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THE IFT PLENARY APPROVES THE FORMAT FOR TEXT MESSAGES THAT TELCEL WILL SEND TO ITS USERS WHEN THEY PURCHASE AIRTIME CREDIT

- Each time that a Telcel prepaid time user purchases airtime, the user will receive a text message with the deposited amount, another with the accumulated balance available at that time and a third with the basic applicable rates
- The Institute determines non agreed interconnection conditions of various concessionaires of public telecommunications networks
- IFT resolves that 27 AM radio stations will continue to transmit in this band in order to ensure the continuity of the radio service in the towns where they operate
- The Quarterly Report of Activities for the period April - June is presented.

As part of the obligations imposed on preponderant economic agents in the telecommunications sector, the Federal Telecommunications Institute (*Instituto Federal de Telecomunicaciones*, IFT) established user protective measures, including delivery of clear information to subscribers about contracted services fees and products billed by these companies.

With this respect, at its ordinary session held yesterday, the IFT Plenary approved the format of text messages that Telcel will send users on prepaid or postpaid mixed schemes when they purchase airtime, in accordance with the provisions of the forty-third provision of measures applicable to this preponderant economic agent.

Therefore, the short messages that Telcel will send, and which will be free to the user, will consist of 1) the amount paid; 2) the accumulated balance including the payment, and 3) the basic rates applicable to the prepaid scheme that the user has contracted, both for the local service, long distance, SMS and Internet megabytes.

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The obligation to deliver the short messages with information is of great importance for prepaid subscribers so they have the information required on phone spending, given that users receiving the mobile service in this scheme do not have a monthly bill they can review for the use or the rates paid for them, or if there were any change in prices.

The company must comply with this implementation over no later than 60 days after being notified of this resolution.

In addition, Telcel will be required to present the short message format corresponding to the information of the international roaming rate which it will send to users when they purchase airtime abroad.

Additionally, six resolutions to resolve disagreements on interconnection between concessionaires of public telecommunications networks were emitted in this session.

Two of these resolutions refer to the termination of switched services for mobile users under the "calling party pays" scheme: 1) NII Digital, S. de R.L. de C.V. and Comunicaciones Celulares de Occidente, S.A. de C.V., Sistemas Telefónicos Portátiles Celulares, S.A. de C.V., Telecomunicaciones del Golfo, S.A. de C.V., SOS Telecomunicaciones, S.A. de C.V., Portatel del Sureste, S.A. de C.V., Iusacell PCS, S.A. de C.V., Iusacell PCS de México, S.A. de C.V. and Operadora Unefon, S.A. de C.V., and 2) NII Digital, S. de R.L. de C.V. with Pegaso PCS, S.A. de C.V. In both cases, an interconnection rate of \$0.3214 pesos per minute was approved, applicable from January 1st to December 31st, 2012, in which companies must pay in a reciprocal manner was adopted.

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Similarly, the Plenary determined the non-agreed interconnection conditions between Operbes, S.A. de C.V., Bestphone, S.A. de C.V., Cablevisión, S.A. de C.V., Cablemás Telecomunicaciones, S.A. de C.V., Cable y Comunicación de Campeche, S. A. de C.V., and Grupo Iusacell companies, resolving that the rate for termination services under the "calling party pays" scheme, that mobile networking companies must pay will be \$0.3214 pesos per minute, applicable from January 1st to December 31st, 2012. Meanwhile, the interconnection rate which Grupo Iusacell companies will pay to the referred counterpart for the same period is \$0.02432 pesos per minute, for switched termination services of fixed users.

In addition, three interconnection disagreements were resolved separately between Televisión Internacional, S.A. de C.V. (TVI) with the following concessionaires 1) Grupo Iusacell companies; 2) Pegaso PCS and 3) Radiomóvil Dipsa, S.A. de C.V. It was determined for all three cases that TVI must pay a fee of \$0.3214 pesos per minute, valid from January 1st to December 31st, 2012 to the abovementioned concessionaires of mobile and these, in turn, will have to pay a fee of \$0.02432 pesos per minute for switched termination services to fixed TVI users.

In the broadcasting field, the Plenary determined 27 AM radio stations, associated with changes to the FM frequency, which will continue operating in the AM band, until the Institute determines that the provision of the broadcasting service in all the populations of the area covered by these stations is guaranteed based on technical studies conducted by the Radio and Television Systems Unit.

This resolution achieves that small communities in the country that only have AM coverage continue communicating through radio, based on provisions of the Sixth item of the

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"Agreement which establishes the requirements to carry out the change of authorized frequencies to provide the radio service and operating in the amplitude modulated band, in order to optimize the use, application and exploitation of a public domain asset in the transition to digital radio", published in the Federal Official Gazette on September 15th, 2008.

On other issues, the IFT Plenary resolved to issue 24 permission titles subject to the endorsement for the use of a broadcasting frequency for official purposes through different radio stations in the frequency modulated band, of which 21 are for the Government of the state of Sonora, two for Tabasco and one for Puebla.

Likewise, the Institute determined to grant three titles of permission subject to endorsement to use a frequency modulated sound broadcast with cultural purposes in the FM band, two of which are for universities of Colima and Guanajuato, respectively, and another one for an individual.

The IFT Plenary also presented its Quarterly Report of Activities for the period April - June, which will be available for consultation on the Institute's website in the coming days. This document realizes the follow-up to the "180 days Schedule", of institutional projects and various actions associated with the coordination projects with the Federal Executive.

Finally, the Plenary approved modification to the Organic Statute, to comply with the provisions of the new Federal Law of Economic Competition.

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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 11th, 2013.

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