

**Press Release**  
Number 53/2014

Mexico City, November 5<sup>th</sup>, 2014

**IFT PLENARY APPROVES THE WHOLESALE SERVICES OF REFERENCE THAT TELMEX, TELNOR AND  
TELCEL MUST APPLY**

- This conditions imposed to the Preponderant Economic Agent will give access to its competitors to its infrastructure in non-discriminatory and fair conditions
- Imply measures related to Virtual Mobile Operators, access and shared use of telecommunications infrastructure and user/visitor wholesale service, among others
- A prompt following takes place for the implementation of different specific measures that PEA (Preponderant Economic Agent) must accomplish, pursuant to the legal mandate conferred to this body of law
- It agrees to submit the document “Review of Guidelines for the development of cost models that supports the determination of applicable rates to interconnection services”<sup>1</sup> for public consultation
- The procedure was declared deserted when no proposals were received for Public Bidding grant of concessions to occupy geostationary orbital positions 113° West and 116.8° West

In compliance with the terms foreseen in the measures imposed by the Federal Telecommunications Institute (*Instituto Federal de Telecomunicaciones*, IFT) to the Preponderant Economic Agent (*Agente Económico Preponderante*, AEP) in the telecommunications sector (Telmex, Telnor and Telcel), the Plenary of this regulatory body authorized the Reference Offers which contain the specific terms and conditions under which this companies must provide telecommunications wholesale services and concede access to its infrastructure to other concessionaires. This will allow telecommunications services to be rendered in fair competition circumstances.

This is the Reference Offers of the following services: 1) Service marketing or resale by the Mobile Virtual Network Operators; 2) Access and Shared Use of Passive Infrastructure on mobile networks;

---

<sup>1</sup> Translator's note: “Revisión de los Lineamientos para desarrollar modelos de costos que sirvan para la determinación de las tarifas aplicables a los servicios de interconexión”.

**Press Release**

Number 53/2014

3) Wholesale Service User/Visitor; 4) Access and Shared Use of Passive Infrastructure on fixed networks), and 5) Wholesale Service of Dedicated Links Leasing.

In accordance with the provisions Prevalence measures, the Institute conducted a review of the above Reference Offers, a process that began on June 4<sup>th</sup> this year, with the first proposal by the PEA (Preponderant Economic Agent) and concludes with the authorization of the Institute's Plenary, after a process of analysis and requirements of modifications, that was attended by the PEA.

Thus, at the session held today, the IFT Plenary agreed to approve the Reference Offers, these will enable the effective delivery of different wholesaler services under the Preponderance Resolution, by having a contractual framework giving certainty to PEA and to applicants for services, thus promoting more effective competition in the telecommunications field.

With this, the IFT gives timely monitoring to the implementation of the various specific measures to be met by PEA, according to the legal mandate of this regulatory body.

Among the conditions that PEA must meet in reference offers, the following are included:

1) **Mobile Virtual Network Operators (MVNOs).** It will allow the marketing of PEA mobile telecommunications services (voice, SMS and data) by companies known as Mobile Virtual Network Operators, which do not have spectrum but can be more efficient in other aspects of the production chain, invigorating this sector, bringing the benefits of competition to end users.

2) **Access and Mobile Infrastructure Sharing.** It will allow other concessionaires of public telecommunications networks to set up their own infrastructure, leveraging unused capacity of PEA mobile networks, thereby decreasing the costs of deploying of networks and promoting the realization of economies through more efficient use of existing infrastructure.

**Press Release**  
**Number 53/2014**

3) **Guest User (Roaming).** It will allow other mobile telecommunications concessionaires to expand its geographical coverage in the services offered, for example, in regions where it does not have coverage yet.

4) **Access and Shared Use of Fixed Infrastructure.** It will allow other concessionaires of public telecommunications networks to set up their own infrastructure leveraging unused fixed networks of PEA, thereby decreasing costs of network deployment and promoting the realization of economies through more efficient use of existing infrastructure.

5) **Wholesaler Service of Dedicated Links Leasing.** It will provide a tool to regulate the provision of a wholesale service of great importance, as are dedicated links, to serve as essential for the provision of other telecommunications services; whereby concessionaires can be certain of receiving services under non-discriminatory conditions of quality and price and aligned with international standards.

The PEA shall publish on its website and give notice of the issuance of tenders in two newspapers of national circulation within 10 working days of resolutions being notified.

On the other hand, the IFT Plenary agreed to submit to public consultation the document entitled "Revision of the Guidelines for developing cost models" for the determination of the applicable interconnection services rates.

With this transparency exercise, not only the provisions of the Federal Telecommunications and Broadcasting Law, in the sense of public consultation for the issuance or modification of guidelines and general provisions are aprovided, but that citizen participation is also promoted in knowing the comments and views of stakeholders on the issue and, if appropriate, to incorporate them to strengthen the project that will be submitted for the Plenary consideration in due course.

The Guidelines that were issued in April 2011 by the former Federal Telecommunications Commission (*Comisión Federal de Telecomunicaciones, Cofetel*) are still in force. However, with technological change and reviewing the best international practices in cost models, it is necessary to review new regulatory approaches for determining interconnection fees.

The document will be available to all stakeholders for consultation on the website of the Institute. The period to participate in this exercise is from 6<sup>th</sup> to 21<sup>st</sup> November this year.

The Plenary of the Institute also declared void the Public Bidding procedure for granting concessions to occupy geostationary orbital positions 113 ° West and 116.8 ° West and to exploit frequency bands C associated and Ku extended, as well as the allowances for emission and reception of signals in the provision of satellite capacity for fixed-satellite service (IFT-2).

This, because the only bidder that requested and received the favorable opinion of the Institute on economic competence to participate in the IFT-2, not presented the documentation referred to in Appendix A of the Tender terms, which included bid security and economic offer and guarantee of orbital positions occupation with its Band of Associated Frequencies as well as the documentation that confirmed the favorable opinion on economic competition before the deadline.

Whenever the market indicated no appetite for participating in the tender for these orbital positions, and based on Article 95 of the Federal Law on Telecommunications and Broadcasting (*Ley Federal de Telecomunicaciones y Radiodifusión, LFTR*), which includes the assumptions why a tendering procedure may be declared desert, in this case to grant concessions to occupy orbital resources, the IFT Plenary determined to take the indicated resolution.

**Press Release**  
Number 53/2014



Mexico may request to the International Telecommunications Union (ITU) the coordination of other orbital positions with similar or different from these orbital locations technical parameters at any time, and even, in accordance to the provisions of Articles 96 and 97 of the Federal Law on Telecommunications and Broadcasting, individuals can now express their interest to the Institute for the Federal Government to obtain orbital resources to the Mexican State. In that case, and prove favorable coordination process, the Institute shall award the grant directly to the stakeholder on payment of the appropriate consideration.

-----\*\*\*\*\*-----

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 11<sup>th</sup> of 2013.

Media Relations Department  
Insurgentes Sur 1143 1<sup>st</sup> floor, Col. Nochebuena,  
Benito Juárez. C.P. 03720  
50 15 40 21 and 50 15 42 00  
[www.ift.org.mx](http://www.ift.org.mx)

