

Mexico City, February 10th, 2015.

IFT PLENARY MEETS THE LEGAL MANDATES WITHIN 180 DAYS FROM THE ENTRY INTO FORCE OF THE FEDERAL TELECOMMUNICATIONS AND BROADCASTING LAW

- Gives Multiprogramming Guidelines, Studies for Child Audience Radio Supply and Programs Consumption, broadcast and Restricted TV, Definition of Points of Interconnection and Institute's Professional Service System
- These resolutions are added to those already approved in previous dates, which was issued on the one hand, the Work Program to Reorganize the Radio Spectrum for Radio and Television Stations, and on the other, was appointed and installed the Advisory Council
- With the issuance of the six agreements, the regulatory body fulfills the orders in a timely manner

This February 9th within 180 calendar days established in the Federal Telecommunications and Broadcasting Law, was fulfilled after its entry into force for the Federal Telecommunications Institute (*Instituto Federal de Telecomunicaciones*, IFT) Plenary to adopt specific regulatory measures that will result in benefits for service users both broadcasting and telecommunications in the country.

Thus, the Plenary of the Institute approved at an extraordinary meeting on Monday the offer and Studies for Child Audience Radio Supply and Programs Consumption, Broadcasting and Pay Television, the General Guidelines for access to multiprogramming, defining points interconnection to the public telecommunications network of the Preponderant Economic Agent PEA (Agente Económico Preponderante, AEP) and the provisions for which the Institute's Professional Service System is established.



Studies for Child Audience on Radio Supply, broadcasted and restricted TV Programs Consumption

Thirty-Sixth Transitional Article of the Federal Telecommunications and Broadcasting Law said that the Institute conducted within 180 days of its entry into force, the relevant studies to analyze —whether it is necessary— to establish mechanisms that promote and encourage concessionaires to include a bar program that aimed at children in the culture, sports, environmental conservation, respect for human rights, the best interests of children, gender equality and non-discrimination.

In the embodiment of Studies for Child Audience on Radio Supply and broadcasted and restricted TV Programs Consumption, sources of qualitative and quantitative information from public and private sources were used, selected from lifting characteristics, frequency in the completion and publication in Mexico.

The studies provide elements to identify the variables involved in media consumption by girls and boys in Mexico. They are divided into five chapters:

- Socio-demographic and psychographic profile of the universe of children in Mexico to understand, in the first instance, the dimension of which must occupy media and the State.
- Landscape of supply and consumption of broadcast television among children in Mexico.
- Offer and consumption of pay television by children in Mexico.
- Offer and consumption of radio programs by children.
- Review of incentives to produce content for children in different countries, aiming to meet different schemes that could enrich decision making.



Among the analyzed data highlights that in 2014 children in Mexico spent watching television an average of 4 hours 34 minutes a day. This figure fell slightly, in contrast to the trend observed in the previous seven years of growth.

Furthermore, the analysis of content consumption by children 4-12 years shows that most of the programs they are watching, are not content designed for them.

Stresses that the program offerings for young audiences, 74% are caricatures occupying this seventh with respect to genders transmitted in broadcast television after magazines, news, movies, marketing, cultural and sports.

Moreover children from all socioeconomic levels have increased their presence in the restricted television over the years. Being that it offers up to 10 channels of exclusive content for them.

Note that radio both supply and demand for content aimed at children is scarce, only 3%, compared with 15% who registers on television.

Derived from analysis of the data obtained from these studies, the IFT Plenary determined that it is necessary to have mechanisms to encourage concessionaires to include programmatic bars aimed at children, whose contents promote a whole culture, sports are provided, the environmental conservation, respect for human rights, interests childhood, gender equality and non-discrimination. This bars incorporate more national production for that grant broadcasting content own national identity and values.

The Plenary agreed to forward a copy of the competent authorities in the regulation of content and instructed Media and Audiovisual Content Unit to achieve coordinated work with other government and academia entities to determine the mechanisms that the Law refers.

Guidelines for Multiprogramming

Moreover, under Article 158, paragraph III and Transitory Thirty Third Article of LFTR, the Plenary of the Institute approved the issuance of the General Guidelines for Access to multiprogramming, which will enter into force the day after its publication in the Federal Official Gazette.



Multiprogramming is the distribution of more than one channel of programming on the same broadcast transmission channel, which represents the possibility of transmitting a larger number of program content through the same concession spectrum resource. The document adopted by the plenary was preceded by a process of public consultation, held from December 23rd, 2014 to January 14th this year, in which eight comments and opinions that contributed to strengthen it received.

The guidelines approved by the Plenary contemplate the requirements to obtain authorization for access to multiprogramming and comprehensive operating conditions, according to the competition principles and technical quality, guaranteeing the right to information and taking particularly national and regional concentration of frequencies.

Access to multiprogramming is voluntary on the part of broadcasting concessionaires, therefore, to request and obtain, they undertake to comply with all provisions applicable to the matter.

The resolution of the Plenary establishes the obligation to concessionaires requesting multiprogramming to transmit at least one channel of programming in quality High Definition (HD) and no provision for payment of consideration for this purpose.

Broadcasting concessionaires may freely enter into contracts for access to broadcast channels in multiprogramming in market conditions with third parties who may have the status, among others, of National Independent Programmers, National Programmers, Foreign Programmers and Broadcasting Concessionaires.

In cases of concessionaires belonging to a Preponderant Economy Agent or with substantial power, the Institute shall not authorize the transmission of a number of broadcast multiprogramming channels top 50% of all programming channels other authorized concessionaires that are broadcast in the region of coverage, in accordance with the provisions of Article 158, Section II of the Law.

The Institute will resolve the request for multiprogramming access in a maximum of 60 working days from the day following that on which the application is submitted.



Public networks interconnection points

Moreover, the Institute Plenary defined points of interconnection to the public telecommunications network of PEA, in accordance with Twenty-fifth Interim Article of the Decree which Federal Telecommunications and Broadcasting Law is issued. It also approved add and repeal various provisions in telecommunications and broadcasting matters.

The definition of the points of interconnection to the public network of PEA will allow the public telecommunications networks concessionaires to carry traffic exchange interconnection points as technically feasible, thus providing equal conditions. Interconnection points will be available to all concessionaires, which may select the points at which, according to their network architecture, traffic volume, and presence, will conduct the exchange.

The draft of this subject was submitted to public consultation from January 20th to February 3rd, 2015, receiving 12 appearances.

For interconnection by TDM protocol, 198 points corresponding to fixed telecommunications interconnection services and 46 points corresponding to interconnect mobile telecommunications services are defined.

Also, 11-point IP network to the Preponderant Economic Agent corresponding to mobile and fixed telecommunications interconnection are defined; of which 3 (Mexico, Guadalajara and Monterrey) shall come into operation at 180 days and 360 days the rest.

The principles considered for the definition of these interconnection points are: technical feasibility, presence of concessionaires in those points, geographical distribution and deployment of infrastructure in those points; noteworthy that interconnection points defined allow the exchange of traffic from any source or destination within the country.

The agreement will enter into force on the day following its publication in the Federal Official Gazette.



Professional Service System

In accordance with the provisions of Fourteen Transitional Article of the Law, the Plenary approved the Provisions amending the Professional Service System, which contains the necessary elements established for the Institute to have its own system of personnel management, built-sighted and based on three main principles on the matter: attracting, retaining and developing talent, in accordance with best management practices and staff development to stimulate the creation of an organizational and high performance work environment, professionalism, results orientation and dedication to public service.

This, in order to perform efficiently the functions of IFT as a regulatory body for telecommunications and broadcasting, as well as authority for economic competition in these sectors.

Thus, the following interrelated processes are contemplated: personnel planning; income; training and development; management and performance evaluation; rights, obligations, compensation and benefits scheme; and labor discipline.

The guiding principles of the Professional Service System are: legality, efficiency, productivity, objectivity, quality, impartiality, merit competence, non-discrimination, gender equality and equal opportunities.

Also, as reported in due course, this Monday the Advisory Council was installed, composed of 15 fees, expert members in telecommunications, which was elected at the plenary session on February 3rd and which will serve as an advisory body to the principles settled established in articles 2nd, 6th and 7th of the Political Constitution of the Mexican United States, as provided in Fifteenth Transitory Article of the Law.

With the regulatory actions mentioned, together with the agreement to issue the Work Program for Reorganizing the Radio Spectrum to Radio and Television Stations, adopted in December 17th, 2014 plenary session, the IFT comply in a timely manner with the legal mandate to issue them within 180 days from the entry into force of the Federal Telecommunications and Broadcasting Law.



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The Federal Institute of Telecommunications (IFT) is the autonomous body entrusted with the regulation, promotion and supervision of the efficient performance of broadcasting and telecommunications sectors in Mexico, and also exercises, in exclusive manner, the authorities in matters of economic competition of such sectors pursuant to the Decree whereby several provisions of Articles 6, 7, 27, 28, 94 and 105 of the Political Constitution of the United Mexican States are amended and supplemented in telecommunications matters, published in the Federal Official Gazette on June 11th of 2013.

Media Relations Department
Insurgentes Sur 1143 1st floor, Col. Nochebuena,
Benito Juárez. C.P. 03720
50 15 40 21 and 50 15 42 00
www.ift.org.mx