

Press Release
Number 17/2014

Mexico City, April 16th of 2014.

**THE FEDERAL INSTITUTE OF TELECOMMUNICATIONS PLENARY APPROVES THE MINIMUM
REFERENCE VALUE TO REQUEST PROPOSALS FOR DIGITALLY BROADCASTED TELEVISION
FREQUENCIES, TO FORM TWO NETWORKS WITH NATIONAL COVERAGE**

- IFT decides the amount of the bid security that the parties interested in participating in this process shall establish and file.
- The electronic tool is released so that the parties interested in participating in the bid may choose up to 123 Coverage Zones, with which they shall form their offer for each one of the networks. Said tool is available in the Institute internet portal
- IFT will grant the broadcasting channels concession that will form the national networks according to the contents of both the economic offers and coverage submitted
- The criterion to define the successful bidder will not be only considered in economic terms

Yesterday an extraordinary session was held wherein the Plenary of the Federal Institute of Telecommunications (*Instituto Federal de Telecomunicaciones*, IFT) approved the minimum reference value of the competitive bidding of digitally broadcasted television frequencies to form two networks with national coverage to provide this service.

The minimum reference value corresponds to the amount that the parties interested must equal or exceed in their economic offer for each national network in order to participate in the competitive bidding of digitally broadcasted television frequencies.

The Institute Plenary fixed the minimum reference value in 830 million pesos for each one of the television networks. This amount is independent from the final number of broadcasted channels that will be

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awarded, if applicable, to each of the networks, provided. However, the criterion of “national network” set forth in the Bidding Rules are observed.

In order to establish the minimum reference value, the criterion of economic efficiency was considered, as well as the entrance barriers and the existing characteristics of the free-to-air television, pursuant to the provisions of subsection II of the Eighth Transitory Article of the Constitutional Decree of Amendment in Telecommunications matters, published in the Federal Official Gazette on June 11th of 2013.

Once the minimum reference value was established, the IFT Plenary fixed the amount of the guaranty of a serious offer that all the participants in the bidding must establish and submit to the Institute, and which shall be made effective in case of disqualification in the process, including the consideration nonperformance in the payment.

The guaranty of serious offer was fixed by the Plenary in 415 million pesos, and shall be established by each proposal for national network submitted.

Likewise, in the session, the electronic tool that the participants in the competitive bidding will use to choose the coverage zones that will form their coverage offer, was presented and released to the Plenary. This tool is available on the Institute webpage under the section Competencia económica (Competitive Bidding) IFT-1.

As informed timely, on December 18th of 2013, the IFT Plenary, approved the new Program to Tender Bids for Digitally Broadcasting Television, which was

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modified on January 30th of 2014 and formed by 123 Coverage zones and 246 channels to be offered for competitive bidding, in order to form two national networks.

According to the Bidding Rules published on March 7th of the current year, the IFT will evaluate both economic and coverage offers submitted, and will choose the successful bidders based on a points system to be assigned under the formula and criteria indicated in Appendix B to the Rules.

The criterion to define the successful bidders will not be purely economical, insofar that aspects which include the technical, legal, administrative and financial capacities of the participants will be taken into account, as well as the limitation to the accumulation of spectrum set forth in the Constitution and the maximization of coverage through the Evaluation Formula defined in the Rules.

This competitive bidding will be performed in four stages, which will conclude next year:

First Stage: Questions and answers, and tender of documentation to the Institute.

Second Stage: Rendering of an opinion and records of participation.

Third Stage: Opening and rating of coverage and economic bids.

Fourth stage: Contract award and delivery of concession certificates.

The Rules documents, Exhibits and Appendixes, as well as the amount of the minimum reference amount, can be consulted on the Institute webpage, in the following link:

<http://www.ift.org.mx/iftweb/industria-intermedia/unidad-de-sistemas-de-radio-y-television/licitaciones-en-curso-radio-y-television/licitacion-ift-1/>

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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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