

Press Release Number 48/2015

Mexico City, June 2nd 2015.

PLENARY OF IFT RESOLVED TO START AN OPEN NEW TV DIGITAL CHANNELS TENDER IN 2015

- **This year will be subject to public consultation the pre bidding framework, and the bidding process will be held in the first half of 2016**
- **There will be made available to market more than 123 channels**
- **Also agreed to submit to public consultation the Agreement Draft under which it is issued the Technical Reasons IFT-001-2015: Specifications and minimum requirements for installation and operation of Amplitude Modulation radio broadcasting stations**
- **Issued response to requests for confirmation of judgment filed by two concessionaires of restricted television service**

At its regular meeting yesterday, the Radio Spectrum Unit of the Federal Telecommunications Institute (*Instituto Federal de Telecomunicaciones*, IFT) reported to the Plenary the overall status regarding the availability of television channels that could be made available to the market in the near future. As reported timely, derived from the competitive bidding process for allocating frequencies to form two digital broadcast television networks (Tender No. IFT-1) whose decision was issued in March of this year, they were 123 available transmission channels corresponding to a network with nationwide coverage.

The country is undergoing the process of transition to Digital Terrestrial Television, the same that shall be conclude no later than December 31 of this year, which will be increased availability of new channels because those dealing today for analog transmissions will be released.

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Simultaneously, the IFT performs a process of reorganization of the 600 MHz band in which today operate over 200 channels of broadcast television, for the purpose of confining the operation of television broadcast channels below the 37, that is up to 608 MHz.

Given this, the Plenary of IFT agreed that the coverage areas will be available for broadcast digital television services, product of the process of reorganization of the 600 MHz band and the transition to Digital Terrestrial Television, to be included in the 2016 Annual Program for the Use and Exploitation of Frequency Bands, which means to make available to the market, for commercial, social use or public, more than 123 channels that were available in the Bid IFT-1.

The new bidding process will begin in 2015, subject to public consultation to pre bidding corresponding to the fourth quarter and the bidding process for the allocation of channels for digital television broadcast services that will be held during the first half of 2016.

In addition to the coverage areas of the chain of DTT that was deserted in the tender No. IFT-1, will seek additional areas of coverage, including the most populated urban areas of the country, to put available to the market at least two TV channels in these populations.

The report presented to the Plenary includes the possibility that television systems conform either way chains or individual stations, since the IFT is not necessarily obliged to tender national television chains.

In other business, the Plenary of the Institute approved to submit to public consultation the *Draft Agreement whereby the Technical Arrangement IFT-001-2015 was issued: Specifications and minimum requirements for installation and operation of radio Amplitude Modulation broadcasting stations.*

The Institute considers it relevant to issue timely update of this Technical Arrangement, inasmuch as the IFT-001-2014 Technical Arrangement, will leave effectiveness on August 29 of 2015, so it is necessary to have a regulatory framework establishing minimum technical parameters for

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installation and operation of amplitude modulation broadcasting stations in order to create certainty legal and technical at the time its lose validity.

With the issuance of the public consultation the following objectives will be achieved:

- a) Strengthen the principle of transparency in the issuance of an administrative arrangement of general character impacting the entire broadcasting sector, and
- b) Strengthen the approach presented in the Draft, through citizen participation, thereby creating a more robust and efficient document that seeks to provide optimal coverage for needs and suggestions for the benefit of the entire sector.

Moreover, the Plenary issued a response to two applications for confirmation of judgment filed by two restricted television service concessionaires, in the sense that it is not appropriate to confirm that the restricted television service on the Internet, named by the applicants, constitutes the public service telecommunications regulatory provisions defined as television services and / or audio restricted.

As a result they are not enforceable provisions specifically applicable to service television networks, in terms of broadcasting, information, registration rates among others.

This considering that these services are not provided through applicant concessionaires of public networks telecommunications, as the users of applications and Internet content have access to these for any public telecommunications network that provides the Internet access service.

At the same meeting, the Plenary of the Institute decided to apply the loss in the benefit to the Nation of goods and equipment used for the use of radio spectrum in the frequency 106.9 MHz in Tlacolula, and in 90.9 MHz in Juchitan, Oaxaca, respectively, because of its operations without license, permit or authorization. In the latter case also applied an economic penalty.

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Three interconnection disputes were also resolved, the first one between Grupo Televisa with Telcel concerning to the rates applicable to fixed and mobile interconnection of 2013; the second between Grupo Televisa and Telefonica Group on interconnection rates, also fixed and mobile, applicable to 2015 and the third of them between Telmex and Telnor with Marcatel, which dealt with the origination interconnection rates, termination and transit applicable between these concessionaires.

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 11th of 2013.

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