



December 16th, 2004

VIA E-MAIL

Ms. Gloria Blue
Executive Secretary
Trade Policy Staff Committee
Attn: Section 1377 Comments
Office of the United States Trade Representative
1724 F Street, N.W.
Washington, DC 20508

Re: USTR Section 1377 Request for Comments Concerning Compliance with Telecommunications Trade Agreements.

Dear Ms. Blue,

On behalf of AES Telecomunicaciones Salvadoreñas y Cía., S. En C. de C. V. ("AESTEL"), I am pleased to respond to the request of the United States Trade Representative ("USTR") for comments pursuant to Section 1377 of the Omnibus Trade and Competitiveness Act of 1988, 19 U.S.C. Section 3106, concerning implementation of the World Trade Organization ("WTO") Basic Telecommunications Agreement.

For this year's Section 1377 review, AESTEL informs that in El Salvador the obligations under the *World Trade Organization* ("WTO") *General Agreement on Trade in Services* ("GATS"), *Annex on Telecommunications* and *Reference Paper*, and related agreements have not been honored. Some WTO violations are explained in the submitted comments to the USTR by CompTel/ASCENT Alliance on January 27th, 2004 *RE: CompTel/ASCENT Alliance Section 1377 Additional Comments*. In addition there are others comments related to WTO violations that especially affect no incumbent fixed line carriers in El Salvador like AESTEL.

WTO - Reference Paper

Failure to Ensure Interconnection, Failure in Interconnection: Dispute Settlement

Since last year, the incumbent fixed line carrier in El Salvador, CTE Telecom, denies to provide to AESTEL the international termination rates that were provided to AMERICATEL El Salvador. This is a discriminatory fact against the WTO Reference Paper and Telecommunications Law in El Salvador.

Superintendencia General de Electricidad y Telecomunicaciones ("SIGET"), the regulatory body, acts and resolves the dispute in favor to AESTEL, but CTE Telecom



appealed the resolution of the dispute in civil court in El Salvador to delay it for unpredictable time (failure in interconnection: dispute settlement).

WTO - Reference Paper

Lack of Transparency of Interconnections Arrangements.

All new interconnection contracts and renovates ones signed this year are not yet public available due to a bureaucrat barrier at SIGET.

For the reasons described above, AESTEL urges the U.S. Government to work with the Governments of El Salvador to open their markets to competition and to ensure fair and non-discriminatory market conditions in accordance with their international trade commitments. Should you have any questions concerning these comments, please do not hesitate to contact me in that regard.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Erik Aspilcueta', is written over a large, faint watermark of the AES logo.

Erik Aspilcueta
Director Regulatory Affaire & Interconnection
AES Telecomunicaciones
El Salvador

AES-TEL Y CIA
S. EN C. DE C.V.