



Department of State

Def 21 Braz-US  
XR fn 6-1 Braz  
**TELEGRAM**  
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47  
ACTION ARA 16

INFO AID 28,E 15,NSC 10,RSC 01,SP 02,SS 25,STR 08,L 03,H 02,P 04,  
USIA 12,IGA 02,EA 10,CIAE 00,COM 08,FRB 02,INR 07,NSAE 00,  
TRSY 11,XMB 06,RSR 01,/173 W

P R 201520Z SEP 68  
FM AMEMBASSY RIO DE JANEIRO  
TO SECSTATE WASHDC PRIORITY 4346  
INFO AMCONSUL SALVADOR UNN

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SUBJECT: BAHIA TELECOMMUNICATIONS EXPANSION PLAN

REF: RIO DE JANEIRO 11385

PASS EXIM BANK

1. DIRECTORS OF BAHIA TELEPHONE COMPANY (TEBASA), VICENTE NOGUERA AND GERALDO DANEMAN ARRIVING WASHINGTON SEPTEMBER 21 TO SIGN CONTRACT WITH PAGE COMMUNICATIONS ENGINEERS FOR INITIAL PHASE DETAILED ENGINEERING STUDY AND TO CONFER WITH EXIM BANK REGARDING DOLLAR COST FINANCING.

2. PROJECT STUDY COMPLETED AND APPROVED BY STATE GOVERNMENT OF BAHIA, AND NOW BEING REVIEWED BY SUDENE, CONTEL AND BNDE. TEBASA EXPECTS HAVE ALL THESE APPROVALS BY DECEMBER.

3. BOTH TEBASA AND STATE GOVERNOR TOLD EMBOFFS AND U.S. CONSUL IN SALVADOR THAT THEY WANTED U.S. PRODUCTS AND NO QUESTION THAT PAGE WOULD GET CONTRACT IF APPROPRIATE FINANCING FROM U.S. AVAILABLE. HOWEVER, IN VIEW OF JAPANESE OFFER TO FINANCE (APPARENTLY JAPANESE HAVE MADE MOST SERIOUS PROPOSAL AMONG OTHER INTERESTED PARTIES), U.S. FINANCING WILL

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HAVE TO BE REASONABLE COMPETITIVE. TEBASA PEOPLE  
TALKED IN TERMS OF TWELVE YEARS OF WHICH FIRST TWO  
OR THREE YEARS WOULD BE GRACE PERIOD. BELTON

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