

**Press Release**  
**Number 07/2014**

Mexico City, February 24<sup>th</sup>, 2014

**THE IFT PLENARY RESOLVES TO SANCTION CABLE TELEVISION COMPANIES FOR  
ABSOLUTE MONOPOLISTIC PRACTICES**

- The monopolistic practice consisted in an agreement between companies to divide between themselves the production, distribution and trading markets of fixed telephony, restricted television and Internet access to final consumers in the state of Mexico
- The companies are ordered to suspend this sanctioned behavior
- Cablevisión, a branch of Televisa, is imposed with a fine of 8 million 733 thousand 746 pesos
- Megacable is imposed with a fine of 33 million 576 thousand 102 pesos

In an extraordinary session, the Federal Institute of Telecommunications (*Instituto Federal de Telecomunicaciones*, IFT) Plenary, resolved one of the files in process that the Federal Commission on Economic Competition received, which refers to an Official Letter of Probable Responsibility issued by this authority in August 2013 for absolute monopolistic practices in the production, distribution and trading markets of fixed telephony, restricted television and Internet access of final consumers. The companies declared as potentially responsible were Televisa, Cablevisión, TVI and Cablemás, of Grupo Televisa, and Megacable, a Grupo Megacable company.

On finalization of the stage followed in form of judgment and based on the analysis of the information obtained, the IFT Plenary determined that Grupo Televisa and Grupo Megacable, through their affiliates Cablevisión and Megacable, respectively, incur in absolute monopolistic practices, as per section II of article 9 of the Federal Law of Economic Competition, regarding their agreement under their competitor nature to divide, distribute, assign or impose portions or segments of the production, distribution and trading markets of fixed telephony, restricted television and Internet access to final consumers in various municipalities in the state of Mexico.

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Due to the above, the IFT resolved, based on articles 35, section IV and 36 of the Federal Law of Economic Competition to impose the following economic sanctions on the abovementioned companies:

- Cablevisión: a fine of 8 million 733 thousand 746 pesos.
- Megacable: a fine of 33 million 576 thousand 102 pesos.

Likewise, IFT resolved to order Grupo Televisa and Grupo Megacable the suspension of the credited monopolistic practices and present a mechanism with terms to guarantee, which must be submitted for the approval of the Institute in a thirty calendar day term of the date in which the notification of the resolution becomes effective, based on articles 2, 9 section III and 35 of the Federal Law of Economic Competition.

If the mechanism is not presented within the fixed terms, the companies will be fined as an enforcement procedure, and IFT will determine the terms and conditions that the concessionaires must meet to suppress the sanctioned monopolistic practice.

As part of the resolution, it was determined that the investigation did not collect sufficient data allowing to accredit the expected practice in section I of article 9 of the Federal Law of Economic Competition, consisting of agreements with the purpose or effect of fixing or manipulating the prices of the services of the investigated market.

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The Federal Telecommunications Institute (IFT) is the independent body responsible for regulating, promoting and overseeing the efficient development in the broadcasting and telecommunications sectors in Mexico, as well as exclusively exercising the powers of economic competition in these sectors, in accordance with the Decree by which various provisions of articles 6, 7, 27, 28, 94 and 105 of the Political Constitution of the United Mexican States are reformed and added, in the field of telecommunications, published in the Federal Official Gazette on June 11<sup>th</sup>, 2013.

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