The SIGET will determine the minimum acceptable increase for the offers in each round. The rounds will continue being carried out in the same place, date, and hour, and with the periodicity decided by the SIGET, until

there is no higher offers for each of the sectors of the spectrum that are presented in the auction.

In every case, the concessions will be adjudicated to the Adjudicated-purchaser who presents the highest economic offer. Regarding the auctions in simultaneous and successive rounds, the concessions will be adjudicated to the adjudicated-purchasers who present the highest economic offer in the last round of the auction of each sector.

The development and adjudication of the auctions will be supervised by an external auditing firm of well recognized reputation and will count with the presence of a representative of SIGET and another of the General Prosecutor of the Republic.

SPECIAL EXTENSION OF TIME

Art. 83.- For the carrying out of the auction, the SIGET can extend the term of sixty days indicated in article 81 of this Law, with the only purpose of holding several auctions in the same opportunity, but in any case it cannot put off the carrying out of any of these ones for more than eighty days.

ADJUDICATION

Art. 84.- Any time a public auction is carried out, the concession will be adjudicated to the interested party that presents the highest economic offer.

PAYMENT FOR THE CONCESSION

Art. 85.- The effects of the adjudication will be conditioned to the payment for the concession, which must be done within five days.

The payment will always be cash. When the payment is done by check, this one must be certified or cashed check.

When the adjudicated purchaser does not make the payment in the indicated time, it will loose the guarantee presented as condition for its participation in the auction, entering these funds to the SIGET's patrimony. In turn, the SIGET will directly revoke the adjudication, which will be given to the interested party that has presented the second best economic offer; and so on.

The SIGET will withhold by concept of administrative fees, the one point five percent of the final amount resulting from the auction, which will enter its patrimony, transferring the remaining funds to the Republic's General Treasury.

CHAPTER IV ALTERNATIVE RESOLUTION PROCEDURE OF CONFLICTS FOR THE ACCESS TO ESSENTIAL RESOURCES.

REQUEST

Art. 86.- In case of negotiation for access to essential resources, the parties can come to the SIGET if there is no agreement in all or some of the points after forty days from the presentation of the initial request or the time period they established by common consent. The request for alternative resolution can be presented jointly or separately.

If it is separately, the party that wishes to request the SIGET must give notice to the other party with at least five days in advance, upon acknowledgment of receipt, by sending it a copy of the request it will present to the SIGET and indicating the date in which the request will be submitted.

The interested party must detail in its request to the SIGET each of the conflictive points, presenting a final proposal for each one of them, which cannot be different from that one sent to the other party as a notice.

HEARING

Art. 87.- If the request is admitted, the other party must present its final proposal for each of the points established in the request, by the date indicated in the notice; and if keeping silence in all or some points, it will be understood that the applicant's proposal is accepted and the SIGET will resolve it in that way.

SELECTION AND APPOINTMENT OF THE EXPERT

Art. 88.- After the time period indicated in the above article has passed, the SIGET will give the interested parties five days to choose an expert at common consent.

In case the interested parties do not reach an agreement for the selection of an expert, the SIGET will propose a list of three persons within the five days after the time is due.

Each one of the interested parties will have the right to reject one of the persons in the list the next day after its submission.

The SIGET, with or without the presentation of the list, will appoint an expert the next day.

The expert's fees and expenses will run on the interested parties' account in equal shares, which must be paid to the SIGET in five days after the expert's appointment. In case one of the interested parties does not pay its corresponding share, the resolution will be made in favor to the other party.

In order to cash their fees, experts must present the SIGET a guarantee that secures the accomplishment of their obligation.

TIME PERIOD

Art. 89.- Once the parties have paid the SIGET the expert's fees and expenses, this one will have thirty days starting from the next day after the payment is done, to present the expertise report to the SIGET.

If the required report is not submitted within the indicated time, the expert will be removed from the list of experts the SIGET has and the guarantee will be carried out for its accomplishment.

CONFLICT RESOLUTION CRITERIA FOR ACCESS TO ESSENTIAL RESOURCES

Art. 90.- The expert in the preparation of the study and the SIGET in its resolution must take in consideration SIGET's previous resolutions, using the following criteria:

For economic matters:

- a) All fixed costs directly associated for the access to the essential resource will run on the account of the party that requests such access. Costs directly associated to the access will be only those ones in which the efficient enterprises must fall, with costs and equipment efficiently adapted to the market in which they operate; The charge for the access to the essential resource will be an efficient enterprise's average long-term increasing cost for providing access to such resources; and,
- b) Regarding interconnection agreements between two enterprises, it will be understood as costs directly associated the ones an enterprise might charge another one for the use of the networks. The procedure established in this Law will be used in order to calculate the cost charged to the other operator.

For the effects of the clause above, the enterprise that charges the costs will be understood as the one chosen by the subscriber to carry out the communication.

For technical matters:

- a. Standards recommended by the UIT and other international telecommunication organizations;
- b. Standards accepted by regulatory organizations of the telecommunication sector of countries with which El Salvador has larger commercial exchange;
- c. Standards used by the regional professional associations in telecommunication matters;
- d. Standards accepted by the telecommunication sector in the country. For this, the operators must coordinate their corresponding fundamental technical plans and register them in the SIGET.

Likewise, the SIGET can issue instruction booklets that include the minimum technical parameters in which the expertise studies must be based on.

SOLVING CRITERIA IN CASE OF INTERCONNECTION CONFLICTS

Art. 91.- In case of interconnection conflicts, the expertise studies must base their cost analysis on the concept of Long-term Average Increasing Cost, CIP-LP, which must be calculated for each element included in the network.

For each element included in the network, the base level of supply or volume for such element, base volume, will be calculated taking into account the time and geographic distribution of demand and service.

The long-term average increasing cost, CIP-LP, is the average cost of providing the base volume of the element included in the network in an increasing way, which is equivalent to divide the Long-term Increasing Total Cost, CTI-LP, over the unit of base volume.

The long-term increasing total cost, CTI-LP, is the cost of the network which includes the supply of the base volume of the considered element, minus the network's costs without the supply of such base volume of the same element, for an efficient enterprise.

In all cases, the network's cost of an enterprise efficiently adapted into the market in which it operates, will be calculated as follows:

- a) The most economical and efficient technology available;
- b) The number of employees for an efficient enterprise.
- c) Cost of equipment and personnel expenses at market level.
- d) The value that reflects the financing real-cost of a telecommunication business, including the corporate-capital cost and the average debt-cost, adjusted due to inflation. To calculate the capital cost, it will be used the average capital cost of telecommunication enterprises with a corporate capital up to one billion U.S. dollars, registered in all the United States' stock markets. Each enterprise's capital cost will be calculated based on the yield rate of the U.S. Treasury bonds at a thirty-year term, increased with the enterprise's systematic risk product and the market-risk premium. The market-risk premium corresponds to the difference between the profit of a diversified portfolio of investments registered in the U.S. stock markets and the yield rate of U.S. Treasury bonds at a thirty-year term. The systematic risk of each enterprise will be calculated as the covariance of the enterprise's turnover with the turnover of a diversified portfolio, divided over the variance of a diversified portfolio of investments. The difference of yield of the longest-term bonds of El Salvador's Government will be added to this average capital-cost, valued in U.S. dollars, with bonds of equal term of the Government of the United States of America. The average debt-cost will be calculated with base on the average turnover of the telecommunication enterprises' bonds registered in the U.S. stock market. For purpose of this article, the telecommunication enterprise is understood as the one whose telecommunication service sales exceed the eighty percent of its total sales.
- e) Every tax expense the telecommunication operators must pay.

- f) The economic depreciation of fixed assets will be used in calculating the costs.
- g) The capitalization of costs whose profits will be received for more than one year, such as concessions and the subscriber's purchasing costs.
- h) Improvements in the network necessary to grant the access will not be included as costs directly associated to access.

SIGET'S BINDING PRONOUNCEMENT

Art. 92.- After the expert had submitted the corresponding report within the time indicated by this Law, the SIGET must state its pronouncement within the next ten days.

If the report is not presented by the expert within the time established in this Law, the SIGET must hire the services of a new expert within the next five days after the term has expired, so the new expert can carry out the expertise report in a thirty-day maximum term.

Once the expertise pronouncement is submitted, the SIGET must state its pronouncement within the next ten days after this one has been presented.

Not being able to take an intermediate decision between the two final proposals for each point in discord, the pronouncement will be based on the interested party's final proposal which is the closest to the expertise report.

If the second expert hired does not present the required report, the SIGET will state its pronouncement in the following terms:

- a) In technical matters, it will be resolved in favor of the party to whom the essential resource access was requested.
- b) In economical matters, it will be resolved in favor of the party that requested the access to the essential resource.

If the SIGET does not state a pronouncement in the time indicated in this article, the positive administrative silence will operate, understanding that such has been pronounced in the terms above.

NATURE OF THE PRONOUNCEMENT

Art. 93.- The pronouncement stated by the SIGET can be modified by mutual consent of the interested parties, notifying the SIGET about it within the next ten days after the agreement has been reached.

CHAPTER V

MODIFICATION OF THE CATEGORY OF THE SPECTRUM USE

MODIFICATION FROM FREE USE TO RESTRICTED USE

Art. 94.- The Telecommunication Management can recommend the SIGET the modification of the free use spectrum to restricted use. In order to carry out the

modification, the SIGET will publish the purpose of modifying the said spectrum and a file will be opened to determine if the modification proceeds, in which the same steps and terms included in the procedure to grant the concession will be observed.

If the recommendation is approved, in the same resolution, the inscription of the new classification system will be ordered.

MODIFICATION FROM OFFICIAL USE TO RESTRICTED USE

Art. 95- Upon request from the Ministry of Economy, the SIGET can shift the spectrum bands from official use to restricted use spectrum. The modification will be made by declaring such spectrum as unusable and accepting proposals for its utilization.

MODIFICATION FROM RESTRICTED USE TO FREE USE

Art. 96.- The Ministry of Economy can request the SIGET the modification of category from restricted use to free use, only to fulfil the telecommunication treaties in force in El Salvador. In order to make the request, the Government must have previously obtained the rights for its use.

PUBLICATION

Art. 97.- All resolution that proposes modification of the categories of the frequencies of the radio-electric spectrum use, must be published as established in the present Law.

CHAPTER VI OTHER PROCEDURES

SUBSCRIBERS' CLAIMS SOLVING

Art. 98.- The operator must resolve within thirty days maximum the subscriber's claims presented for non-fulfilment of the telephony service agreements, including undue charges. The claim solving, whether favorable or not, must be justified and communicated by written means to the affected subscriber the next day after the term expires, sending a copy of the same to the SIGET.

Not having the subscriber any communication in the indicated term, the resolution will be considered in its favor, being the operator compelled to compensate the subscriber for injuries caused. In case of undue charges, the amount the subscriber had paid to the operator must be reimbursed, without prejudice of the corresponding legal deeds.

If the subscriber does not accept the resolution proposed by the operator, it can introduce a complaint before the authorities that look after the consumer's protection.

Upon request of the authorities that look for the consumer's protection, the SIGET must present a technical report about the complaint. For this, the operator is compelled to provide

the SIGET, upon its request, the documentary backup of charges or conditions of service provided, depending on the case.

If the resolution issued by the authorities who look after the consumer's protection is favorable to the subscriber, the operator is compelled to compensate the subscriber for injuries caused. In case of undue charges, the amount the subscriber paid to the operator must be reimbursed, without prejudice of the corresponding legal deeds.

ADVANCED RENEWAL OF THE UTILIZATION RIGHT

Art. 99.- Any representative of a concession can request the advanced renewal of its utilization right, which implies the renounce to the concession.

Every request of advanced renewal will cause the opening of the procedures for granting the concession.

An amount proportionally to the value resulting from the auction will be paid to the concessionaire that had requested the advanced renewal of its utilization right, having as a base for its calculation the pending time left for the expiration of the concession.

The following formula is established for the calculation of the amount to be paid to the concessionaire: the resulting value of the concession auction will turn into a monthly value. The conversion to the monthly value consists in calculating a monthly payment for a period of twenty years, whose current value discounted from an updating rate is equal to the resulting amount of the auction. The updating rate will be equivalent to the yield of the U.S. Treasury bonds at a ten-year term, increased by the absolute difference between the yields of the U.S. Treasury bonds at a two-year term and the yield of the Treasury Bills issued by the Ministry of Internal Revenue of El Salvador for a three hundred-days term. The amount to be paid will be equal to the current value of such monthly payments for the number of months equal to the remaining period in the validity of the concession whose advanced renewal was asked. In case the concessionaire who requested the advanced renewal does not win the concession, the payment this article refers to will be done within the five next days after the new concessionaire has made the payment, and the concession whose advanced renewal was requested, will be extinguished after six months of being granted the new concession, being able the new concessionaire to make effective its right starting from that date.

OBLIGATORY AUCTION

Art. 100.- If one year before the expiration of the concession, the concessionaire has not requested the advanced renewal of it, the SIGET must begin the process of public auction according to the procedure established in this Law and its regulation. The SIGET will have a six-month maximum period, starting from such date, to carry out the auction. The new concession will be granted the next day after the expiration of the current concession.

MODIFICATIONS TO THE NUMBERING PLAN

Art. 101.- Changes in the numbering plan will be carried out as follows:

- a) The Telecommunication Manager, ex officio or by request of the interested party, will timely recommend the SIGET about a change in the numbering plan.
- b) The SIGET must publish the proposal. The interested parties will have a ten-day period for the presentation of their observations.
- c) The SIGET must consider the received observations and must decide about the new plan in a period of twenty days, after being expired the time period indicated above. This decision must be published and notified to all network operators.
- d) The new numbering plan must be valid in a period no longer than six months after its publication.

AUCTION

Art. 102.- The assignment of selection keys to the multi-carrier system, as well as the assignment of specific numbers, will be carried out by means of an auction, according to the following procedure:

- a) In a period of five days after the request is received, the SIGET must order its publication and the purpose to carry out an auction in the following ten days after such publication, detailing the elements to be in the auction, place, and the auction procedure.
- b) The interested operators must subscribe themselves in the SIGET up to the working day before the date of the auction.
- c) If no other operator is subscribed, the SIGET will grant the elements to the applicant without holding the auction. In case there are other interested parties, the auction will be carried out on the indicated date.
- d) The auction will be carried out in a public deed and before the interested parties, the Superintendent or its representative, and representatives of the General Prosecutor of the Republic.

TITLE VII PROVISIONAL DISPOSITIONS

DURATION

Art. 103.- The provisional dispositions will be in force from the coming into effect of this Law, up to the first working day in October, year 2000, unless specific exceptions.

REGULARIZATION OF OFFICIAL FREQUENCIES

Art. 104.- The SIGET, within the four months after the coming into effect of this Law, will regularize the use of the official frequencies, issuing the necessary authorizations to government institutions.

EXISTING CONCESSIONS AND AUTHORIZATIONS

Art. 105.- All concessions, authorization, licenses, covenants, agreements or permits for the providing of telecommunication services existing before the coming into effect of this Law, will keep the time period to which they were granted.

Concession, agreements, authorizations, licenses, or permits for the utilization of the radio-electric spectrum in force by the time of the coming into effect of this Law, will keep the conditions and restriction of utilization for which they were granted. To eliminate such conditions and restrictions, the corresponding representative must request the advanced revocation of the concession, according to the procedure already established.

So as to look after the fulfilment of the conditions and restrictions for the utilization of the spectrum by all concessions, agreements, authorizations, licenses, or permits, the SIGET is entitled to exert the administration and management of the above mentioned instruments, as well as to fulfil and reinforce the fulfilment of all rights and obligations derived from them.

Out of the incomes generated by the administration and management of the above mentioned instruments, the SIGET will withhold the amounts equivalent to the payment of the rights that article 13 refers to. The remaining of these incomes will be transferred to the Nation's General Treasury, withholding the SIGET the one percent of the total amount in concept of administrative costs.

DISAGGREGATION OF THE ACCESS SERVICE OPERATORS' NETWORKS

Art. 106.- Access service providers with more than one hundred thousand subscribers must offer to other operators interconnection disaggregated tariffs, as well as the leasing of disaggregated elements of the network.

Besides the essential resources, the following network elements must be offered in a disaggregated way in leasing, as long as the operator's network includes such elements:

- a) Links consisting of elements in the network, which go from the final user's equipment to the first switching node of the access service operator.
- b) Ports at all levels.
- c) Switching at all levels.
- d) Billing services.
- e) Access to the subscribers' registry.

Charges for each disaggregated element will be negotiated among the interested parties.

In case of conflict, the interested parties can come to the SIGET in order to have an alternative resolution, according to the already established procedure.

When an operator requests more than one disaggregated element, the total price of them cannot be lower than the total sum of the prices of each disaggregated element.

BEGINNING OF THE PRE-SUBSCRIPTION

Art. 107.- Access service providers can offer the pre-subscription service starting from the first working day in October, 1998.

INVESTMENT AGREEMENTS

Art. 108.- The SIGET is authorized to carry out Investment Agreements with the access network operators that control more than ten percent of the market, by a period of ten years, in which the aims to be accomplished will be agreed in matters of installation of new telephone lines and in order to approve maximum tariffs of national services, additionally to the tariff readjustments referred to in article 8 of this present Law. So as to encourage the investment in new telephone lines, the above agreements must meet at least the following conditions:

- a) Every time a period of one year is over, the SIGET will approve an additional increase for maximum charges of access services and additional telephony services, in a percentage equal to the growth of the telephony network of the affected operator, starting from the beginning of the investment agreement. The growth of the network will be measured by comparing the increase of lines in service of the affected operator during the immediate past year, with the lines in service of the same operator at the beginning of the agreement.
- b) The first additional increase cannot be higher than the annual fifteen percent, nor higher than the annual twenty percent of each of the four remaining elements. Such part of the increase of lines that exceeds these limits must be transferred by the SIGET to the next years, not being able in any case to transfer more than the last increase and observing the additional maximum increases indicated for each year, at all times.
- c) The additional increases for additional services can only be applied from Monday to Saturday, from seven in the morning to the nineteen hours, and will be compensated by reductions equal in percentage during the remaining schedule, as well as in Sundays and Holidays. The SIGET can authorize a different schedule if the operator justifies that the current schedule concentrates less than the eighty percent of the average daily traffic.

The dispositions included in the above two clauses will not be applicable to operators referred to in the second clause of article 8 of this Law, nor to the operators whose maximum tariffs have been approved based on their real costs.

The Executive Body is entitled, through the Internal Revenue Branch, to guarantee the obligations the SIGET will assume by virtue of this article.

While the liquidation for international traffic exists among operators, upon the base of accountable rates, the incomes generated by the countable rate for the entry international traffic will be allocated in a seventy percent to the access network operator that end the communication. Such percentage includes the corresponding charge of international interconnection exchanges referred to in article 109, unless the parties agree otherwise. The Regulation of the Law will point out the way in which the countable rate for international traffic will be negotiated and fixed, observing the international agreements subscribed and ratified by El Salvador.

INTERCONNECTION CHARGES

Art. 109.- Right from the beginning of the coming into effect of the present Law and up to the first working day in October, 1998, the interconnection charges that the operators must charge in salvadorian currency (colones) per minute of use, will be the following:

- a) From and to the terminal exchanges: ten cents of colon;
- b) From and to tandem exchanges; fifteen cents of colon;
- c) From and to long-distance exchanges: twenty cents of colon;
- d) From and to international exchanges: one colon and eighty cents.

The interconnection charges referred to in this article will be adjusted by an index constituted of a fifty percent by the Consumer's Price Index, published by the Ministry of Economy, and a fifty percent by the devaluation of currency in legal tender in El Salvador, in relation to the currency in legal tender in the United States of America. Indexing will be carried out quarterly, starting from the first working day in the months of January, July, and October.

This charges do not include the interconnection direct costs such as ports and links.

PROHIBITION OF SUSPENSION OF SERVICES

Art. 110.- Access service operators, who are in service up to the date of the coming into effect of this Law, cannot discontinue the services they are providing to the public in any community of the Republic, unless as established in article 31.

REGULATION OF RESTRICTIVE PRACTICES ON COMPETITION

Art. 111.- It is prohibited that telecommunication operators hold any type of agreement to set up, increase, arrange or manipulate the sale price or leasing of their services to third parties or final users, as well as market distribution agreements. Likewise, crossed subsidies are prohibited in those telecommunication services that are likely to compete with other operators, except in the provisional dispositions expressed in this Law.

As long as there is no government organization that regulates the exercise of the restrictive practices on competition, the SIGET will be in charged of looking after the fulfilment of the paragraph above, being entitled to apply the sanctions corresponding to serious infractions for the first and second time, which demonstrate the existence of such practices; and the sanctions corresponding to very serious infractions for the third time or more. In order to avoid crossed subsidies among the telecommunication services provided by the operators, which attempt against free competition, the SIGET can ordain the operators of the sector to keep separate bookkeepings for their different services.

Access service enterprises resulting from ANTEL's restructuring cannot merge during the transitory period and, as long as there is no government organization in charge of regulating the exercise of restrictive practices on competition, access service operators with more than fifty thousand subscribers can only merge previous approval by the SIGET; so the interested parties must prove that the merging does not limit competition.

Likewise, while there is no government organization in charge of regulating the exercise of restrictive practices on competition, the SIGET can limit the participation of specific natural persons or legal entities in the process of granting concessions for the utilization of the radio-electric spectrum, or limit the transferring of the utilization right of such concessions, if it demonstrates that such participation or transferring can significantly limit the desirable competition level in the market or that such participation or transferring has the purpose of creating obstacles in the entrance of competitive firms.

ACCESS TO THE MULTI-CARRIER SYSTEM

Art. 112.- Access service operators with more than ten thousand lines must provide access to the multi-carrier system.

ELABORATION AND CHANGES OF THE CNAF

Art. 113.- The SIGET must elaborate and approve the CNAF within sixty days, starting from the coming into effect of this Law. In order to approve the CNAF, the SIGET must allow a period of ten days so the interested parties express they inquiries and observations. Changes and updating in the CNAF can be carried out by the SIGET ex officio or upon request of the interested parties.

TITLE VIII SPECIAL REGIME FOR FREE-RECEPTION BROADCASTING AND SUBSCRIPTION SERVICES

SCOPE

Art. 114.- This special system is applicable to sound-broadcasting service operators and television-broadcasting services, both in free-reception as well as by subscription.

CONCESSIONS AND LICENSES

Art. 115.- The utilization of the radio-electric spectrum for the provision of sound-radio broadcasting services and television-radio broadcasting services, both in free reception as well as by subscription, require concessions.

The request for this concession must be done in accordance with the general rules applicable to the restricted use frequencies, specifying the service to be provided and its coverage area. These concessions will be granted for a period of twenty years, which can be automatically extended in equal periods.

Wireless sound and television broadcasting services require concessions, which must be granted by the SIGET.

For the use of these concessions and licenses, the concessionaires and licensed dealers must prove before the SIGET that they count with permits and authorizations of the program owners in order to proceed with their transmission.

SPECIAL CONTRIBUTION

Art. 116.- Concessions or licenses for providing the services mentioned above will cause rights, whose costs must be paid annually, at the end of each year, and it will be measured in watts according to the transmitter's rated power or the number of transmitted channels, in accordance with the following table, whose amounts will be annually increased in the same percentage as the one of IPC in the year before.

1. FREE-RECEPTION SOUND-RADIOBROADCASTING SERVICES

a) Amplitude Modulation Stations, AM: 525-1705 kHz

	Colones
Transmitters up to 500 watts	1,200
501 - 1000 watts	2,000
1001 - 2500 watts	2,500
2501 - 5000 watts	4,000
5001 - 10000 watts	8,000
From 10001 watts on	16,000

A reduction of fifty percent of the table above will be applied to stations whose concession has been granted to provide services out of the urban radius of San Salvador metropolitan area.

b) Frequency Modulation Stations, FM: 88-108 MHz

	Colones
Transmitters up to 500 watts	3,500
501 - 1500 watts	4,000
1501 - 2500 watts	5,500
2501 - 3500 watts	7,500
3501 - 5000 watts	10,000
From 5001 watts on	16,000

A reduction of fifty percent of the table above will be applied to stations whose concession has been granted to provide services out of the urban radius of San Salvador metropolitan area.

c) Short Wave Stations, according to the bands assigned for such purpose by the UIT.

	Colones
Transmitters up to 500 watts	1,200
501 - 1000 watts	2,000
1001 - 2500 watts	2,500
2501 - 5000 watts	4,000
5001 - 10000 watts	8,000
From 10001 watts on	16,000

2. FREE-RECEPTION TELEVISION BROADCASTING SERVICES

a) Radiant System Channels from 2 to 13, VHF:

Channels 2 – 4	54 - 72 MHz
Channels 5 – 6	76 - 88 MHz
Channels 7 – 13	174 - 216 MHz

	Colones
Transmitter up to 100 watts	8,000
101-250 watts	10,000
251-500 watts	12,000
501-1000 watts	20,000
1001-2500 watts	28,000
2501-5000 watts	40,000
5001-10000 watts	80,000
10001-20000 watts	120,000
20001-50000 watts	200,000

b) Radio broadcasting of Television Channels 14 - 68: 470-800 MHz, UHF:

	Colones
Transmitters up to 100 watts	4,000
101-250 watts	6,000
251-500 watts	8,000
501-1000 watts	12,000
1001-2500 watts	16,000
2501-5000 watts	32,000
5001-10000 watts	48,000
10001-20000 watts	64,000
20001-50000 watts	80,000

A reduction of fifty percent of the table above will be applied to stations whose concession has been granted to provide services out of the urban radius of San Salvador metropolitan area.

3. SOUND BROADCASTING SERVICES BY SUBSCRIPTION

	Colones
Transmitters up to 500 watts	3,500
From 501 to 1000 watts	4,000
From 1001 on	5,500

4. TELEVISION BROADCASTING SERVICES BY SUBSCRIPTION

Wired or Wireless System

	Colones
1 to 10 channels	10,000
11 to 20 channels	15,000
21 to 30 channels	20,000
31 to 40 channels	25,000
41 to 50 channels	30,000
51 to 60 channels	35,000
61 to 70 channels	40,000
71 to 80 channels	45,000
From 81 on	50,000

A reduction of fifty percent of the table above will be applied to stations whose concession has been granted to provide services out of the urban radius of San Salvador metropolitan area.

CLASSIFICATION

Art. 117.- Free-reception-sound broadcasting stations, 88-108 MHz, are classified according to the extension of its coverage area or service area, which are limited by the intensity field periphery of 54 dBu, 0.5 mili-volt/meter, equal to 500 micro-volt/meter, as follows:

- a) **LOCAL STATIONS:** Stations designed to provide services to towns and cities, as well as their surroundings.
- b) **REGIONAL STATIONS:** Stations designed to provide services mainly to broad areas and include important towns near to such cities; their coverage area is marked as Western Region, Central Region, and Eastern Region.
- c) **NATIONAL COVERAGE STATIONS:** Stations designed to provided services across the national territory.

FREQUENCY SEPARATION

Art. 118.- Frequencies allocated to free-reception-broadcasting services or sound and television broadcasting services, must be utilized in an efficient and rational way, for that purpose, the SIGET will elaborate a plan of utilization of the Radio-electric Spectrum bands assigned by the UIT for such service.

In order to avoid harmful interference problems and encourage the best utilization of the Radio-electric Spectrum, assigned to free-reception broadcasting service in sound broadcasting, the minimum space among adjacent channels must be 30 MHz in Amplitude Modulation , AM, 525 - 1705 kHz; and 400 kHz in Frequency Modulation, 88 - 108 MHz.

Observing the service areas according to the classification of the stations, in accordance with article 117, with the same purpose, the first allocation band will be 88.5 MHz within the 88 - 108 MHz, so as to avoid interference in the free-reception television service.

SUPERVISION OF FREQUENCIES

Art. 119.- For the allocation of channels or frequencies in the free-reception radiotransmission, Amplitude Modulation, Short Wave, Frequency Modulation, Television; the SIGET will state the necessary norms and restrictions, so as to avoid harmful interference in sound and television free-reception broadcasting stations, which are legally in service.

OPERATORS OF THE BROADCASTING SERVICE BY SUBSCRIPTION

Art. 120.- The natural persons or legal entities who request to operate a subscription system, sound or television, must first get a concession from the SIGET and meet all requirements established by the SIGET for such effect.

FACILITY OF INSPECTION

Art. 121.- Every operator of sound or television broadcasting by subscription is compelled to facilitate SIGET's inspection tasks, by allowing the access to installations when requested, as well as providing all technical information related directly to the operation.

INTERFERENCE PROHIBITION

Art. 122.- The operation of Television Broadcasting Systems by Subscription, wired or wireless, must not interfere in any way with the open-television radio signals broadcasting in the same service area.

CORPORATE CAPITAL

Art. 123.- The concessions and licenses for Free-Reception Broadcasting services will be only granted to natural persons born in the country or Salvadorian legal entities. In case of Salvadorian legal entities, the corporate capital must be constituted at least with the fifty one percent of Salvadorians. This corporate capital and its reforms must be reported to the SIGET.

REASONS FOR REVOCATION

Art. 124.- Concessions and licenses are revoked due to the following specific reasons:

- a) Non payment or incomplete payment of the special contribution established in article 116, twenty days after the time period is over, previous hearing of the concessionaire.
- b) Not utilization of the allocated frequency for a year, due to any cause.
- c) Not having the corresponding permits or authorizations for the broadcasting of programs.

Once the concession is revoked, the corresponding frequencies will be subjected to the rules applicable to restricted use frequencies.

RENOUNCE

Art. 125.- The concessionaire can renounce to the right of utilization of the spectrum in any stage during the validity of the concession. In this case, the rules expressed for the advanced revocation will be applicable.

TRANSITORY

Art. 126.- Every concession, license, agreement, authorization, or permit for the services indicated in this special system, currently in force at the coming into effect of this Law, will keep the conditions and restrictions of utilization with which they were granted, excepting the restriction of use.

Likewise, the representatives of such concession, licenses, agreements, authorizations, regardless the time left for the expiration of the same, are granted by virtue of this Law with a concession for the utilization of the above mentioned services for a period of twenty years, which can be extended automatically for equal periods, starting from the coming into effect of this Law.

The SIGET must grant concessions for regulating the use of the link frequencies utilized to broadcast signs in the authorized areas. In order to allow the development of new telecommunication technologies, such link frequencies cannot be the same currently operating. The authorization for these link frequencies, and radio and television relay stations, will not cause any charge.

NATIONAL BROADCASTING CHAIN

Art. 127.- The President of the Republic can have the right to call all radio and television stations in the country to join a national radio and television broadcasting chain, due to the following reasons: war, invasion of the territory, rebellion, sedition, catastrophe, outrage or any other calamity, serious riots, or messages of national interest. The Supreme Electoral Board can also do it, according to the cases established in the Electoral Code.

Concessionaires are compelled to broadcast, at the requested time, the pilot signal of the Presidency of the Republic, without cuts nor modifications of any type. If due to technical reasons any concessionaire cannot broadcast what is requested, it must stop broadcasting its regular programming while the national broadcasting chain lasts.

Unless accidental case or force majeure properly verified, the concessionaire's refusal to transmit the national broadcasting chain will be cause of a fine equivalent to the triple cost of the special contribution installment for the first and second time; and six times for the third or more times.

INSPECTIONS AND SUPERVISIONS

Art. 128.- The inspection and supervisions carried out by the SIGET over concessionaires and licensed dealers referred to in this system, will not cause any right.

PAYMENT EXCEPTIONS

Art. 129.- State-owed and religious radio and television broadcasting stations, non-profitable and which do not commercialized their broadcasting, will be exempt from the payment of the special contributions referred to in article 116.

TITLE IX REGULATION, VARIOUS, DEROGATORY, AND VALIDITY

REGULATION

Art. 130.- The President of the Republic will decree the corresponding regulation in the period of sixty days after the coming into effect of the present Law.

INITIAL ALLOCATION OF FREQUENCIES

Art. 131.- The SIGET must issue a resolutions about the frequencies that initially will belong to free-use and official-use categories, in a period of thirty days, starting from the coming into effect of the present Law.

DEROGATORY

Art. 132.- The following dispositions are derogated from the Law of the National Telecommunication Administration, ANTEL: Article 3, clause p) first paragraph, regarding the setting up of tariffs by the National Telecommunication Administration, ANTEL; article 3, clause p) second, third, and fourth paragraph; article 3, clauses q) and r); articles from 34 to 43; and articles from 49 to 55.

Likewise, it is derogated the Law of Telecommunication services issued by Legislative Decree No. 367, dated October 9, 1975, published in the Official Diary No. 196, Volume 249, dated October 22, 1975, as well as its reforms; Law of Telecommunications, Legislative Decree No. 807, September 12, 1996, published in the Official Diary No. 189, Volume 333, dated October 9, 1996, as well as all its reforms; article 38 of the Legislative Decree No. 960, dated February 5, 1997, published in the Official Diary No. 42, Volume 334, dated March 4, 1997, as well as all disposition that is inconsistent with the present Law.

In the provision of telecommunication services, the National Telecommunication Administration, ANTEL, will be subjected to what is expressed in the present Law.

VALIDITY

Art. 133.- The present Decree will come into effect after eight days of its publication in the Official Diary.