

Press Release Number 45/2015

Mexico City, June 30<sup>th</sup> 2015.

## IFT PLENARY DETERMINES THE CONDITIONS WHICH THE PREPONDERANT ECONOMIC AGENT (PEA) ON TELECOMMUNICATIONS EFFECTIVE SHOULD ALLOW ITS LOCAL NETWORK UNBUNDLING

- Outputs the resolution that formalizes and meets the conditions to be met by the company in its capacity as AEP
- After you are notified, the AEP has 60 calendar days to submit to the approval of the Institute and its Reference Offer will thereafter when dealers can make use of services unbundling of network
- Six interconnection disputes were also resolved between concessionaires of public telecommunications networks

The Plenary of the Federal Telecommunications Institute (*Instituto Federal de Telecomunicaciones*, IFT) approved unanimously in regular session on June 26<sup>th</sup>, the resolution which formalizes and ultimately resolve the conditions under which the effective unbundling of the local network of the Preponderant Economic Agent (PEA) will be held.

Effective unbundling of the local network will allow other concessionaires to provide telecommunications services through the PEA infrastructure. The conditions for this process help to ensure effective access to the local network of the leading company in the telecommunications sector, in order to remove barriers to competition and market entry.



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The provision of disaggregation services facilitates the provision of services by other concessionaires under conditions that otherwise would not be profitable, with the possibility of replicating the services provided by the PEA to their end users and thus both existing operators and potential entrants to compete on more equal terms, which users can access more and better services at competitive prices.

The conditions contained in the resolution is the result of a long process of analysis which counted with the participation of industry, mainly through the Technical Committee for Effective Unbundling of the Local Network and of a public consultation.

Since the notification of this decision, the Preponderant Economic Agent in telecommunications has 60 calendar days to submit to the approval of the Institute its Reference Offer for the Concessionaires to use the services subject to Unbundling.

It should be noted that unbundling is a regulatory tool accepted and used internationally, so in order to be major elements, the IFT conducted a review of significant international experience in this field, as in the United Kingdom, Spain, France, Italy, Portugal and Brazil.

On the other hand, the Plenary resolved interconnection conditions not agreed among telecommunications service concessionaires, in which fees may resolve on termination of traffic in fixed and mobile networks. It is six disagreements that were substantiated and resolved in accordance with the provisions of the Federal Telecommunications and Broadcast 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 Official Gazette of the Federation on June 11<sup>th</sup> of 2013.

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