

MEMORANDUM TO CLIENTS

INFRASTRUCTURE

December 3, 2015

Ministry of Communications launches public consultation for review of the Telecommunications regulatory framework

On November 23, 2015, the Ministry of Communications launched a public consultation and is receiving comments from the general public on the current model for telecommunications services.

The current scenario of stagnant demand for landline services, and growing interest in Internet access service, demand a review of the current regulatory model and reassessment of the obligations imposed on fixed telephone concessionaires, as well as new regulations to broaden access to the Internet.

The public consultation poses a series of questions and seeks suggestions to resolve the current regulatory obstacles faced by the telecommunications sector. These questions are divided into 5 (five) areas:

- **Area 1 – Purpose of Public Policy:** seeks, among other things, suggestions to what public policies should be adopted concerning fixed and mobile broadband and what should be done about the Fixed Telephone Service (“STFC”) to meet the universal access goals;
- **Area 2 – Universal Access Policy:** discusses the modernization of the law regulating the Telecommunications Services Universal Access Fund and the possibility of subsidizing final users;
- **Area 3 – Public Regime vs. Private Regime:** questions the need to maintain both public and private regimes and asks what mechanisms should be adopted to achieve broader access to services considered essential;

- **Area 4 – Concession:** questions, among other things, the need to maintain concession agreements, the treatment of STFC assets, which must be delivered to the government at the end of concessions, but are used to provide different types of services, and how to ensure the economic viability of concessions in the face of competition from authorized companies and providers of Over the Top (OTT) applications; and
- **Area 5 – Other Topics:** other topics relevant to the review of the current regulatory model.

Contributions to the public consultation must be submitted by December 23, 2015, through the website www.participa.br/revisaodomodelo.

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The purpose of this memorandum is to inform our clients about important changes and developments in the area of law. We remain at the reader's disposal for any additional information that may be desired regarding the subject matter herein.

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