

PUBLIC TENDER PROCESS FOR THE PROJECT “SOUTHERN FIBER OPTIC”

On July 8th, 2016, The Chilean Government, through the Undersecretary of Telecommunications (“Subtel”), initiated a Public Tender process for the project entitled “Southern Fiber Optic”, which encompasses the granting of concessions for intermediate telecommunications services for the development of telecommunications physical infrastructure destined to provide fiber optic in the southern area of the country, specifically between the cities of Puerto Montt and Punta Arenas. The project considers the granting of a sum up to approximately USD95 million as state subsidies. The purpose of this project is to install fiber optic infrastructure with open and non-discriminatory access in Chile’s most southern area, strengthening regionalization and more equitable development. This project will provide residents of these remote regions with access to telecommunications services that are similar in quality to those that are available in more populous regions of the county. The extension of fiber optic networks to the south of Chile also represents progress towards interconnection with the Antarctic continent.

According to Subtel’s statements, the projects to be submitted for this Public Tender shall consider the installation, operation and commercial exploitation of physical infrastructure through the provision of optical channels that comply with the technical requirements contained in the Tender Rules, including a services offer for regulated infrastructure, with open, equitable and non-discriminatory access, as well as including infrastructure capacity for the exclusive use of public agencies.

The Tender Rules include the development of telecommunications infrastructure through the implementation of four independent Backbone Optic Infrastructure projects: One Southern Submarine Backbone Project, which will originate in Puerto Williams and reach Punta Arenas, Porvenir, Puerto Natales, Caleta Tortel and, finally, Puerto Montt; and three Terrestrial Backbone Projects, which will be developed in the regions of: 1) Magallanes and the Chilean Antarctic

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(between the localities of Porvenir and Pampa Guanaco); 2) Aysen of General Carlos Ibañez del Campo (between the localities of Caleta Tortel and Coyhaique); and 3) Los Lagos (between the localities of Puerto Montt and Palena).

Parties that are interested in bidding for this tender may submit inquiries and/or requests for clarifications of the terms and conditions of the Tender Rules until **July 29th, 2016**. The deadline for submitting a proposal is **October 25th, 2016**. This Public Tender is open to any legal entity incorporated in Chile (regardless of whether they currently hold a telecommunications service concession in Chile), public or private, with domicile in the country, and which complies with the legal and regulatory requirements needed to obtain an Intermediate Telecommunications Services concession exclusively for the provision of physical infrastructure for telecommunications, in accordance with applicable laws and regulations.

The Tender Rules are available on a website specially designed by the Undersecretary of Telecommunications for these purposes:

<https://foa.subtel.cl/>

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