

Press Release
Number 38/2014

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First Anniversary

**THE FEDERAL TELECOMMUNICATIONS INSTITUTE (IFT) UNDERTAKES ACTIONS AND
ISSUES REGULATIONS TO PROMOTE COMPETITIVENESS IN THE BROADCASTING
SECTOR**

- With these provisions, a better offer and quality in these services is being promoted
- The bidding process for two broadcast digital television national networks was launched
- The new transition policy towards Digital Terrestrial Television (DTT) was issued
- The IFT provided the guidelines for retransmission of broadcasted television signals over pay television (pay TV).

A year after it was formed, the Federal Telecommunications Institute (*Instituto Federal de Telecomunicaciones*, IFT) issued several provisions designed to promote greater range of services and improve quality in the field of broadcasting, in compliance with the provisions of the Constitutional Reform in telecommunication matters.

Thus, the IFT started a process for bidding two broadcast TV networks; being the first time this is done in the country, and which will be completed by the 2015 first quarter with the granting and execution of the respective concession titles.

The Decree of the Constitutional Reform in its Eighth Transitory Article, section II establishes that IFT, in order to comply with the "Bidding and Awarding of Digital Broadcast Television Frequencies Program", had to publish the conditions and calls for the bidding of new grouped broadcast television frequencies concessions no later than 180 calendar days as from its effective date, in order to create at least two new television networks with national coverage.

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On December 20th, 2013 the Plenary of the IFT published in the Federal Official Gazette (*Diario Oficial de la Federación*, DOF), the Bidding Program with the frequencies and coverage of the broadcast television stations in the country by which two national networks will be created. Later, on January 30th, the Program was modified addressing eight documents with some comments on these matters, as established in Article 17-A of the Federal Law on Radio and Television, effective at such date.

The Call for Bids was published in the DOF on March 7th of 2014 (March 7, 2014), and the Conditions for Bids (Bid No. IFT-1) were made available to the interested parties through the Internet portal of the IFT on March 8, 2014. On June 12th the Plenary amended the call for bids and the calendar established in the Conditions, pending the publication of the secondary legislation derived from the Constitutional Reform Decree in Telecommunications and Broadcasting matters.

The Call for Bids describes the stations, with the frequencies, coverage, and overall characteristics of the bidding process, while the Conditions for Bids and its appendices provide, among other things, the requirements to be met by bidders, the concession title agreement and the terms in which the process will unfold.

The Conditions for Bids set the timetable for the process and detail the criteria to determine that the awarded party/parties of the Call for Bids will not be purely economic, as the technical, legal and financial capacity of the bidders, the congruence of business plans with constitutional and Bidding Program purposes, as well as aspects related to the limitation, the accumulation of radio spectrum and maximizing coverage, this resulting in the direct benefit of population.

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On September 2nd and 3rd of the present year, the parties interested in this bidding process submitted their opinion request on economic competition. The presentation of each of the subsequent stages is specified in the published calendar.

Digital Terrestrial Television (*Televisión Digital Terrestre*, TDT)

During its first year of operations, the IFT approved the new Policy for the Transition to Digital Terrestrial Television (DTT), which establishes the guidelines to be followed by concessionaires and permit holders to complete the transmission of analog television signals no later than on December 31st of 2015.

This document incorporates comments and reviews submitted by participants in the public consultation held from July 18th to August 8th of this year, and it conforms to the provisions of the new legal framework.

Under the new transition policies, all television stations shall have DTT broadcasting on air no later than on August 15th of 2015.

DTT benefits include multiprogramming, a system which allows transmission of more than one channel of programming on the same transmission channel. The new DTT Policy sets that concessionaires and permit holders shall satisfy the provisions of the Federal Telecommunications and Broadcasting Law, as well as with the guidelines issued by the IFT for such purpose.

The IFT will carry out the actions required to keep the population properly informed about the transition to DTT, specifying the date and time of the termination of analogue transmissions, a task which may be coordinated with agencies of the Public Administration to be performed. The

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concessionaires and permit holders of this service will also be required to carry out campaigns to inform their viewers in a timely manner about this process.

Retransmission of broadcast signals

Moreover, on February 27th this year, the IFT published in the DOF the general guidelines on the retransmission of broadcast signals. This document, which used the information obtained from a public consultation carried out on November 20th and December 19th of 2013, established the technical criteria to duly enforce the obligations set forth in the Constitution for open and restricted television concessionaires in supply and retransmission of broadcast signals.

With this Agreement, the Plenary established that the restricted television concessionaires have the obligation to carry out the retransmission of broadcast television signals in the same geographic coverage area, without having any manifestation of will on the part of the concessionaire of the broadcast television.

Likewise, this resolution establishes that broadcast television and/or restricted television concessionaires that have been declared with substantial power in any of the markets for telecommunications or broadcasting or preponderant economic agents shall have no right to the gratuity rule, which should not impact as an additional cost in the services contracted by subscribers and users.

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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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