

# Venezuela threatens to nationalize CANTV

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**CARACAS, Venezuela** - President Hugo Chavez on Tuesday threatened to nationalize Venezuela's largest telecommunications company if it does not comply with a court order to make owed pension payments.

Chavez said he would give Compania Anonima Nacional Telefonos de Venezuela, or CANTV, a grace period to comply, but did not specify how long that period would be.

"If they don't want to comply with that, I am going to nationalize CANTV," Chavez said in a televised speech.

CANTV has shares traded on both the Caracas and New York stock exchanges. It is the dominant provider of fixed line telephone service in Venezuela and also has large shares of the mobile phone and Internet markets.

In February, CANTV said it had increased the amount set aside to cover pensions to \$387.4 million from \$332.6 million in response to updated projections on the cost of funding pensions.

Chavez said, however, the company still has not made proper payments to some former employees.

"It made me very ashamed that ... CANTV's retirees are still going around and they haven't paid them what CANTV should pay them," Chavez said. "CANTV is earning plenty. It's a private company."

CANTV, a former state firm that was privatized in 1991, has said it will continue to adjust pensions whenever the government raises the minimum wage. It also has contested part of the Supreme Court ruling and is awaiting a study from Venezuelan authorities to determine how much it will make in back payments to retired workers.

