

Press Release Number 72/2014

Mexico City, December 18th, 2014

## THE PLENARY OF IFT APPROVES THE PROVISIONS TO ENSURE THAT FROM JANUARY 1°, 2015, THE CONCESSIONAIRES WILL MEET EFFICIENTLY WITH THE OBLIGATION TO NOT RUN OUT CHARGES FOR NATIONAL LONG DISTANCE CALLS TO THEIR USERS

- The resolution adopted today was strengthened by the contributions received by this regulatory body during the public consultation process
- It is established that the whole country will be considered as a single Local Service Area
- Telephone service providers may only register or maintain local service rates
- The same dial is transiently maintained, but cannot be charged as national long distance
- The selection service by pre-subscription is eliminated for national long distance and only prevails for international calling service

In extraordinary session, the Plenary of the Federal Telecommunications Institute (*Instituto Federal de Telecomunicaciones*, IFT) approved the arrangements to be met by concessionaires, holders and authorized, so that from the first of January, 2015 they will effectively comply with the obligation under the Law to do not charge their users for long distance calls with national destination.

The Law provide that users benefit from the elimination of domestic long distance charges from January 1°, 2015, the provisions expressly provide that from that date all the national territory will be considered as one local service area.

As a result of this, all calls originated within the country should be considered as local service calls. To ensure that there are no long distance fees to users of telephony, end-user tariffs with prefix 045 will have the same rates for calls with code 044. Similarly, user fees for calls with prefix 01 and 02 should be the same as those for calls that are marked with 7, 8 or 10 digits if directly.



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So, as of January, 1° of 2015, regardless of dialing scheme that users use, the concessionaires must apply the local service fee applicable. This does not preclude that national long distance services rendered prior to that date may be billed and collected from users after January 1° of 2015.

In this regard, the provisions expressly state that concessionaires, holders and authorized only will be able to register or maintain local service rates, subject to the fees registered or have registered for international long distance.

To ensure this, it states that the concessionaires, authorized or holders to modify the conditions originally contracted as a result of the elimination of charges for national long distance, should inform users of these changes in terms of the provisions in Article 191 Section VIII of the Law.

To ensure that the removal of charges for long distance calls benefit users from January, 1° of 2015 ensuring the continuity of services, it is necessary to temporarily maintain the current procedures for marking and signaling messages that the public telecommunications networks in the interconnection are exchanging.

Thus, in domestic long distance, users should continue dialing prefixes "01", "02" for communications to fixed lines and "045" for links to mobile phones, however, if the company providing the service so permits, it will be possible to make such calls direct dialing 10 digits.

In any case, whether direct dialing prefix or 10 digit calls made within the country to any domestic destination will be charged to users at local rates. It is important to mention that, as required under the legal framework, in due course it will be determined the mechanism for migrating 10- uniform digit dialing.



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In order to preserve the rights enshrined to users through Article 191 Section IV of the Law, regarding freely choose to their service provider and respect the will of the parties to existing contracts, the provisions maintain service selection by pre-subscription only for users that at the entry into force of the provisions that are issued through this agreement are pre-subscribed to any operator other than their local operator and exclusively for international long distance.

In the case of users who currently have the option of selecting an operator through service selection by pre-subscription or those who are receiving long distance service through direct links, the concessionaire that offers the service will remain responsible for completing the phone calls or delivery to a network or combination of networks that are able to complete them, irrespective of the destination of communications.

The resolution adopted today was strengthened by the contributions received by the regulatory body during the public consultation process that the provisions draft was subject to, so that the approved document serves to various views expressed by the general public and to telecommunications services concessionaires.

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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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