

Press Release
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Mexico City, May 14th, 2015.

IFT Plenary approves the 2015 Annual Activities Program of its Center of Studies

- **It will include the development of research and analysis on various aspects of telecommunications, broadcasting and competition in both sectors**
- **It also approved the Quarterly Report for the first quarter, which shows a new way of reporting with progress metric, plain language and greater use of didactic computer graphics as well as in an accessible format that is compatible with screen readers**
- **It agreed to submit to public consultation the Draft Format with which telecommunications and broadcasting concessionaires should present information in its ownership structure or social parts**
- **He solved several interconnection disputes between telecommunications service concessionaires**

In ordinary session held yesterday, the Plenary of the Federal Telecommunications Institute (Instituto Federal de Telecomunicaciones, IFT) approved the 2015 Annual Activities Program of its Center of Studies, which includes the development of research and analysis on various aspects of telecommunications, broadcasting and competition in both sectors.

The Center of Studies of IFT aims the research, analysis and long-term thinking regarding the sectors regulated by the Institute.

The approved Center of Studies Annual Program is divided into three sections: the preparation of studies and substantive analysis, library management and compilation and publication of materials; analysis indicated specifically by the Plenary of the Institute, either by the availability of new information in terms of data or the introduction of new policies

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and the definition of the Guidelines for Operation of the Centre for Studies, as it is a recently created unit and with a new structure in the public sector.

The topics investigated by the Center of Studies this year are:

- Analysis of regulations and public policies on net neutrality for Mexico
- Analysis of economic competition between OTT and telecommunications companies models for the case of Mexico
- Competition of online TV. Trends and possibilities
- Analysis of spectrum auctions to provide telecommunications services
- Spectral Management. Technological foundations and frequency allocation
- Influence of the concentration of spectrum for mobile telecommunications competition and its implications for Mexico
- Asymmetric regulation as a means of promoting competition and the development of telecommunications in a converged environment
- Plurality and diversity in the telecommunication and broadcasting media
- Variables that explain the backwardness of telecommunications in Mexico
- Contribution of broadband access to economic growth

The Center of Studies was designed as an entity with academic, objective and long-term perspective. The research findings will be autonomous and exclusive responsibility of researchers who perform without compromising the institutional point of view of the IFT.

Plenary also adopted its Quarterly Activities Report for the first quarter of 2015, which is an exercise in transparency and accountability, in accordance with the provisions of the Federal Telecommunications and Broadcasting Law.

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The document reports for the first time, about the potential benefits of regulatory projects solved during the reporting period and sets measures of progress made regarding planned in the 2015 Annual Work Program. Highlights the 100% in advance of the deployment strategy and modernization of the infrastructure of telecommunications and broadcasting and 88% in regulatory strategy and competition policy in the regulated sectors, among others.

The main results of the Institute during the first quarter are:

- The granting of the concession of radio spectrum title and the unique concession, title both for commercial use, for Cadena Tres I, S.A. de C.V.
- The definition of the interconnection points of the public telecommunications network of the Preponderant Economic Agent (PEA).
- The approval of the new format of the telephone bill to be delivered by Teléfonos de México (Telmex) and Teléfonos del Noroeste (Telnor) to its customers, in its capacity as Preponderant Economic Agent (PEA).
- The termination of analog broadcasting television signals in the cities of Tamaulipas Reynosa, Matamoros and Nuevo Laredo; and Mexicali, Baja California.
- The imposition of 24 fines totaling 5.21 billion pesos, of which seven cases also involved the loss of property in favor of the Nation.
- The identification and location of 23 not authorized to use the spectrum, a result of monitoring and surveillance of the radio spectrum, generating the corresponding requests for check box visits by users.
- Approval and publication in the Official Gazette of the Federation (DOF) of the "Regulatory Provisions of the Federal Law of Economic Competition for the sectors

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of Telecommunications and Broadcasting", with which the Institute shall be performed in the procedures being carried out in economic competition.

The publication in the Official Gazette of the Federation of the following technical provisions: IFT-004-2014 (Public Network Interface for Terminal Equipment) and IFT-005-2014 (Digital Interface to Public Networks), in order to avoid a gap in the regulation and have a regulatory framework that establishes mechanical and electrical conditions of all terminal equipment that is connected or interconnected via a wired access to a public telecommunications network.

- The approval of the public consultation for the Proposal for adopting a segmentation scheme for the frequency band 2500-2690 MHz according to ITU-R M.1036 recommendation for its use on services in wireless broadband access.
- The preparation of the document "Studies on supply and consumption of programming for young audiences in radio, broadcasted and restricted television" which provides elements to identify the variables involved in media consumption by girls and boys in Mexico.
- The modifications to the "Arrangement under which the Institute Plenary amends the 2015 Annual Use and Use of Frequency Bands Program (Programa Anual de Uso y Aprovechamiento de Bandas de Frecuencias PABF)".
- The public consultation of the draft "Rules for granting authorizations on Telecommunications under the Federal Telecommunications and Broadcasting Law".
- The public consultation on the draft Amendment of the rules of number portability.

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- The establishment of the Electronic System of Interconnection Requests (Sistema Electrónico de Solicitudes de Interconexión, SEI), which already has 216 steps to start negotiations.
- Eleven investigation procedures by the Investigating Authority in terms of the Federal Economic Competition Law (Ley Federal de Competencia Económica, LFCE).
- Installation, election of the president and the work schedule of the IFT Advisory Council.
- Publication of the provisions established in the System of Professional Service (Sistema de Servicio Profesional, SSP) of the Institute.
- The adoption of the Code of Conduct and Principles of IFT Workers.
- Publication of the "General Guidelines for Access to Multiprogramming".

The report will be published today on the website of the Institute and in the coming days will be available also an interactive version of the document.

Moreover, the Plenary decided to submit to public consultation the Draft Format to submit, by concessionaires in telecommunications and broadcasting, the equity or social parts structure, pursuant to the provisions of Article 112 of the Federal Telecommunications and Broadcasting Law.

This article states the obligation of the concessionaires of both sectors to submit annually its share structure or social parts, not later than June 30, according to the format specified by the Institute.

Furthermore, Article 177, section XI of the Law states that they must register in the Public Registry of Concessions the shareholding structure of concessionaires and changes in equity

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control, ownership or operation of companies related to concessions on telecommunications and broadcasting, so which the information is delivered in compliance with the provisions of Article 112 shall be duly registered.

On other issues, the Plenary of the Institute adopted resolutions to determine the interconnection conditions not agreed between different telecommunications companies for the years 2013, 2014 and 2015.

The interconnection rate that Axtel and Avantel should pay to Pegaso PCS for switched termination services on mobile users under the modalities "calling party pays" and "national calling party pays" will be:

- a) From 1 January to December 31, 2012, \$ 0.3214 Mexican pesos per interconnection minute.
- b) From 1 January to December 31, 2013, \$ 0.3144 Mexican pesos per interconnection minute.

Moreover, the interconnection rate that Axtel and Avantel will pay to NII Digital for switched termination services on mobile users under the modalities "calling party pays" and "national calling party pays"

- a) From 1 January to December 31, 2012, \$ 0.3214 Mexican pesos per interconnection minute.
- b) From 1 January to December 31, 2013, \$ 0.3144 Mexican pesos per interconnection minute.

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c) From 1 January to December 31, 2014, \$ 0.3199 Mexican pesos per interconnection minute.

Also, the interconnection dispute by which it was determined that the interconnection rate that Marcatel must pay to Pegaso PCS for termination services switched mobile users under the modalities "calling party pays" and "national calling party pays" was resolved and will be:

a) From 1 January to December 31, 2012, \$ 0.3214 Mexican pesos per interconnection minute.

b) From 1 January to December 31, 2013, \$ 0.3144 Mexican pesos per interconnection minute.

c) From 1 January to December 31, 2014, \$ 0.3199 Mexican pesos per interconnection minute.

Rates that Convergía de México, SA de C.V. You shall pay to Teléfonos de México, S.A.B. de CV are also resolved for the interconnection of their public telecommunication networks for the period of January 1 to December 31, 2013, being as follows:

a) Rate of interconnection within the same regional node \$ 0.02392 Mexican pesos per minute.

b) Transit fee within the same regional node \$ 0.00968 Mexican pesos per minute.

Regarding the interconnection dispute between NII Digital and Telmex, the Plenary determined that the rate NII Digital shall pay to the PEA for transit services is \$ 0.006246 Mexican pesos per minute, for the January 1 to December 31, 2015 period.

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In all cases, the application rates are calculated based on the actual duration of the call without rounding to the next minute.

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 Official Gazette of the Federation on June 11th of 2013.

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