

Mexico City, November 27th, 2014

THE IFT PLENARY DELIVERED THE PROCEDURE, REQUIREMENTS AND FORMATS FOR THE ELECTRONIC REGISTRATION OF FEES THAT CONCESSIONAIRES OF TELECOMMUNICATIONS SERVICES OFFER TO USERS

- The Electronic System for rates registry in the website of the Institute was put into operation.
- Agrees to begin public consultation on "Regulatory Provisions Draft of the Federal Law of Economic Competition for telecommunications and broadcasting sectors".
- Is submitted for public consultation the modification to the General Guidelines on must carry and must offer.
- Agrees to amend the Operation Rules of the technical committees of electronic management systems for mobile telecommunications services, fixed and effective unbundling of the local network, which are established in the measures imposed to the Preponderant Economic Agent PEA (*Agente Económico Preponderante*) in telecommunications.

In ordinary session, the Federal Institute of Telecommunications (*Instituto Federal de Telecomunicaciones*, IFT) Plenary, approved the procedure, requirements and formats that telecommunications services concessionaires and authorized must comply, to introduce electronic registration of its user fees prior to its entry into force.

As reported promptly, the draft procedure, requirements and applicable forms to concessionaires and authorized to provide telecommunications services for the electronic filing of formats of fees to users are subject to public consultation from August 18th to 29th this year, period in which the comments and opinions from industry representatives, academics and experts were received, which allowed to strengthen the document.



Thus, the provision adopted at yesterday's session allows for the Electronic System, to be available on the IFT website through which providers of telecommunications services will register their rates before this regulatory body, such and as established by Article 205 of the Federal Telecommunications and Broadcasting Law. With this mechanism, artificial barriers to the immediate adoption of competitive trading schemes are eliminated, for the benefit of users.

The content of the fee and/or promotion to users shall state, among other things, the following:

- Description of the service(s) to be provided according to the fee to users, or promotion to register.
- The amount of the fee to users or promotion in question, expressed in pesos, noting both the amount thereof without tax, as the amount including taxes.
- The respective measurement unit of fee or promotion to users.
- The modules, packages, services and/or other optional or additional equivalent fee associated with users or promotion to register. They must not be registered independently of the fee to users or promotion in question.
- For the specific case of television service pay, the fee to users or promotion to register must accompany the information on the comprising channels.
- Application Rules to the fee to respective users or promotion.
- Where appropriate, the applicable penalties.

These provisions shall enter into force on the day following its publication in the Federal Official Gazette (*Diario Oficial de la Federación*, DOF). Thereafter, there will be a period of 60 calendar days during which they may continue to be submitted applications for



registration fee or promotion on the *Oficialía de Partes* of the Institute, period within which the registration for telecommunications concessionaires and authorized to have access to the electronic system.

On the other hand, the Plenary agreed to submit for public consultation the "Regulatory Provisions Draft of the Federal Economic Competition Law for telecommunications and broadcasting sectors". This exercise in transparency and citizen participation will be available for viewing and sending of opinions, comments and proposals for a continuous period of 20 working days from the working day following its publication in the Internet website of the Institute.

This Draft has been preceded by the Agreement dated on July 28th this year, whereby the Plenary of the Institute issued the Regulatory Provisions of the Federal Law of Economic Competition for the telecommunications and broadcasting, not subjected to public consultation due to the emergency of the situation. This situation resulted from the entry into force of the Federal Law of Economic Competition, which caused the tacit abrogation of the Regulations of the Federal Law of Economic Competition, which could undermine the objectives of the Institute of effectively fulfill its role of authority in economic competition to substantiate the procedures referred to the Competition Law. It is noteworthy that the same Law provides for this possibility when there are situations that merit.

However, as reported in due course, the IFT pledged to hold a public consultation on these Regulatory Provisions, in order to promote citizen participation, strengthen the document with input from stakeholders on the issue and issue them within the deadline set by Law.



Similarly, the Plenary approved to public consultation, the modification to the general Guidelines on must offer and must carry, published in the Federal Official Gazette on February 27th, 2014, which establish technical criteria for the proper implementation of the forecasted obligations under the Constitution for open and restricted television on offer and retransmission of broadcast signals.

The amendment is proposed along these lines reflects the need to adapt some of its articles and definitions to the Federal Telecommunications and Broadcasting Law, the Mexican State Public Broadcasting System Law, as well as changes to some articles of the Federal Copyright Law and entry into force of the new Organic Statute of the IFT. Likewise, it is advisable to perform various accuracies derived from content of Article 2, Sections I and III of the Regulations of Restricted Television and Audio Service.

The public consultation will be available on the website of IFT <u>www.ift.org.mx</u> for a period of 10 working days from the working day following its publication. Once the public consultation is closed, the Content and Broadcasting Unit, within 10 working days, shall submit of the Institute Plenary consideration, a project that considers the outcome of the consultation of merit, in order to be approved and published the amendment to the Guidelines on the DOF.

In other issues, it was agreed to amend the Rules of Operation of the technical committees of electronic management systems for mobile telecommunications services; electronic management systems for fixed telecommunications services; and effective unbundling of the local network, which are established in the measures imposed to the Preponderant Economic Agent (AEP) in telecommunications. In these groups, formats, interfaces, security and encryption mechanisms, management of databases and everything related to Electronic Management Systems are defined.



In order to provide greater legal certainty for concessionaires of public telecommunications networks and mobile virtual network operators to effectively participate in defining the various technical aspects concerning the various Committees, the IFT Plenary decided to modify the Rules of Operation regard to the processing of classified or confidential information that could be exchanged or generated within and because of the work of the Committees referred.

Also, he was appointed the Head of the IFT Regulatory Policy Unit as President of each of the committees. While for the Technical Committees of Electronic Management Systems in mobile and fixed telecommunications, respectively, was appointed as alternate Chairman, the General Director of Interconnection Control and Resale of Telecommunications Services and the Director of Dispute Resolution as Secretary.

In the Technical Unbundling Committee the General Director for Development of Telecommunications and Broadcasting and the Director of Dispute Resolution as Secretary.

Moreover, the Plenary determined the conditions that in the interconnection field could not agree public telecommunications networks concessionaires called: Tele Fácil México, S.A. de C.V. with enterprises Teléfonos de México S.A.B. de C.V. (Telmex) and Teléfonos del Noroeste S.A. de C.V. (Telnor).

The resolution states that within 10 calendar days from the day following its notification, Tele Fácil México and the companies Telmex and Telnor shall interconnect their respective public telecommunications networks and celebrate their interconnection agreements of its telecommunications public networks.



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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.

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