

Rio de Janeiro, Brazil – July 5, 2005

Embratel Participações S.A. (Embrapar)
BOVESPA: EBTP3, EBTP4; NYSE: EMT

The Company holds 98.8% of
Empresa Brasileira de Telecomunicações S.A.
("Embratel").

PROPOSED BY-LAW CHANGES – EXTRAORDINARY SHAREHOLDER MEETING
JULY 14, 2005
SUMMARY OF RESPONSE TO BOVESPA

Embrapar details proposed by-law changes summary to be voted in the extraordinary shareholders meeting on July 14, 2005 (6-K June 28, 2005).

Major changes:

- Chapter II- Capital – Art 5
Language will reflect the financial amount and the number of shares in the company after the capital increase.
- Section I – Board of Directors – Art 17
the Board of Directors will approve the budget for hiring consultants at the request of the Fiscal Council and it will choose the company's external auditors taking into account the recommendation of the Fiscal Council.
- Section II – Directors – Art 29
the company's directors will hire the services at the request of the Fiscal Council according to Art 31.
- Chapter V – Fiscal Council – Art 30, 31 and 33
In addition to its responsibilities under Brazilian law, the Fiscal Council will exercise the function of an Audit Committee:
 - it will oversee the action of management and verify it is meeting legal and by-law duties
 - opine over the company's management report, with its opinion being presented at the shareholder meeting
 - recommend and help the Board of Directors hiring the external auditor
 - supervise the work of the external auditor and help solve divergences between management and the external auditor
 - revise company policies periodically for hiring services of auditors or non-audit service performed by the independent auditors and their remuneration

- opine over management proposals for changes in capital, budgets, dividend distribution, investment plans, debt issuance, incorporation and M&A
- revise the efficiency of risk monitoring systems periodically
- establish procedures to receive, process and investigate accounting, internal control and auditor frauds
- expose to shareholders failure of the company's administrative bodies to protect company interests
- call a ordinary shareholder meeting if the company's administrative bodies delay for more than one month, and call extraordinary meetings if important matters require
- analyze quarterly and annual financials

To perform its functions the Fiscal Council may request the company's Board to hire auditors, lawyers, consultants and accountants; the fiscal council needs to meet at least 4 time per year with a minimum quorum of 2 members.

- Chapter VIII – General Matters – Art 43

Every year management will budget expenditure for the fiscal council to hire lawyers, independent auditors, accountants and other consultants requested by the Fiscal Council.

Embratel is the premier communications provider in Brazil offering a wide array of advanced communications services over its own state of the art network. It is the leading provider of data and Internet services in the country and is well positioned to be the country's only true national local service provider for corporate customers. Service offerings include: telephony, advanced voice, high-speed data communication services, Internet, satellite data communications, corporate networks and local voice services for corporate clients. Embratel is uniquely positioned to be the all-distance telecommunications network of South America. The Company's network has countrywide coverage with 32,466 km of fiber cables.

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Note: Except for the historical information contained herein, this news release may be deemed to include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that involve risk and uncertainty, including financial, regulatory environment and trend projections. Although the Company believes that its expectations are based on reasonable assumptions, it can give no assurance that its expectations will be achieved. The important factors that could cause actual results to differ materially from those in the forward-looking statements herein include, without limitation, the Company's degree of financial leverage, risks associated with debt service requirements and interest rate fluctuations, risks associated with any possible acquisitions and the integration thereof, risks of international business, including currency risk, dependence on availability of interconnection facilities, regulation risks, contingent liabilities, collection risks, and the impact of competitive services and pricing, as well as other risks referred in the Company's filings with the CVM and SEC. The Company does not undertake any obligation to release publicly any revisions to its forward-looking statements to

reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

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