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## **Venezuela: On Privatization Of State-run Telephone Company**

*by Barbara Khol*

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On Sept. 22, Fernando Martinez, president of the state-run telephone company, CANTV, told reporters that the government expects the new owners of the company to invest \$900 million per year in phone line installation. Martinez said 300,000 new lines will be installed every year until a total 4.5 million are in operation by 2000. In addition, 100,000 new public telephones are to be installed by the end of the decade. Bids must be submitted by the end of September, and the winner will be announced in late October. The base price established by the government is \$2 billion. CANTV's installed telephone lines number over 2 million. Martinez claimed the expected level of investment in the phone company is not compatible with large-scale dismissal of employees. He added that employees will have the opportunity to purchase 11% of company stock when the privatization takes place. Two consortiums have expressed interest in acquiring a controlling stake in CANTV. A consortium headed by the US firm Bell Atlantic is comprised of Bell Canada, Italy's Italcable, Japan's NTT, and three Venezuelan enterprises Banco Provincial, Finalven and Organizacion Diego Cisneros. The competitor group is comprised of foreign companies CTE, AT&T, Telefonica de Espana, and Venezuelan companies Electricidad de Caracas and Banco Mercantil. (Basic data from AFP, 09/22/91)

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