



EXECUTIVE BRANCH
MINISTRY OF COMMUNICATIONS AND TRANSPORTATION

DECREE whereby the Federal Telecommunications and Broadcasting Law and the Mexican State Public Broadcasting System Law are issued; and several provisions related to telecommunications and broadcasting are amended, added and abrogated.

In the margin a seal with the National Emblem reads: United Mexican States.- Presidency of the Republic.

ENRIQUE PEÑA NIETO, President of the United Mexican States, announces to its residents:

That the Honorable Congress has delivered to my attention the following

DECREE

"THE GENERAL CONGRESS OF THE UNITED MEXICAN STATES, DECREES:

THE FEDERAL TELECOMMUNICATIONS AND BROADCASTING LAW, THE MEXICAN STATE PUBLIC BROADCASTING SYSTEM LAW ARE HEREBY ISSUED; AND SEVERAL PROVISIONS RELATED TO TELECOMMUNICATIONS AND BROADCASTING ARE AMENDED, ADDED AND ABROGATED.

FIRST ARTICLE.- The Federal Telecommunications and Broadcasting Law is hereby issued.

FEDERAL TELECOMMUNICATIONS AND BROADCASTING LAW

FIRST TITLE

Scope of the Law and Authorities Competence

Chapter I

General Provisions

Article 1. This Law is of public order and its purpose is to govern the use, enjoyment and exploitation of the radio spectrum, public telecommunications means, access to active and passive infrastructure, orbital resources, satellite communication, provision of public services of general interest in telecommunications and broadcasting and their convergence, rights of users and audiences, and competition process and free competition in these sectors, in order to contribute to the purposes and the exercise of the rights set forth in articles 6, 7, 27 and 28 of the Political Constitution of the United Mexican States.

Article 2. Telecommunications and broadcasting are public services of general interest.

In the provision of said services all discrimination on grounds of ethnic or national origin, gender, age, disability, social background, health condition, religion, opinions, sexual orientation, marital status or any other that undermines human dignity and has the effect of nullifying or impairing the rights and freedoms of individuals shall be prohibited.


The State, when exercising its authority in these matters, shall protect the security and sovereignty of the Nation and guarantee the efficient provision of public services of general interest regarding telecommunications and broadcasting, and for such purposes, it shall establish effective competition conditions in the provision of such services.

At all times the State shall maintain the original, unalienable and imprescriptible control over the radio spectrum.

The use, enjoyment and exploitation of the radio spectrum and orbital resources may be allowed, in accordance with the variations and requirements set forth in this Law and other applicable provisions.

Article 3. For the purposes of this Law the following definitions shall apply:

- I. **Access to the end user:** The physical circuit which connects the terminal connection point of the network from the user's address to the telephone exchange or equivalent facility of the local public telecommunications network, from which the service is provided to the user;
- II. **Agent with substantial power:** The economic agent that has substantial power in any relevant market in the sectors of broadcasting or telecommunications, in accordance with the provisions of the Federal Economic Competition Law;
- III. **Open architecture:** Group of technical characteristics of the public telecommunications networks, which allows them to interconnect with each other at a physical or virtual, logical and functional level in such way that there is interoperability among them;

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- IV. **Allocation of a frequency band:** Act under which a determined frequency band is destined to the use of one or several radio communication services, in accordance with the National Table of Frequency Allocation;
- V. **Broadband:** High capacity access which allows offering several convergent services through viable network infrastructure, regardless of the technologies used, and whose parameters shall periodically be updated by the Institute;
- VI. **Frequency band:** Portion of the radio spectrum comprised between two determined frequencies;
- VII. **Quality:** All characteristics of a telecommunication and broadcasting service determining its capacity to satisfy the explicit and implicit needs of the service user, and whose parameters shall regularly be defined and updated by the Institute;
- VIII. **Programming channel:** Time sequential organization of audiovisual contents made available to the audience, under the responsibility of one same person with its own identity and image and which may be distributed through a broadcast channel;
- IX. **Broadcasting transmission channel:** Indivisible broadband destined to the programming channels emission in accordance with the transmission standard applicable to radio or television, in accordance with the applicable general provisions issued by the Institute;
- X. **Universal coverage:** General public access to telecommunication services determined by the Ministry, under availability, affordability and accessibility conditions;
- XI. **Reseller:** Any person that provides telecommunication services to end users through the use of the capacity of one or several telecommunication public networks, without being a concessionaire under the terms of this Law;
- XII. **Sole concession:** Administrative act through which the Institute grants the right to provide in a convergent manner, all kinds of telecommunication or broadcasting public services. The concessionaire requiring use of radio spectrum bands or orbital resources shall obtain them in accordance with the terms and conditions set forth in this Law;
- XIII. **Radio spectrum or orbital resources concession:** Administrative act through which the Institute grants the right to use, enjoy or exploit frequency bands of the radio spectrum or orbital resources, under the terms and conditions set forth in this Law;
- XIV. **Concessionaire:** Any person or entity that holds one of the concessions provided for in this Law;
- XV. **Constitution:** The Political Constitution of the United Mexican States;
- XVI. **National frequency allocation table:** Administrative provision indicating the radio communication service or services to which a determined frequency brand of the radio spectrum is allocated, as well as additional information regarding the use and planning of certain frequency bands;
- XVII. **Decree:** Decree amending and adding various provisions of articles 67, 27, 28, 73, 78, 94 and 105 of the Constitution in telecommunications published in the Federal Official Gazette on June 11, 2013;
- XVIII. **Unbundling:** Separation of physical elements, including optical fiber, technical and logical functions or services of the local telecommunications public network of the preponderant economic agent in the telecommunications sector or agent that has substantial power in the relevant market of end user access services at national level, in such a way that other concessionaires may effectively access said local telecommunications public network;
- XIX. **Federal Executive:** Comprises the Federal Public Administration, its agencies and departments, as applicable;
- XX. **Supplementary equipment:** Signal retransmission infrastructure of a broadcasting station guaranteeing the reception of said signal with the quality required by the Institute or applicable provisions, within the concession coverage area;
- XXI. **Radio spectrum:** Space that allows the dissemination, without artificial guide, of electromagnetic waves, whose frequency bands are conventionally set below 3,000 gigahertz;
- XXII. **Earth station:** The antenna and associated equipment used to transmit or receive satellite communication signal;



- XXIII. **Frequency:** Number of cycles per second made by a radio spectrum wave, whose unit of measurement is the Hertz;
- XXIV. **Homologation:** Act through which the Institute officially recognizes that the specifications of a product, equipment, device or apparatus destined to telecommunications or broadcasting is in compliance with the applicable technical rules or provisions;
- XXV. **INDAABIN:** National Property Administration and Appraisal Institute (*Instituto de Administración y Avalúos de Bienes Nacionales*);
- XXVI. **Active infrastructure:** Elements of the telecommunications or broadcasting networks which store, emit, process, receive or transmit documents, images, sounds, signals, signs or information of any nature;
- XXVII. **Passive infrastructure:** Accessory elements that provide support to active infrastructure, such as among others, racks, underground and overhead wiring, piping, constructions, pipelines, construction sites, poles, power supply and backup systems, air conditioning systems, sites, towers and other accessories, including rights of way necessary for the installation and operation of the networks as well as for the provision of telecommunications and broadcasting services;
- XXVIII. **Institute:** The Federal Telecommunications Institute (*Instituto Federal de Telecomunicaciones*);
- XXIX. **Essential goods:** Elements of the network or services that are provided by a sole concessionaire or a reduced number of concessionaires, whose reproduction is not viable from a technical, legal or economic standpoint, and which are essential goods for the provision of telecommunications and broadcasting services. In the cases not provided for in this Law, the Institute shall determine the existence and regulation of the access to essential goods in accordance with the provisions of the Federal Economic Competition Law;
- XXX. **Interconnection:** Physical or virtual, logical and functional connection among public telecommunications networks which allows the traffic conduction among said networks and/or among the telecommunication services they provide, in order for the users of one telecommunication public network to be connected and exchange traffic with the users of another public telecommunication network and *vice versa*, or otherwise allows the users of a public telecommunications network to use the telecommunication services provided by or through another public telecommunications network;
- XXXI. **Harmful interference:** Effect of a non-desired power, due to one or various emissions, radiations, inductions or their combination, on the reception in a telecommunication or broadcasting system, which may appear as a deterioration in quality, distortion or loss of information, which compromises, repeatedly interrupts or impairs the functioning of any telecommunication service;
- XXXII. **Internet:** Decentralized set of telecommunication networks around the world, interconnected with each other, which provides several communication services and which uses internationally coordinated protocols and addressing for the routing and process of data packages of each service. These protocols and addressing guarantee that physical networks, which as a whole constitute Internet, operate as one logic network;
- XXXIII. **Interoperability:** Technical characteristics of public networks and their telecommunication systems and equipment, which allow effective interconnection and through which the provision of a specific telecommunication service is consistently and predictably ensured in terms of functional delivery of services between networks;
- XXXIV. **Law:** Federal Telecommunications and Broadcasting Law;
- XXXV. **Geographical location in real time:** Approximate location when processing the search of mobile terminal equipment associated to a determined telephone line;
- XXXVI. **Commercial message:** Message addressed to the public or a segment thereof during a program pause in order to inform on the existence or characteristics of a product, service or activity to induce its commercialization and sale in the broadcasting stations with commercial concession and restricted television and audio channels. The commercial message does not include the station or channel own promotion, neither does it include the transmissions corresponding to the time of the State, and others at the Executive Power disposal, nor programs offering products and services;
- XXXVII. **Multiprogramming:** Distribution of more than one programming channel in the same transmission channel;



- XXXVIII. **Competition neutrality:** Obligation of the State not to generate distortions to the market as a consequence of public property;
- XXXIX. **Satellite orbit:** The distance covered by a space station around the Earth;
- XL. **Sponsorship:** The payment in cash or kind made by any individual or company with the purpose to have its name, business name, brand or logo mentioned or visually shown;
- XLI. **Cinematographic movies:** Audiovisual creation made of moving images with or without incorporated audio, of a duration of sixty minutes or more. Movies made by Mexican people or companies or those made under the framework of international treaties or co-production agreements subscribed by the Mexican government with other countries or international organizations;
- XLII. **Power of control:** De facto capacity to have decisive influence on agreements adopted during shareholders' meetings or board of directors' meetings or in the management, conduction and execution of the business of a person over which one has control or a substantial influence;
- XLIII. **Universal digital inclusion policy:** Set of programs and strategies issued by the Federal Executive in order to give access to information technology and communication, including the broadband Internet to all the population, with a special emphasis in its more vulnerable sectors, with the purpose of closing the digital gap existing among individuals, households, companies and geographic areas of different social economic level, in terms of access opportunities to the referred technologies and their use;
- XLIV. **Portability:** The right of the user to keep the same telephone number when changing concessionaire or service provider;
- XLV. **Geostationary orbital positions:** Locations in a circular orbit in the equatorial plane, which allows a satellite to maintain its translation period equal to the Earth's rotation period;
- XLVI. **Preponderance:** Quality of an economic agent determined by the Institute in accordance with article 262 of this Law;
- XLVII. **National production:** Content or programming generated by an individual or a company with funding mostly of Mexican origin;
- XLVIII. **National independent producer of audiovisual contents:** An individual or a company of Mexican nationality which produces audiovisual works nationally, regionally or locally and which does not have a telecommunication or broadcasting concession, and that is not controlled by a concessionaire by virtue of its power of control;
- XLIX. **PROFECO:** Consumer Protection Agency (*Procuraduría Federal del Consumidor*);
- L. **Product offer programming:** A radio and television programming that has as its purpose the offer or promotion of goods sale or service provision and which duration is higher than five consecutive minutes;
- LI. **National independent programmer:** An individual or a company not controlled by any broadcasting concessionaire or one of its affiliate or subsidiary, nor controlled by a concessionaire pursuant to its power of control, which has the capacity to constitute a programming channel based on programming structure mainly comprising own production and national independent production and which copyright ownership is mostly Mexican;
- LII. **Interconnection point:** Physical or virtual point establishing the interconnection between public telecommunication networks for the exchange of interconnection traffic or wholesale services traffic;
- LIII. **Radio communication:** All telecommunications or broadcasting transmitted by radio spectrum waves;
- LIV. **Broadcasting:** Dissemination of electromagnetic waves of audio or associated audio and video signals, using, enjoying or exploiting the frequency bands of the radio spectrum, including those associated to orbital resources, allocated by the Institute for said service, with which the population may directly and freely receive the signals of its transmitter using the proper devices;
- LV. **Orbital resources:** Geostationary orbital positions or satellite orbits with their respective associated frequency bands, which may be the object of a concession;



- LVI. Wholesale shared network:** Public telecommunications network exclusively destined to sell capacity, infrastructure or wholesale telecommunication services to other concessionaires or resellers;
- LVII. Telecommunications network:** A system integrated by transmission means, such as channels or circuits using frequency bands of the radio spectrum, satellite links, wiring, electric transmission networks, or any other transmission means such as, where applicable, centrals, switching devices or any necessary equipment;
- LVIII. Public telecommunications network:** Telecommunications network through which telecommunication services are commercially exploited. The network does neither comprise the users' terminal telecommunications equipment, nor the telecommunication networks beyond the terminal connection point;
- LIX. Satellite:** Object placed in a satellite orbit, equipped with a space station with its associated frequencies, which allows receiving, transmitting or retransmitting radio communication signals from or to earth stations or other satellites;
- LX. Ministry:** The Ministry of Communications and Transportation;
- LXI. Visitor user service:** Service through which the users of a local mobile service public telecommunications network may originate or receive voice or data communications through the access infrastructure of another local mobile service public telecommunications network concessionaire without the need to carry out any additional procedure for users of another local mobile region or outside of the coverage area of their mobile service provider;
- LXII. Telecommunications wholesale service:** Telecommunication service which consists in the provision of access to individual elements, capacities of network or services, including interconnection used by concessionaires or reseller to provide telecommunication services to end users;
- LXIII. Interconnection services:** Services provided among telecommunication services concessionaires in order to carry out interconnection of their networks and including, among others, the traffic conduction, origin and termination, transmission links, signalization, transit, access ports, co-location, interconnection infrastructure sharing, invoicing and collection, as well as other auxiliary services thereof and access to services;
- LXIV. Restricted television and audio service:** Audio or associated audio and video telecommunication services provided to subscribers via public telecommunication networks, through a contract and the periodic payment of a pre-established amount;
- LXV. Public telecommunications and broadcasting services:** Services of general interest that concessionaires provide to general public for commercial, public or social purposes, in accordance with the provisions of this Law and the Federal Economic Competition Law;
- LXVI. Satellite communication system:** System that allows sending radio communication signals from a transmitting earth station to a satellite that receives, amplifies, processes and resends them to earth to be received by one or several earth stations;
- LXVII. Public site:** For the purposes of this Law and provided they are under the responsibility of agencies or federal, state, municipal entities or under public programs of any of the three government levels the followings shall be considered public sites:
- a) Schools, universities and, in general, real estate destined to education;
 - b) Clinics, hospitals, health centers and, in general, real estate for health care;
 - c) Offices of different governmental levels;
 - d) Community centers;
 - e) Open spaces such as malls, parks, sport centers and public areas of common use for the general public, and for which the federal, state, municipal or Federal District authorities are responsible of the construction or maintenance;
 - f) Those participating in a public program, and
 - g) Others that are considered public spaces according to the legislation in force;



- LXVIII. Telecommunications:** Every emission, transmission or reception of signs, signals, data, documents, images, voice, sounds or information of any nature made through wire, radio electricity, optical, physical or other electromagnetic systems, without including broadcasting;
- LXIX. Traffic:** Data, documents, images, voice, sound or information of any nature circulating through a telecommunications network;
- LXX. Minimum reference value:** Amount of money that shall be considered as the minimum value to be paid as consideration for the adjudication of the concession,
- LXXI. End user:** An individual or a company using a telecommunication service as end user.

Regarding the principles of non-discrimination, gender perspective and best interests of the child, the definitions set forth in the corresponding laws shall be used.

Article 4. For purposes of the Law, radio spectrum, public telecommunication networks, broadcasting stations and supplementary equipment, as well as satellite communication systems shall be considered general means of communication.

Article 5. The general means of communication, the civil work and the rights of use or way associated with public telecommunications networks, broadcasting and supplementary equipment, as well as satellite communication systems object of this Law and services provided thereof, are under federal jurisdiction.

The installation, operation and maintenance of infrastructure destined to public telecommunication networks service, broadcasting stations and supplementary equipment shall be considered of public interest and utility, and exclusively subjected to the federal powers, in their respective scopes of authority in accordance with the state, municipal and Federal District provisions applicable in terms of urban development.

No contribution or other additional economic considerations may be imposed, other than what the concessionaire agreed to pay to the owner of a property for the installation of the infrastructure.

The Federal Executive, States, Municipalities and Government of the Federal District in the scope of their authority, shall collaborate and grant facilities for the installation and development of telecommunication and broadcasting infrastructure and public services provision of general interest. Under no circumstances may the installation of telecommunication and broadcasting infrastructure for the public services provision regulated by this Law be restricted.

The controversies that may arise between concessionaires and the Federation, Federal Agencies and Municipalities regarding the provisions of this article shall be resolved by specialized courts in economic competition, broadcasting and telecommunications.

Article 6. In the absence of express provisions in this Law or international treaties, the following shall additionally apply:

- I. The General National Properties Law;
- II. The General Communication Means Law;
- III. The Consumer Protection Federal Law;
- IV. The Federal Administrative Proceedings Law;
- V. The Commerce Code;
- VI. The Federal Civil Code;
- VII. The Federal Code of Civil Procedures, and
- VIII. The General Law in electoral matters.

Matters with no specific procedure according to the Federal Economic Competition Law or this Law shall be processed in accordance with the provisions of the Federal Administrative Procedure Law.

Chapter II

Authorities Competence

Section I

The Institute

Article 7. The Institute is an autonomous public agency, independent regarding its decisions and functioning, with legal status and own resources, and has the purpose of regulating and promoting competition and efficient development of telecommunications and broadcasting in the scope of the powers conferred by the Constitution and in the terms specified in this Law and other applicable legal provisions.



The Institute is responsible for the regulation, promotion and supervision of the use, enjoyment and exploitation of radio spectrum, orbital resources, satellite services, public telecommunication networks and broadcasting and telecommunication services provision, as well as access to active and passive infrastructure and other essential goods, without prejudice to the powers corresponding to other authorities in accordance with the corresponding laws.

Moreover, the Institute is the authority in terms of economic competition in broadcasting and telecommunication sectors, for which it shall exclusively exercise the powers, set forth in article 28 of the Constitution, this Law and the Federal Economic Competition Law.

The Institute is the authority in terms of technical guidelines related to infrastructure and equipment connected to telecommunications networks, as well as for the homologation and conformity assessment of such infrastructure and equipment.

The officers of the Institute shall be guided by the principles of autonomy, legality, objectivity, impartiality, certainty, efficiency, efficacy, transparency and accountability. They shall carry out their duties with autonomy and probity.

The Institute may establish delegations and representation offices in the Mexican Republic.

Article 8. The resources of the Institute are comprised of:

- I. The amounts allocated in the Federal Expenditure Budget for the corresponding fiscal year;
- II. The movable and immovable property transferred for the adequate compliance with its purpose, as well as others acquired by other means and that may be destined to the same purposes,
- III. Other properties, resources and rights acquired through any legal title.

The government fees for the use, enjoyment or exploitation of radio spectrum and the considerations that are established according to this Law, are not part of the Institute's resources. The foregoing is without prejudice to the provisions of article 253-A of the Federal Government Fees Law.

Section II

The Ministry

Article 9. The Ministry shall:

- I. Issue a technical opinion not binding to the Institute, in a term not greater than thirty calendar days regarding the granting, renewal, revocation, as well as authorization of assignments or share control changes, title holding or operation of companies related to concessions in telecommunications and broadcasting;
- II. Adopt, when applicable, the necessary actions and measures to guarantee the continuity in telecommunication and broadcasting services provision, when the Institute gives notice of the existence of termination causes due to revocation or recovery of concessions, dissolution or bankruptcy of concessionaire companies;
- III. Plan, fix, instrument and lead universal and social coverage policies and programs in accordance with the provisions of this Law;
- IV. Prepare telecommunication and broadcasting policies of the Federal Government;
- V. Coordinate with the Institute to promote, within the scope of their respective powers, access to information and communication technologies and broadcasting and telecommunication services, including broadband and Internet, in effective competition conditions;
- VI. Carry out the actions to guarantee access to broadband Internet in buildings and facilities of the Public Federal Administration agencies and departments and contribute with the Federal District, States and Municipalities governments in order to comply with this purpose;
- VII. Establish broadband access programs in public sites that identify the number of sites to connect progressively each year, until reaching universal coverage;
- VIII. Carry out with the collaboration of the Institute, ex officio, at the request of the interested party or the Institute, the necessary processes before the competent international organizations, to obtain orbital resources in favor of the Mexican State in order to have them as state concessions or third parties concessions;



- IX. Carry out coordination proceedings of orbital resources before the competent international organizations, with entities of other countries and with national or foreign concessionaires or operators;
- X. Establish policies promoting the availability of capacity and sufficient satellite services for national security networks, social services and other needs, purposes and goals of the Federal Government;
- XI. Manage and monitor the efficient use of the own satellite capacity, whether in concession or acquired or established as a reserve of the State;
- XII. Secure the continuity of satellite services provided by the State, under long-term policies;
- XIII. Declare and execute the requisition of the general means of communication referred to in this Law;
- XIV. Propose to the Ministry of Foreign Affairs the position of the country and participate, with the support of the Institute, in the negotiation of treaties and international agreements in telecommunications and broadcasting;
- XV. Participate in representation of the Mexican Government, with the support of the Institute, before international organizations, entities and forums in telecommunication and broadcasting matters, and set the position of the Mexican State before them;
- XVI. Acquire, establish and operate, if applicable, alone, through or with the participation of third parties, infrastructure, telecommunication networks and satellite systems for the provision telecommunication and broadcasting services;
- XVII. Promote the generation of investment in infrastructure and telecommunication, broadcasting and satellite services in the country;
- XVIII. Send the Institute its non-binding opinion, on the annual work program and the quarterly report provided in section VIII of article 28 of the Constitution;
- XIX. Prepare, integrate and execute periodically the sectorial, institutional and special programs referred to in the Seventeenth Transitory article of the Decree;
- XX. Include in the National Development Plan and in the sectorial, institutional and special programs applicable, the program referred to in section V of the Seventeenth Transitory article of the Decree;
- XXI. Address the provisions that the Executive Federal issues in terms of Digital Strategy;
- XXII. Interpret this Law in the scope of its competence, and
- XXIII. Others conferred by this Law and other legal or administrative provisions.

Section III

Evaluation Committee

Article 10. The Evaluation Committee of aspirants to be designated as commissioners of the Institute, as referred to in article 28 of the Constitution, shall neither have its own structure nor budget, the for the exercise of their powers, it shall receive assistance from the personnel attached to the institutions which its members are presiding and may employ the material and financial resources of these institutions under the terms the members of the Evaluation Committee agree on for that purpose.

The legal acts agreed on by the Evaluation Committee shall be executed through public officers of the institutions which the members preside and which the Committee indicates.

Article 11. In order to comply with the functions provided in article 28 of the Constitution, the Evaluation Committee shall:

- I. Issue the respective public calls to cover the vacancies of the Institute commissioners;
- II. Integrate and send the Federal Executive the list of aspirants to fill the vacancies referred to in the preceding section;
- III. Select, at least, two institutions of higher education that shall issue their opinion to prepare the knowledge examination that the Evaluation Committee shall apply to the aspirants and shall not



- disclose to the public the name of said institutions until it sends the Federal Executive the lists referred to in section II;
- IV. Apply based on the opinion received and best practices, the knowledge examinations to the aspirant commissioners once the requirements compliance imposed by article 28 of the Constitution is verified, as well as prepare the list of questions which shall compose such examinations;
 - V. Establish a mechanism for the registry of aspirants interested in applying for the positions of commissioners and determine the documents and information to prove that they comply with the requirements referred to in the preceding section;
 - VI. Issue the bases for its functioning and establish the procedures to follow for the selection of aspirants, the composition of the lists to be sent to the Federal Executive, as well as the standards of conduct the members of the Evaluation Committee shall comply with during said proceedings;
 - VII. In compliance with the constitutional principles of transparency, classify the information received and generated by virtue of its functions; agree on the information that shall be classified as reserved or confidential and how it shall guarantee at all times the aspirants personal data protection;
 - VIII. Select the aspirants with highest passing grades in the corresponding examination to compose the list mentioned in section II of this article;
 - IX. Appoint the secretary, the assistant secretary and two advisors of the Evaluation Committee, who shall be public officers of the institutions that the members of the Evaluation Committee represent;
 - X. Agree on how the expenses required for the fulfillment of the Evaluation Committee functions and the development of the evaluation proceedings shall be covered;
 - XI. Agree on and execute any other applicable action in order to carry out the proceeding to compose the lists of aspirants to commissioners, and
 - XII. Agree on and execute all other necessary actions to carry out its purpose.

Acts of the Evaluation Committee may not be contested, thus no defense mechanism whatsoever shall proceed whether ordinary or extraordinary, including the *amparo* lawsuit, and they may not be amended or revoked by any authority whatsoever.

Article 12. The Evaluation Committee shall have the widest powers to analyze and decide on the documents and information the aspirants to commissioners submit, as well as any other required by the Committee.

Article 13. In order to carry out its functions, the Evaluation Committee may be assisted by any federal, state and municipal authority, as well as by federal and state autonomous agencies, which shall provide within the scope of their competence, the necessary assistance for the Evaluation Committee to exercise its powers.

The mentioned authorities and individuals, who were required to provide information, shall provide it to the Evaluation Committee in the term indicated in the bases referred to in section VI of article 11, in order for it to check and verify the information the applicants submitted, as well as any other information the Committee deems necessary for the fulfillment of its functions.

The mentioned authorities and individuals may under no circumstances invoke secret or reserve to omit the compliance with said requirements.

Article 14. The acts that the Evaluation Committee agrees to advertise shall be disclosed through the Federal Official Gazette, and through other means it shall indicate for this purpose.

The information and documentation related to examinations and questions referred to in article 11, section IV, of this Law, as well as to the grading methodology of said examinations, and other information on the grades obtained by the respective aspirants to commissioners, shall be confidential, therefore the members of the Evaluation Committee, the public officers intervening in the process of said information and documents, and the individuals that, when applicable intervene in the preparation of the questions and examination above mentioned, may under no circumstances disclose such information to any person whatsoever; except for the competent control or investigation authorities.



As for each aspirant, they may only receive their grade, without prejudice to, once the selection process concluded; the Evaluation Committee publishes the grades obtained by the candidates to the evaluation examination, identified only by folio or registry code.

The list of aspirants to fill the vacancies of commissioners positions in the Institute that the Evaluation Committee composes and sends to the Federal Executive, shall be accompanied with the documents the aspirant submitted to verify the requirements set forth in article 28 of the Constitution, as well as the grade obtained in the evaluation.

SECOND TITLE

Functioning of the Institute

Chapter I

The Institute

Section I

Institute Powers and Composition

Article 15. For the exercise of its powers, the Institute shall:

- I. Issue general administrative provisions, fundamental technical plans, guidelines, cost models, conformity assessment procedures, homologation and certification procedures and technical regulations procedures in telecommunications and broadcasting; as well as other provisions in accordance with provisions of this Law;
- II. Prepare and publish its work programs;
- III. Prepare, publish and update the National Frequency Allocation Table;
- IV. Grant concessions provided for in this Law and decide on their renewal, modification or termination due to revocation, recovery or bankruptcy, as well as authorize assignments or share control changes, title holding or operation of companies related to concessions;
- V. Carry out the necessary actions in coordination with the Federal Executive to include in the framework of the National Democratic Planning System, the National Program of Radio Spectrum referred to in the Seventeenth Transitory article, section V of the Decree; as well as their amendments;
- VI. Publish the radio spectrum frequency band programs derived from the National Program of Radio Spectrum referred to in the preceding paragraph, as well as for the use and exploitation of orbital resources with their associated frequency bands, that shall be the object of a public bidding;
- VII. Carry out bidding and allocation processes of radio spectrum frequency bands in telecommunications and broadcasting and orbital resources with their associated frequency bands;
- VIII. Set the consideration amount for both concessions and associated authorizations of additional services, with prior non-binding opinion of the Ministry of Finance and Public Credit;
- IX. Issue provisions, guidelines or resolutions in terms of public telecommunication networks interoperability and interconnection in order to ensure free competition in market;
- X. Resolve and establish the interconnection terms and conditions that the concessionaires may not have agreed upon regarding their public telecommunication networks, in accordance with the provisions of this Law;
- XI. Issue general guidelines for the access and, if applicable, shared use of the active and passive infrastructure in the cases established in this Law;
- XII. Resolve infrastructure sharing disagreement among concessionaires, in accordance with the provisions of this Law;
- XIII. Resolve disagreements among public telecommunication network concessionaires, among reseller, between concessionaires and reseller or between any of the latter and concessionaires resellers, related with actions or mechanisms to implement or ease the instrumentation and compliance of the determinations issued by the Institute, in accordance with the provisions of this Law;
- XIV. Decide on the partial or total interruption requests due to unforeseeable circumstances or *force majeure* of the general means of communication in telecommunication and broadcasting,



- telecommunication signals traffic between concessionaires and the provision of telecommunication and broadcasting services to end users;
- XV. Decide on the change or recovery of frequency bands;
- XVI. Provide to the Federal Executive the required support for the requisition of the general means of communication in telecommunications and broadcasting;
- XVII. Authorize the access to multiprogramming and establish the corresponding guidelines;
- XVIII. Exercise the powers in terms of telecommunications and broadcasting economic competition in compliance with the provisions of article 28 of the Constitution, this Law and the Federal Economic Competition Law and other applicable provisions;
- XIX. Impose limits to national and regional concentration of frequencies, concessions and crossed property controlling several communication medias and order the disincorporation of assets, rights or parts necessary to ensure the compliance with these limits, in accordance with the provisions of this Law;
- XX. Determine the existence of economic agents with substantial power in the relevant corresponding markets, as well as preponderant economic agents in the broadcasting and telecommunication sectors; and impose the necessary measures to prevent the affectation of competition in the markets covered by this Law;
- XXI. Declare the existence or non-existence of effective competition conditions in the relevant sector and, if applicable, the extinction of obligations imposed on preponderant economic agents or agents with substantial power;
- XXII. Establish the measures and impose specific obligations that allow the effective unbundling of the local network of the preponderant economic agent in the telecommunications sector of the agent with substantial power in the relevant market of access services to the end user at national level, so that other concessionaires may access the physical, technical and logical connection means, between any terminal point of the telecommunications public network and the point of access to the local network belonging to such agents, among other elements
- XXIII. Declare the simultaneous extinction of the obligations to offer and retransmit for free the radiobroadcast contents when the conditions of competition are met in the broadcasting and telecommunication sectors, according to paragraph fourth of section I of the Eighth Transitory article of the Decree;
- XXIV. Authorize, record and publish the tariffs of telecommunication and broadcasting services in accordance with this Law, and when provided by the concession, as well as when set by measures imposed on the preponderant economic agents or the agent with substantial power;
- XXV. Determine the debt derived from the considerations and rights associated with the radio spectrum and orbital resources concessions, according to the applicable tax provisions and remit to the Tax Administration Service for collection;
- XXVI. Authorize third parties to issue conformity assessment certifications and accredit expert and verification units in terms of telecommunications and broadcasting;
- XXVII. Monitor the compliance of the concessions granted in telecommunications and broadcasting and exercise supervision and verification powers, in order to ensure that the provisions of services is carried out in compliance with this Law and the legal, regulatory and administrative applicable provisions to the concessions and the resolutions issued by the Institute;
- XXVIII. Request from the entities regulated by this Law and any other person the information and documents, including the ones generated by electronic or optical means, or any other technology, necessary for the exercise its powers;
- XXIX. Coordinate with federal, Federal District government, state and municipal authorities, as well as with the autonomous agencies, in order to gather information and documents necessary for the exercise of its powers;
- XXX. Impose sanctions for the infraction of legal, regulatory or administrative provisions; or for noncompliance with the concessions or resolutions, measures, guidelines or provisions issued by the Institute, issue preventive measures and declare, if applicable, the loss of properties, facilities and equipment in the interest of the Nation;

- XXXI. Carry out the necessary actions to contribute, within its scope of competence, to the achievement of the objectives of universal digital inclusion and coverage policies established by the Federal Executive; as well as the objectives and goals set in the National Development Plan and other programming instruments related to the broadcasting and telecommunications sectors;
- XXXII. Cooperate with the Ministry in the processes carried out before competent international organizations in order to obtain orbital resources in favor of the Mexican State;
- XXXIII. Cooperate with the Ministry in the coordination of orbital resources before competent international organizations, entities of other countries and national or foreign concessionaires or operators;
- XXXIV. Cooperate with the Federal Executive in the negotiation of treaties and international agreements in telecommunications and broadcasting and monitor compliance within the scope of its powers;
- XXXV. Sign agreements, coordination bases and collaboration agreements in broadcasting and telecommunications with authorities and organizations, as well as with academic institutions and cultural associations for best compliance with its powers;
- XXXVI. Participate in forums and international events in telecommunications and broadcasting, without prejudice to the provisions of article 9, sections XIV and XV of this Law;
- XXXVII. Carry out alone, through or in coordination with the competent agencies and department, as well as with academic institutions and individuals, the telecommunications and broadcasting investigation and technological development, training and formation of human resources in these fields;
- XXXVIII. Establish and operate test labs or authorize third parties to do so, in order to strengthen the technical regulatory authority in terms of test methods validation of standards and technical provisions, application of guidelines for the homologation of products destined to telecommunications and broadcasting, as well as grounds for investigation and studies of regulatory prospective in these fields and others determined, within its scope of competence according to the authorized availability of budget resources;
- XXXIX. Carry out studies and investigations in telecommunication and broadcasting, as well as prepare updating projects of the relevant legal and administrative provisions;
- XL. Draw up, if necessary for the exercise of its powers, non-binding public consultations in the matters of its competence;
- XLI. Establish the provisions for its regulatory improvement processes;
- XLII. Keep and update the Public Telecommunications Registry that shall include the information related to concessions in accordance with this Law;
- XLIII. Establish the concessionaires' obligations of geographic, population or social coverage of connectivity in public sites and contribution to universal coverage, in accordance with the provisions of this Law. For such purposes, the Institute shall consider the proposals of the Ministry in accordance with the respective plans and programs;
- XLIV. Monitor radio spectrum in order to verify the authorized use and carry out duties of detection and identification of harmful interference;
- XLV. Issue the guidelines for the development of telecommunications and broadcasting infrastructure;
- XLVI. Prepare, issue and update a national geo-referenced database of telecommunications and broadcasting infrastructure existing in the country;
- XLVII. Set service quality indices to which providers of telecommunication and broadcasting services shall be subjected to, as well as publish on a quarterly basis the results of the verifications related to such indices;
- XLVIII. Establish spectral efficiency metric that shall be mandatory, as well as the measurement methods allowing their quantification;
- XLIX. Set the methods and metrics to achieve the suitable conditions of coverage and capacity for the broadband services provision;
- L. Publish on a quarterly basis the statistical information and metrics of the sector in accordance with the provisions of this Law;





- LI. Establish the mechanisms and criteria to make public the access to information in its registry database, in accordance with the provisions of the Federal Transparency and Access to Public Governmental Information Law;
- LII. Establish the mechanisms so that the procedures within its competence may be supported by information and communication technologies;
- LIII. Resolve in accordance with this Law any disagreement regarding retransmission of content, except for electorate matters;
- LIV. Set, where applicable, the considerations amount that shall be paid for the access to multiprogramming in accordance with the provisions of this Law;
- LV. Establish and manage a professional service system for the public officers of the Institute;
- LVI. Approve and issue the general administrative provisions necessary for the due exercise of the powers and authority of the Institute;
- LVII. Interpret this Law, as well as the administrative provisions in terms of telecommunication and broadcasting within the scope of its powers;
- LVIII. Monitor and sanction the compliance with maximum times set for the transmission of commercial messages, in accordance with the provisions of this Law;
- LIX. Monitor and sanction the obligations in terms of defense of the audience in accordance with the provisions of this Law;
- LX. Supervise that the programming aimed at children respects the values and principles referred to in article 3 of the Constitution, health regulations and guidelines set forth in this Law regulating scheduled advertising in programming aimed for children, based on the regulatory provisions issued by competent authorities;
- LXI. Order the precautionary suspension of transmissions violating the rules provided in this Law in the subjects referred to in sections LIX and LX of this article, with prior warning;
- LXII. Inform the Ministry of Health and the Ministry of the Interior, about the results of the supervisions carried out under the terms of section LX of this article, for them to exercise their powers of sanction, and
- LXIII. Others referred to in this Law and other regulations.

Section II

The Plenary

Article 16. The Plenary is the maximum government and decision body of the Institute, composed of seven commissioners with voice and voting powers, including its president.

Article 17. Originally the Plenary shall exercise exclusively and not delegate the powers set forth in article 15:

- I. Resolve the issues referred to in sections: I, II, III, IV, V, VI, VIII, IX, X, XI, XII, XIII, XIV, XV, XVII, XIX, XX, XXI, XXII, XXIII, XXXI, XL, XLI, XLIII, XLV, XLVIII, XLIX, LI, LIII, LIV, LVI, and LXII of said article.
Regarding section LVIII and LIX, only the imposition of sanctions may not be delegated;
- II. Issue the organic statute of the Institute by a qualified majority of five votes, whereby at least the organization and distribution of powers of its units shall be regulated;
- III. Appoint the head of the investigation authority and the technical secretary of the Plenary, according to the proposals submitted by the President Commissioner, as well as resolve its removal;
- IV. Appoint the officers of the Institute determined in the organic statute, by proposal of the President Commissioner and resolve their removal;
- V. Monitor that the officers and employees of the Institute act in compliance with this Law, the organic statute and the regulations it issues;
- VI. Approve annually the pre-proposal of the Institute's budget submitted by the President Commissioner, who once approved shall send it to the Ministry of Finance and Public Credit, in order for it to be included in the proposed Expenditure Budget of the Federation;

- VII. Approve and publish the annual work program of the Institute submitted by the President Commissioner;
- VIII. Approve the quarterly reports of the Institute activities submitted by the President Commissioner;
- IX. Know the reports that shall be presented by the Head of the Institute Internal Comptroller;
- X. Set the general policies and programs of the Institute;
- XI. Appoint the members of the Advisory Council;
- XII. File for dismissal of possible criminal conducts against national consumption and wealth provided for in article 254 bis of the Federal Criminal Code;
- XIII. Approve the guidelines for its functioning;
- XIV. Constitute a Committee composed of three commissioners to order the precautionary suspension referred to in section LXI of article 15 of this Law, and
- XV. Dictate the necessary agreements to make the foregoing powers and others set forth in this Law effective.



The Plenary shall determine in the organic statute or through a delegation agreement published in the Federal Official Gazette, the exercise whether direct or through delegation of the powers provided for in article 15 of this Law, not comprised within the assumptions set forth in section I of this article.

The organic statute of the Institute shall establish the powers that shall be exercised by the several units thereof, which shall be under the control and supervision of the Plenary or the President, as applicable.

Article 18. The Plenary shall have a technical secretary that shall be appointed in accordance with the provisions of this Law.


Section III

President Commissioner

Article 19. The President Commissioner shall preside the Plenary and the Institute. In case of absence, the senior commissioner shall substitute him/her and, in case of equal seniority, the one who is older.

Article 20. The President Commissioner shall be responsible to:

- I. Act as legal representative of the Institute with general and special powers for acts of administration, domain, lawsuits and collections, even for those that require a special clause in accordance with the law;
- II. Grant powers in the name of the Institute for acts of domain, administration, lawsuits and collections and to be represented before any administrative or judicial authority, labor court or individual. Regarding acts of domain over real estate destined to the Institute or in order to grant powers for such effects, a prior authorization of the Plenary shall be required. The President Commissioner shall have the power to raise, with the prior approval of the Plenary, constitutional controversies;
- III. Run and manage human, financial and material resources of the Institute and inform the Plenary about the administration in the terms determined by the organic statute;
- IV. Manage, coordinate, assess and supervise the different units of the Institute, without prejudice to the functions of the Plenary and the mandatory separation between investigation and resolution of the proceedings in terms of economic competition trial;
- V. Participate on behalf of the Institute in forums, meetings, negotiations, events, conventions and congresses carried out with national or international organizations and foreign governments, when the topics are within the Institute scope of competence, according to the terms set forth in this Law or appoint representatives for such purposes, keeping the Plenary informed about such activities;
- VI. Convene and conduct meetings of the Plenary with the assistance of the technical secretary of the Plenary, and present for approval the guidelines for its functioning;
- VII. Coordinate or order the execution of the agreements and resolutions adopted by the Plenary;
- VIII. Propose to the Plenary the appointment of the head of the investigating authority, the technical secretary of the Plenary and other officers determined by the organic statute;

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- IX. Inform the Evaluation Committee provided in article 28 of the Constitution and the Deputy Chamber, about any vacancy within the Plenary of the Institute or the Institute Internal Comptroller, as applicable, for purposes of their appointment;
 - X. Submit to the Plenary annually the pre-proposal of the Institute's budget for its approval and send it once approved, to the Ministry of Finance and Public Credit for its inclusion in the Proposal Decree of the Federation Expenditure Budget;
 - XI. Submit for approval of the Plenary, during the month of January of each year, the draft of the annual work program of the Institute and quarterly the draft of the activity report that shall include: the results, the actions and the applicable criteria; its contribution to comply with the purposes and goals set by the National Development Plan and other programming instruments related with the broadcasting and telecommunications sectors; as well as its impact in the development, progress and competitiveness of the country; then send them to the Executive and Legislative Powers of the Union;
 - XII. Receive from the head of the Institute Internal Comptroller the reports of the revisions and audits carried out to verify the correct and legal application of the resources and properties of the Institute and inform the Plenary;
 - XIII. Appoint and remove the Institute's personnel, except for the cases provided in this Law or the organic statute;
 - XIV. Submit to the consideration of the Plenary any issue of the Institute competence, and
 - XV. Other conferred by this Law, the organic statute of the Institute, the Plenary and other applicable provisions.

Section IV

Commissioners

Article 21. The commissioners shall be appointed in accordance with the provisions of article 28 of the Constitution.

Article 22. During and at the conclusion of their office, the commissioners shall be subjected to the provisions set forth in the Federal Law of Administrative Responsibilities of the Public Officers.

Article 23. The commissioners shall:

- I. Participate in the meetings and vote on the matters submitted to the Plenary;
- II. Participate in forums, meetings, negotiations, events, conventions and congresses carried out with national or international organizations, and foreign governments, when the topics are within the Institute scope of competence and submit to the Plenary a report of their participation in accordance with the provisions of the organic statute;
- III. Appoint and freely remove the advisory and support personnel appointed;
- IV. Provide the Plenary the information requested within the scope of their competence;
- V. Request information to the corresponding unit, on the status of any procedure, whether directly or through the technical secretary of the Plenary. All the commissioners shall have full access to the documentary evidence kept in the files;
- VI. Submit to the President Commissioner their budgetary needs to be considered in the draft of the Institute pre-proposal;
- VII. Contribute with the President Commissioner in the composition of the annual program and the quarterly reports of the Institute;
- VIII. Submit to the consideration of the Plenary any issue within the competence of the Institute, and
- IX. Others conferred by this Law, the organic statute of the Institute, the Plenary and other applicable provisions.

Article 24. The commissioners shall be prevented and excused immediately from addressing issues where one or several situations prevent them from resolving a matter of their competence with full independence, professionalism and impartiality. For purposes of the foregoing, the commissioners shall be prevented from addressing a matter where they have direct or indirect interest.



It shall be considered that there is a direct or indirect interest when a commissioner:

- I. Has a direct kinship without limitation of degree, collateral by blood up to the fourth degree and collateral by affinity up to the second degree, with one of the interested parties or their representatives;
- II. Has a personal, familiar or business interest in the matter, including those where a benefit may result for him/her, his/her spouse or family in the degrees set forth in section I of this article;
- III. He/she, his/her spouse or any family member in direct line without limitation of degree, is an heir, legatee, donator or guarantor of any of the interested parties or their representatives, if they have accepted the inheritance, legacy or donation;
- IV. Has been an expert, witness, proxy, employer or defender in the referred matter or has previously handled the matter in favor or against any of the interested parties, and
- V. Has publicly and unequivocally fixed the sense of his/her vote before the Plenary resolves the matter.

Only the impediment causes listed in this article may be invoked to prevent a commissioner from addressing matters processed before the Institute. Under no circumstance may a commissioner be challenged when he/she expresses a technical opinion, or publicly explains the grounds and motivation of a resolution issued by the Institute or issues a particular vote.

The commissioners shall be excused from addressing a matter where there is any impediment set forth in this article as soon as they have knowledge of the impediment, expressing exactly the cause of the impediment in which it is grounded, the Plenary shall then qualify the excuse without the intervention of the regulated agents with interest in the matter.

Section V

Plenary Technical Secretary

Article 25. Upon proposal of the President Commissioner, the Plenary shall appoint a technical secretary who shall among other functions: prepare the agenda of the Plenary meetings; submit the decision or resolution proposals with their associated information to the commissioners, as well as all the information he/she considers relevant for the best administration of the matters; be responsible for the drafting, keeping and conservation of the meetings minutes; provide documentary evidence of the same and issue a certification of the Plenary decisions.

The technical secretary of the Plenary shall act as a link for a better communication and collaboration among the units of the Institute; and between the units and the commissioners and the President Commissioner of the Plenary.

The technical secretary of the Plenary shall attend the meetings and assist the Plenary with voice but without vote. The other functions of the technical secretary of the Plenary shall be established in the organic statute of the Institute.

Section VI

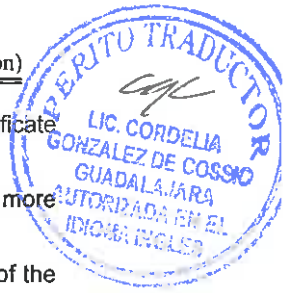
Investigating Authority

Article 26. The investigating authority shall be informed of the investigation stage and be a party in the proceeding in a trial in accordance with the provisions of the Federal Economic Competition Law. In the exercise of its powers, the unit shall have technical and management autonomy to decide on its functions and resolutions. The organic statute of the Institutes shall establish the structure.

Article 27. The head of the investigating authority shall be appointed by the Plenary upon proposal of the President Commissioner and may be removed by said collegiate body. In both cases a qualified majority of five votes shall be required.

In order to become the head of the investigating authority, the following requirements shall be complied with:

- I. Be a Mexican national, in full enjoyment of his/her civil and political rights;
- II. Be at least thirty-five year old on the date of the appointment;



- III. Have on the date of the appointment, a minimum seniority of ten years, a professional certificate issued by an authority or institution legally empowered to do so;
- IV. Have a good reputation and never have been convicted of an intentional crime carrying more than one year of imprisonment;
- V. Not have been Secretary of State, General Attorney of the Republic or Attorney of Justice of the Federal District, Senator, Federal Deputy, Governor of any State or Chief of Government of the Federal District, leader of a political party, neither have been designated for a popular election position four years prior to such appointment;
- VI. Have at least three years of experience in the public service;
- VII. Not have held any employment, position or directive function or represented in any manner the interests of any regulated agent, during three years prior to its appointment, and
- VIII. Demonstrate the necessary technical knowledge to exercise the position.

Article 28. In addition to the functions set forth in the Federal Economic Competition Law for the investigating authority provided in this Law, the investigating authority shall be in charge of the following:

- I. Attend the meetings of the Plenary, upon request of the latter, with voice but without vote;
- II. Submit to the Plenary, the matters of its competence;
- III. Provide the Plenary and the commissioners the information requested, as well as the information required by any administrative or judicial authority;
- IV. Inform the Plenary of the resolutions of its competence issued by specialized courts in terms of economic competition, broadcasting and telecommunications, and
- V. Other matters entrusted in this Law, the organic statute of the Institute, the Plenary and other applicable provisions.

Section VII

Commissioners and Investigating Authority Obligations

Article 29. The commissioners and the head of the investigating authority, in the exercise of their respective duties, shall:

- I. Reject any kind of recommendation which tends to influence the process or resolution of the matters of their competence with the purpose of unlawfully benefitting or damaging any regulated agent;
- II. Report to the head of the Institute Internal Comptroller, any act which deliberately intends to infringe their autonomy and impartiality;
- III. Not get involved in activities affecting their autonomy;
- IV. Abstain from using the reserved or confidential information they have because of their positions, except for the strict exercise of their functions, and
- V. Abstain from publicly issue opinions that prejudice a certain matter that is under their consideration.

The noncompliance with these obligations shall be the cause of administrative liability without prejudice to others pursuant to the Constitution and other laws.

The commissioners shall be subjected to the liability regime of the public officers provided in the Fourth Title of the Constitution. The Institute Internal Comptroller shall be the agency empowered to address the administrative infractions and impose, when applicable, the sanctions in accordance with the provisions of this Law and the Federal Law of Administrative Responsibilities of the Public Officers.

Notwithstanding the foregoing, the commissioners in the exercise of their duties shall have the guarantee that their vote or opinion shall not be questioned or challenged under legal proceedings, in order to prevent their legal scope and exercise of their duties to be affected, except for the case in which the commissioners have exercised their duties while prevented to do so in accordance with the provisions of article 24 of this Law.

Article 30. Apart from the audiences provided in the procedures set forth in this Law, the commissioners may address matters of their competence with people representing the interests of the agents regulated by the Institute, only through meetings.



For that purpose, all commissioners shall be notified, but the meeting may take place with the presence of only one of them.

For each meeting a registry shall be kept with at least the place, date, time of commencement and the time of conclusion of the meeting, the complete names of all the people that were present and the matters discussed.

This information shall be published on the Institute website.

The meetings shall be recorded and stored in electronic, optic or any other technology means, and kept as reserved information, except for the other parties in the proceedings in a trial, other commissioners, the Internal Comptroller and the Senate of the Republic in case a removal procedure of a commissioner is being processed. The recording of each meeting shall be made available to the other commissioners. The meetings shall take place in the facilities of the Institute.

The commissioners may not be challenged for the declarations made during the meetings, unless it can be observed that the principle of impartiality is violated in these meetings. If applicable, the Plenary shall qualify the recusation.

The provisions of this article shall be without prejudice to the participation of the commissioners in forums and public events.

The Plenary shall establish in the organic statute the rules of contact applicable to the Investigating Authority and other public officers of the Institute.

Article 31. The following faults are serious and causative of removal of the commissioners:

- I. The performance of any employment, work or commission, public or private, in violation of provisions of the Constitution and in this Law;
- II. Use, in their own benefit, or the benefit of third parties, the confidential or reserved information available because of their position, as well as disclose such information in conditions different to those authorized by this Law;
- III. Submit to the units of the Institute, knowingly, any false or altered information;
- IV. Participate in acts of political parties in representation of the Institute;
- V. Acquire obligations in the name of the Institute, without the needed delegation of powers;
- VI. Have contacts with the people representing the interests of the regulated economic agents in order to discuss matters of their competence, in violation of the provisions of this Law;
- VII. Not excuse themselves from participating in the decision making when their personal interests are in conflict pursuant to the provisions of this Law;
- VIII. Not issue their separate opinion in writing in case of absence pursuant to the provisions of this Law;
- IX. Incur serious administrative liability pursuant to the Federal Law of Administrative Responsibilities of the Public Officers, or
- X. Be convicted of an intentional crime carrying imprisonment.

Article 32. In the case any of the hypothesis set forth in the preceding article is materialized, the head of the Institute Internal Comptroller, when he/she has knowledge of the facts materializing any of the causes of removal and considers there are elements of proof, he/she shall immediately notify the President of the Directive Plenary of the Senate enclosing the file of the grounded and motivated matter, so that the Senate may resolve as applicable.

In these cases, the Senate shall resolve the removal, according to the following procedure:

- I. The Senate shall agree on the constitution of a Special Commission that shall act as investigator in the proceeding;
- II. The Special Commission shall summon the commissioner subjected to the removal process for a hearing, notifying him/her to personally appear to make his/her statement regarding the imputable facts that may be a cause of liability pursuant to this Law, and other applicable provisions. The notice shall state the place, day and time in which the hearing shall take place, the imputable acts or omissions and the right to appear assisted by a defender.
The notice referred in this section shall be made in person;
- III. Between the date of the summon and the hearing there shall be a term of not less than five days and not more than fifteen days;

- IV. Once the audience is concluded, the commissioner subjected to the removal process shall have a term of five days to present the evidence he/she deems convenient and that are related with the imputable facts, and
- V. Once the admissible evidence has been received, the Special Commission shall submit within the following forty-five days the report with the draft resolution to the Plenary of the Senate.

The removal requires the vote of two thirds of the members present in the session. Once the removal is approved, it shall be definite and notified to both the offender and the head of the Institute Internal Comptroller for its immediate compliance.

Article 33. For the officers with control level or equivalent in the Institute, the removal causes for serious faults provided in article 31, sections I to VI, IX and X of this Law shall apply. The organic statute shall establish the respective removal proceeding.

Chapter II Advisory Council

Article 34. The Institute shall have an Advisory Council with fifteen honorary members, including its president, in charge of acting as an advice body with respect to the principles set forth in articles 2, 6 and 7 of the Constitution.

The members of the Advisory Council shall be specialists with renowned prestige in the subjects of the Institute competence. The Board shall be guaranteed to have at least a person with experience and knowledge in concessions for social use.

The members of the Advisory Council shall be appointed by the Plenary of the Institute. Their term of office shall be of one year and may be extended for similar periods indefinitely.

The members of the Advisory Council shall elect their president by majority of votes; he/she shall hold this position for one year and may be reelected.

The organic statute shall determine the requirements and procedures to appoint the public officer of the Institute who shall act as secretary of the Advisory Council.

The proposals and opinions of the Advisory Council shall be communicated to the Plenary in the terms set forth by the organic statute. Under no circumstance shall they be binding.

The president commissioner of the Institute shall provide the essential facilities and elements to hold the meetings of the Advisory Council.

The participation in the Advisory Council shall be personal and may not be carried through any representative.

Chapter III Institute Internal Comptroller


Article 35. The Institute Internal Comptroller is the body that has technical and administrative autonomy to decide on its functioning and resolutions. It shall be in charge of the income and expenses control of the Institute, as well as the grounding of the procedures and, if applicable, the application of sanctions inherent to the administrative responsibilities of the public officers of the Institute, in accordance with the Federal Law of Administrative Responsibilities of Public Officers and other applicable provisions.

The Institute Internal Comptroller, its head and the personnel assigned thereto, no matter their level, shall be prevented from intervening or interfering in any way in the exercise of authority and powers conferred to the public officers of the Institute by this Law and other applicable provisions.

The Institute Internal Comptroller shall have the following powers:

- I. Establish orientation, advice and training mechanisms within its competence, to contribute to the adequate compliance of the public officers of the Institute with their administrative duties;
- II. Advise the Institute in the processes involving the exercise of budgetary resources;
- III. Receive and timely answer the consultations and requests of opinion made by the officers of the Institute, within the scope of its competence, without implying any endorsement, guarantee or liability of the Institute Internal Comptroller;
- IV. Set the criteria to carry out audits, procedures, methods and systems necessary for the revision and control of the resources under the responsibility of the areas and bodies of the Institute and execute them;



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- V. Verify the progress reports of financial administration regarding the programs and processes of the Institute;
 - VI. Verify compliance of the objectives and goals fixed in the programs and projects contained in the expenditure budget of the Institute;
 - VII. Verify that the different areas of the Institute that receive, handle, manage or exercise resources do so in accordance with the applicable laws, approved programs, authorized amounts and corresponding items;
 - VIII. Verify that the budgetary transactions made by the Institute are made in accordance with the legal and administrative provisions applicable;
 - IX. Verify the work, acquired or leased properties and service subscribed to confirm that the investments and expenses authorized have been legally applied to achieve the objectives and goals of the approved programs;
 - X. Request from third parties that have contracted properties or services with the Institute, the information related with the respective justification and evidence documents, in order to carry out the corresponding certifications;
 - XI. Request and obtain the necessary information to comply with its functions. The information related to operations of any kind provided by credit institutions, shall be applicable to all public officers of the Institute Internal Comptroller, as well as professional hired to practice audits, and the reserve obligation referred to in the legal provisions regarding transparency and access to public information;
 - XII. Issue the guidelines, instruct, present and resolve the administrative proceedings regarding the complaints submitted against public officers of the Institute and keep the registry of the sanctioned public officers;
 - XIII. Investigate, ex officio or through accusation or complaint, any act or omission that imply any irregularity or unlawful conduct in the income, expense, management, custody and application of funds and resources of the Institute by the public officers and start any applicable procedure;
 - XIV. Carry out visits to the physical sites of the Institute areas, to request the exhibition of books and documents necessary to carry out its investigations, in compliance with the formalities set forth in the applicable laws;
 - XV. Prepare observation documents on administrative matters;
 - XVI. Determine the damages and losses affecting the properties of the Institute and directly determine the corresponding responsible parties, the indemnities and economic sanctions;
 - XVII. Determine responsibilities, impose sanctions and prepare corresponding complaints in accordance with the applicable laws;
 - XVIII. Submit to the Plenary of the Institute its annual work programs;
 - XIX. Submit to the Plenary of the Institute and the Chamber of deputies, the prior and annual reports of its administration results;
 - XX. Receive and safeguard the patrimonial statements that shall be submitted by the public officers of the Institute, from the level of chief of department or its equivalent, according to the formats and procedures set forth by the Institute Internal Comptroller, as well as follow-up on the patrimonial situation of said public officers. The rules set forth in the corresponding Law shall be applicable;
 - XXI. Intervene in the delivery-reception processes for commencement or conclusion of the position of the corresponding public officers; and
 - XXII. Others established in the Federal Law of Administrative Responsibilities of Public Officers and others applicable for the internal control bodies or their equivalent, whose exercise shall only be applied to the Institute.

In order to determine the responsibilities and application of sanctions referred to in this article, the procedure provided in the Federal Law of Administrative Responsibilities of Public Officers and other applicable provisions shall be followed.

The resolutions whereby the institute Internal Comptroller determines administrative liabilities and imposes sanctions may be challenged by the public officer before the Federal Tax and Administrative Court.



Article 36. In order to be the head of the institute Internal Comptroller, the following requirements shall be complied with:

- I. Be a Mexican national, in full enjoyment of his/her civil and political rights;
- II. Be at least thirty-five years old on the day of the appointment;
- III. Have a good reputation and never have been convicted of an intentional crime carrying imprisonment;
- IV. Not have been Secretary of State, General Attorney of the Republic or Attorney of Justice of the Federal District, Senator, Federal Deputy, Governor of any State or Chief of Government of the Federal District, leader, member of the executive committee or top executive of a political party; neither have been designated for a popular election position four years prior to such appointment
- V. Have at least five years of experience in the control, management or supervision of resources;
- VI. Have on the day of the appointment a minimum seniority of five years with a professional certificate related to supervision activities issued by an authority or institution legally empowered thereto;
- VII. Have renowned moral solvency;
- VIII. Not belong or have belonged four years prior to the appointment, to any consulting or auditing firm that would have provided services to the Institute, or individually work as consulting or external auditor for the Institute during that period or provide the services referred to an agent regulated by this Law;
- IX. Not be disqualified to hold any employment, position or commission in the public service, and
- X. Not have held any managing position or represented in any way interests of any regulated agent during a period of four years prior to his/her appointment.

Article 37. The head of the Institute Internal Comptroller shall be appointed by the Chamber of Deputies with the vote of two thirds of the present members, in accordance with its internal regulations.

The head of the institute Internal Comptroller shall be in office for four years. The Chamber of Deputies may renew the appointment of the head of the Institute Internal Comptroller for up the same term only once.

Article 38. The head of the Institute Internal Comptroller may be removed by the Chamber of deputies with the same votes required for his/her designation, for the reasons and according to the proceedings set forth in the Fourth Title of the Constitution, as well as for the following serious faults:

- I. Hold another employment or position in the public or private sectors, except for those not paid in scientific, academic, artistic or welfare associations;
- II. Inform third parties or disclose in any way the confidential or reserved information the Institute Internal Comptroller has in custody for the exercise of its powers;
- III. Use in his/her own benefit or the benefit of third parties, the confidential or reserved documents and information he/she has access in accordance with this Law and other applicable provisions;
- IV. Be absent from his/her duties for more than one week, except for vacations and scheduled leave, without the authorization of the Institute's Plenary;
- V. Abstain from submitting, in accordance with this Law, without a justified cause, the reports of duties;
- VI. Withdraw, destroy, hide or unduly use the documents and information under his/her custody because of his/her position or that are in the Institute Internal Comptroller, by virtue of the exercise of its powers;
- VII. Accept the interference of the agents regulated by the Institute in the exercise of his/her duties, or under any circumstance act with partiality in the revision process of the institute and the supervision procedures and impositions of sanctions;
- VIII. Obtain non-satisfactory performance evaluation from the Surveillance Commission of the Chamber of Deputies, during two consecutives fiscal years, and

- IX.** Notify knowingly, to the Senate of the Republic, false or altered information regarding removal cause of commissioners.

The Chamber of Deputies shall appoint an investigating commission that shall study the facts and shall propose a grounded and motivated decision. The Chamber of Deputies shall decide on the existence of the motives to remove the head of the Institute Internal Comptroller due to serious causes of administrative liability and shall give the right of audience to the affected party. The removal shall require the vote of two thirds of the members present.

Article 39. The head of the Institute Internal Comptroller shall be substituted in his/her absence by the auditors in the order established by the organic statute of the Institute.

Article 40. The head of the Institute Internal Comptroller shall be assisted in his/her duties by the personnel indicated by the organic statute of the Institute, according to the authorized budget. The head of the Institute Internal Comptroller shall be subjected to the same rules of contact set forth in this Law for the commissioners.

Chapter IV

Institute Workers' Labor Regime

Article 41. The personnel providing services in the Institute shall be governed by the provisions of Section B of article 123 of the Constitution.

All the public officers that constitute the staff of the Institute shall be considered trusted workers due to the nature of the duties they perform.

Article 42. The legal labor relationship is considered as established between the Institute and the workers at its service for all purposes.

Article 43. The Institute shall have and establish a professional service system to assess and recognize the capacity, performance, experience of its public officers, and shall secure equality of gender. Such system shall be approved by the Plenary on proposal of the President Commissioner.

Chapter V

Institute Plenary Meetings, Resolutions, Transparency and Voting Confidentiality

Article 44. Exceptionally and only when there is urgency, in terms of social interest and public order, the Federal Executive through the Ministry may request the President Commissioner of the Institute to attend and resolve its interests in priority, without modifying in any way the terms provided in the Law.

Article 45. The Plenary shall discuss collegially and decide on the matters by majority of votes, except for matters that require a qualified majority in accordance with this Law, the President Commissioner, or when applicable, the person presiding the meeting in his/her absence, shall have the obligation to exercise his casting vote in case of tie.

The commissioners may not abstain from voting or be excused to vote on the matters under the consideration of the Plenary, unless there is a legal impediment. The Plenary shall qualify the existence of the impediments.

The commissioners shall attend the meetings of the Plenary, unless there is a justified cause. The commissioners with justified absence shall issue their reasonable vote in writing at least twenty-four hours in advance.

In case of the absence set forth in the foregoing paragraph, the commissioners may decide to attend, participate and issue their reasonable vote in a meeting remotely using any electronic communication means. The technical secretary of the Plenary shall ensure that the communication is duly recorded to integrate the file and further consultation, and shall record such circumstances in the meeting minutes.

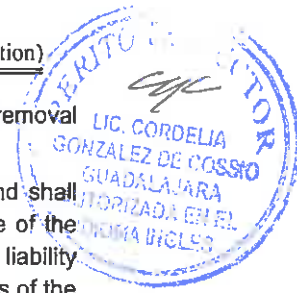
Under no circumstances may the commissioners be substituted.

Article 46. The Plenary shall order the publication in the Federal Official Gazette of general agreements and resolutions it issues and those it determines.

Article 47. The agreements and resolutions of the Plenary of the Institute shall be public and only the parts containing confidential or reserved information shall be reserved.

The meetings shall also be public except for those where confidential or reserved information is discussed.

Regarding the two foregoing paragraphs, only the information declared as such in accordance with the provisions of Federal Law of Transparency and Access to Governmental Public Information and other applicable provisions shall be considered confidential and reserved.



Article 48. The recordings of the meetings of the Plenary of the Institute shall be made available in public versions generated in accordance with the Federal Law of Transparency and Access to the Governmental Public Information and additionally there shall be a stenographic version which shall be made available to the public through a tool of easy use and access in the Internet portal of the Institute. The meetings of the Plenary shall be kept for further consultation.

Article 49. When information corresponding to one or several matters has been declared confidential or reserved, the Plenary shall agree to discuss them in private meetings, justifying publicly the reasons for such determination.

The vote of each commissioner in the Plenary shall be public, including in the case of private meetings. Voting shall be nominal by show of hand, according to provisions governing the meetings. The Institute's internet portal shall include a section to consult public versions of the votes of the commissioners in each of the matters submitted to the consideration of the Plenary including, when applicable, the corresponding particular votes.

Article 50. The minutes of the meetings shall be published in the Internet page of the Institute within a term of ten business days following the day they have been approved by the Plenary, complying with the provisions of the Federal Law of Transparency and Access to Governmental Public Information and other legal, regulations and administrative provisions applicable.

Article 51. For the issuance and amendment of rules, guidelines or general administrative provisions, as well as in any case determined by the Plenary, the Institute shall carry out public consultations under the principles of transparency and citizen participation, in accordance with the provisions of the Plenary, unless the publicity may compromise the effects that are intended to be resolved or prevented in an emergency situation.

For the issuance of the rules, guidelines or general administrative provisions, the Institute shall prepare and make public an analysis of regulatory impact or if applicable, request the support of the Federal Commission of Regulatory Improvement.

The Institute shall have a space within its Internet portal specifically destined to publish and maintain updated the processes of public consultation and a calendar of the consultations to be made, according to general terms and characteristics determined by the guidelines approved by the Plenary. The answers or proposals made to the Institute shall not be binding, without prejudice to the Institute considering them in a document that reflects the result of such consultation.

Article 52. The organic statute shall determine the mechanisms that the units of the Institute shall be subjected to in order to preserve the principles of transparency and maximum publicity when attending the matters and preparing the process of its competence.

Chapter VI

Collaboration with the Institute

Article 53. For the exercise of its powers, the Institute may request the collaboration and support of other autonomous constitutional bodies and the Powers of the Union; particularly of the agencies and departments of the Federal Government, as well as of the states, the Federal District and municipal governments. In turn, the Institute shall collaborate when requested within the scope of its powers, in accordance with the signed collaboration agreements.

THIRD TITLE

Radio Spectrum and Orbital Resources

Sole Chapter

Radio Spectrum

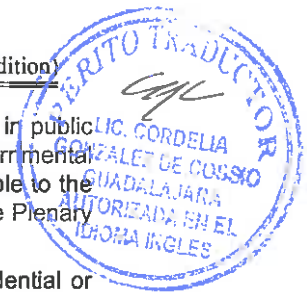
Section I

General Provisions

Article 54. The radio spectrum and orbital resources are goods of the public domain of the Nation, under the ownership and administration of the State.

Such administration shall be exercised by the Institute in compliance of its duties according to the Constitution, this Law, and the international agreements and treaties signed by Mexico, and if applicable, following the recommendation of the International Telecommunications Union and other international agencies.

The administration includes the preparation and approval of plans and programs of use, the establishment of the conditions for the allocation of a frequency band, the granting of concessions, the supervision of radio



emissions and the application of the sanctions regime, without prejudice to the duties corresponding to the Federal Executive.

In the administration of the spectrum, the Institute shall pursue the following general purposes in the benefit of the users:

- I. Security of life;
- II. Promotion of social, regional or territorial cohesion;
- III. Effective competition in the convergent markets of the telecommunication and broadcasting sectors;
- IV. Efficient use of the spectrum and its protection;
- V. Guarantee of the necessary spectrum for the purposes and duties of the Federal Executive;
- VI. Efficient investment in infrastructures, innovation and development of the industry of convergent products and services;
- VII. Promotion of technological neutrality, and
- VIII. Compliance with the provisions of articles 2, 6, 7 y 28 of the Constitution.

The Institute shall base the allocation of a frequency band and the concession of the spectrum and orbital resources on objective, transparent, non-discriminatory and proportional criteria.

Article 55. The frequency bands of the radio spectrum shall be classified according to the following:

- I. **Determined Spectrum:** Frequency bands that may be used for the services allocated in the National Frequency Allocation Table; through concessions for commercial, social, private and public use defined in article 67;
- II. **Free Spectrum:** Frequency bands of free access that may be used by the general public under the guidelines or specifications set forth by the Institute, without the need of a concession or authorization;
- III. **Protected Spectrum:** Frequency bands allocated globally or regionally to the radio navigation services and those related to security of human life, as well as any other that shall be protected in terms of the international agreements and treaties. The Institute shall carry out the necessary actions to guarantee the operation of such frequency bands in conditions of security and free of harmful interferences, and
- IV. **Reserved Spectrum:** Spectrum whose use is in process of planning and therefore is different from the determined, free or protected spectrum.

Section II

Radio Spectrum Administration

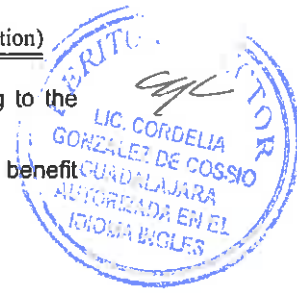
Article 56. For the adequate planning, administration and control of radio spectrum and for its efficient use and enjoyment, the Institute shall update the National Frequency Allocation Table based on the general interest. The Institute shall consider the technological evolution in telecommunications and broadcasting, especially regarding radio communication and the regulation in terms of radio communication of the International Telecommunications Union.

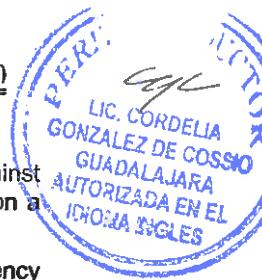
The Institute shall guarantee the availability of frequency bands of the radio spectrum or network capacity for the Federal Executive for national security, public security, connectivity of public sites and social coverage and other needs, functions, purposes and objectives under its competence. For that purpose, it shall directly grant with no consideration, with preference over third parties, the necessary concessions of public use, with the prior evaluation of its consistency with the principles and objectives set forth in this Law for the administration of radio spectrum, the national program of radio spectrum and the frequency band program.

All use, enjoyment or exploitation of frequency bands shall be made in accordance with the provisions set forth in the National Frequency Allocation Table and other applicable provisions.

Article 57. The National Frequency Allocation Table shall consider the allocation of the frequency bands of radio spectrum to one or more radio communication services, according to the following categories:

- I. **On a primary basis:** The use of frequency bands shall have a protection against harmful interferences, and
- II. **On a secondary basis:** The use of frequency bands shall not cause harmful interferences to the services provided through frequency bands granted on a primary basis, and may not claim protection against harmful interferences generated by the latter.





Article 58. The use of frequency bands of a service on a secondary basis shall have protection against harmful interferences created by other concessionaires of frequency bands providing services to these on a secondary basis.

Article 59. The Institute shall issue, at the latest on December 31 of each year, the program of frequency bands with the frequencies or frequency bands of the spectrum determined that shall be subjected to public bidding or that may be allocated directly and shall contain, at least, the services that may be provided through such frequencies or frequency bands, their category, modalities of use and geographic coverage.

Article 60. The annual program of use and enjoyment of frequency bands shall provide the following criteria:

- I. Value the requests of frequency bands, category, conditions of use and geographic coverage presented by the interested parties;
- II. Promote the efficient use of the radio spectrum, the benefit of users, the development of competition and the diversity and introduction of new telecommunication and broadcasting services, and
- III. Promote the convergence of networks and services to achieve efficiency in the use of infrastructure and innovation in the development of applications.

Article 61. Any interested party may request, within a term of thirty business days following the publication of the annual program of use and enjoyment of frequency bands, the inclusion of frequency bands and additional or different geographic coverage to the ones considered therein. In these cases, the authority shall resolve accordingly in a term that shall not exceed thirty business days from the expiration of the prior term.

Article 62. The Institute shall have the obligation to implement, operate and update an IT system of the spectrum administration as well as to establish the mechanisms and criteria to make public the access to the information contained in the corresponding databases, in accordance with the Federal Law of Transparency and Access to Governmental Public Information.

The mentioned system shall include all the information related to the concessions, including the technology, location and characteristic of the emissions as well as the information related to the development of the infrastructure installed and used for such purposes

The concessionaires shall have the obligation to deliver to the Institute, within the term, format and means indicated for such purpose, the information referring to such use, enjoyment or exploitation.

Article 63. The Institute shall be the responsible authority of the supervision and technical control of the radio electric emissions, it shall establish the necessary mechanisms to carry out the verification of the radio electric emissions and shall resolve the harmful interferences and other irregularities and perturbation that may arise in the systems used for the provision of the telecommunication and broadcasting services for their correction. All the foregoing shall ensure the compliance of the radio spectrum rules, its efficient use and the correct functioning of the services. The concessionaires shall have the obligation to comply with the term fixed, the measures issued for that purposes by the Institute, as well as to collaborate with its personnel facilitating the duties of inspection, detection, location, identification and elimination thereof.

Article 64. The Institute shall seek to prevent harmful interferences between national and international radio communication systems and shall issue the convenient measures, in order for such systems to operate free of harmful interferences in their authorized service area.

The Institute shall determine the operation parameters in the use of the frequency bands for all kind of radio communication services that operate in the border areas, when such parameters are not specified in the international agreements or treaties in force.

The scientific, medical or industrial equipment or devices shall comply with the applicable technical rules or provisions to prevent any harmful interference to authorized or protected emissions. If the operation of such equipment causes any harmful interference to authorized or protected emissions, the harmful interference shall be eliminated in a term fixed by the Institute for such purpose.

Article 65. In the development and operation of wireless infrastructure the maximum exposure limits for human being to electromagnetic radiations of non-ionizing radio frequency that the Institute defines in collaboration with other competent authorities shall be complied with.

FOURTH TITLE
Concessions Regime
Chapter I
Sole Concession



Article 66. A sole concession shall be required to provide all kind of telecommunications and broadcasting public services.

Article 67. According to its purposes, the sole concession shall be:

- I. **For commercial use:** Grants the right to individuals or companies to provide telecommunication and broadcasting public services, with for-profit purposes through a telecommunications public network;
- II. **For public use:** Grants the right to the Powers of the Union, the states, the agencies of the Federal District Government, the Municipalities, the autonomous constitutional bodies and public institutions of higher education to provide telecommunication and broadcasting services for the compliance of their purposes and powers.

This type of concession includes the concessionaires or permit holders of public services, other than those of telecommunications or broadcasting, when these are necessary for the operation and security of the service in reference.

In this type of concession telecommunications, broadcasting or network capacity services may not be exploited or provided for-profit otherwise the concession shall be obtained for commercial use;

- III. **For private use:** Grants the right for telecommunication services with purposes of private communication, experimentation, test of technical and economic viability in developing technologies or temporary tests of equipment without commercial exploitation purposes, and
- IV. **For social use:** Grants the right to provide telecommunication and broadcasting services with cultural, scientific, education or community purposes, with not for profit purposes. The community and indigenous concessions are included in this category; as well as those granted to private institutions of higher education.

The concessions for community social use may be granted to civil society organizations that do not pursue or operate for-profit purposes and that are constituted under the principles of direct citizen participation, social coexistence, equality, gender equality and diversity.

The concessions for indigenous social use may be granted to the indigenous people and communities of the country according to the guidelines issued by the Institute and its purpose shall be the promotion, development and preservation of their languages, culture, knowledge promoting traditions, internal rules and principles respecting gender equality, and allowing the integration of indigenous women in the participation of the purposes for which the concession is requested and other elements that constitute indigenous cultures and identities.

Article 68. When granting the sole concession referred to in this Law, the Institute shall establish accurately the type of concession: of commercial, public, social or private use.

Article 69. A sole concession for private use shall be required only when frequency bands of the radio spectrum not of free use or orbital resources need to be used or enjoyed , for which the terms provided in Chapter III of this Title shall apply.

Article 70. A sole concession for public use shall be required, only when frequency bands of the radio spectrum not of free use or orbital resources need to be used or enjoyed, for which the terms provided in Chapter III of this Title shall apply.

Article 71. The sole concession referred to in this Law shall only be granted to individuals or companies of Mexican nationality.

The participation of foreign investment in concessionaire companies shall be allowed under the terms of the Constitution and the Foreign Investment Law.

When granting the concessions the Institute shall establish that in the provision of services it shall be forbidden to establish privileges or distinctions that create any kind of discrimination and in the case of people all discrimination shall be forbidden whether motivated by ethnic or national origin, gender, age, disability, social background, health condition, religion, opinions, sexual orientation, marital status or any other that undermines human dignity and has the effect of nullifying or impairing the rights and freedoms of individuals.



Chapter II

Granting of a Sole Concession

Article 72. The sole concession shall be granted by the Institute for a term of up to thirty years and may be extended for up to equal terms, according to the terms of Chapter VI of this Title.

Article 73. The parties interested in obtaining a sole concession, whichever its use is, shall submit to the Institute a request which contains as minimum:

- I. Name and address of the applicant;
- II. The general characteristics of the project in hand, and
- III. The documents and information reflecting their technical, economic, legal and administrative condition.

The Institute shall analyze and assess the documents submitted with the application referred to in this article within a term of sixty calendar days, within which it may request additional information to the interested parties when it is necessary to verify the requirements referred in this article.

Once the term referred above has elapsed and all the requirements have been complied with, according to the judgment of the Institute, it shall grant the concession. The respective concession shall be recorded in its entirety before the Public Registry of Telecommunications provided in this Law, and shall be available on the webpage of the Institute within a term of fifteen business days following its granting.

The foregoing is without prejudice to the fact that the interested party may obtain, if intended to exploit frequency bands or orbital resources, a concession for that purposes under the terms of Chapter III of this Title.

Article 74. The sole concession shall contain as minimum the following:

- I. Name and address of the concessionaire;
- II. The use of the concession;
- III. The authorization to provide all services technically feasible. If radio spectrum bands or orbital resources are required, the concessionaire shall obtain them according to the terms and conditions set forth in this Law;
- IV. The duration of the term;
- V. The general characteristics of the project;
- VI. The programs and commitments regarding investment quality, geographic, population or social coverage, connectivity in public sites and contribution to universal coverage that, if any, the Institute determines and for which it shall consider the proposals that the Ministry prepares annually according to the respective plans and programs, and
- VII. Other rights and obligations of the concessionaires.

Chapter III

Radio Spectrum and Orbital Resources Concessions

Section I

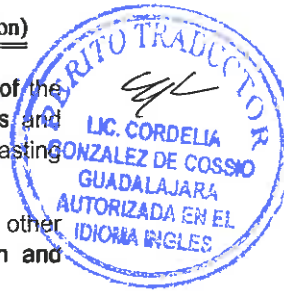
General Provisions

Article 75. The concessions to use, enjoy, exploit frequency bands of the radio spectrum for determined use and for the occupation and exploitation of orbital resources, shall be granted by the Institute for a term up to twenty years and may be extended for up to equal terms according to the terms provided in Chapter IV of this Title.

When the exploitation of the services object of the radio spectrum concession requires a sole concession, it shall be granted in the same administrative act, unless the concessionaire already has a concession.

Article 76. According to their purposes, the concessions referred to in this chapter shall be:

- I. **For commercial use:** Grants the right to individuals or companies to use, enjoy and exploit frequency bands of the radio spectrum for determined use and for the occupation and exploitation of orbital resources, with for-profit purposes;



- II. For public use:** Grants the right to the Powers of the Union, the States, the agencies of the Federal District Government, the Municipalities, the autonomous constitutional agencies and public institutions of higher education to promote the telecommunication and broadcasting services for the compliance of their purposes and powers.

This type of concessions includes the concessionaires or permit holders of public services, other than telecommunications or broadcasting, when these are necessary for the operation and security of the service in reference.

In this type of concessions the frequency bands of the radio spectrum of a determined use or for the occupation or exploitation of orbital resources may not be used, enjoyed or exploited for-profit purposes, otherwise they shall obtain a concession for commercial use;

- III. For private use:** Grants the right to use and enjoy frequency bands of the radio spectrum of determined use or for the occupation and exploitation of orbital resources, with the purposes of:

a) Private communication, or

b) Experimentation, testing of technical and economic feasibility of technologies in development, temporary tests of equipment or radio aficionados, as well as the satisfaction of communication needs for embassies or diplomatic missions visiting the country.

In this type of concessions there is no right granted to use, enjoy and exploit commercial frequency bands of the radio spectrum of a determined use, or to occupy and exploit orbital resources, and

- IV. For social use:** Grants the right to use and enjoy frequency bands of the radio spectrum of a determined use or orbital resources to provide services of telecommunications or broadcasting with cultural, scientific, educative or community purposes, with not for profit purposes. The community and indigenous means referred to article 67, section IV, as well as the private institutions of higher education are included in this category.

Article 77. The concessions referred to in this chapter shall only be granted to individuals or companies of Mexican nationality.

The participation of foreign investment in concessionaire companies shall be allowed in accordance with the Decree and the Foreign Investment Law.

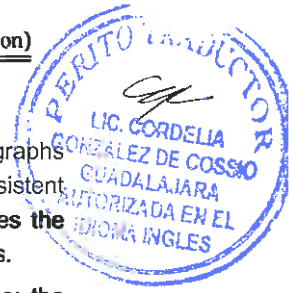
When a concession is requested to provide broadcasting services that involves the participation of foreign investment, a prior and favorable opinion shall be required from the National Foreign Investment Commission that this latter shall verify that the limits of foreign investment are complied with in accordance with the Decree and the Foreign Investment Law. Such opinion shall be submitted by the interested party to the Institute.

Section II

Radio Spectrum Concessions for Commercial or Private Use

Article 78. The concessions for the use, enjoyment or exploitation of the radio spectrum for commercial or private use, in this case for the purposes provided in article 76, section III, paragraph a), shall only be granted through the public bidding proceeding with the prior payment of a consideration, for which the criteria provided for in articles 6, 7, 28 and 134 of the Constitution shall be complied with, and the terms set forth in section VII of Chapter III of this Title, as well as the following:

- I.** For the granting of concessions in telecommunications, the Institute may take into account, among others, the following factors:
- a) The economic proposal;
 - b) The coverage, quality and innovation;
 - c) The fostering of lower prices in the services to the end user;
 - d) The prevention of concentration phenomena contrary to the public interest;
 - e) The possible entry of new competitors in the market, and



- f) The consistency with the concession program.
- II. For the granting of concessions in broadcasting, the Institute shall take into account paragraphs a), b), d), e) and f). Additionally, it shall consider whether the programming project is consistent with the purposes for which the concession is granted, and that it promotes and includes the broadcasting of national, regional and local content, and complies with applicable provisions.

Article 79. In order to carry out the public bidding proceedings referred to in the foregoing article; the Institute shall publish in its webpage and in the Federal Official Gazette the respective call for bids.

The public bidding specifications shall include, as a minimum:

- I. The requirements that the interested parties shall comply with to participate in the bid, among which the following shall be included:
 - a) The programs and investment commitments, quality, geographic, population or social coverage, connectivity in public sites and contribution to the universal coverage that, if applicable, the Institute determines and for which it shall consider the proposals made on an annual basis by the Ministry, according to the respective plans and programs;
 - b) The technical specifications of the projects, and
 - c) The production and programming project in case of broadcasting;
- II. The model of the concession title;
- III. The minimum value of reference and other criteria to select the winner, the technical capacity and ponderation thereof;
- IV. The frequency bands object of the concession; the modality of use and geographic area where they may be used; and the power in the case of broadcasting. If applicable, the possibility for the Institute to authorize the secondary use of the frequency band in reference under the terms of this Law;
- V. The criteria ensuring effective competition and preventing the concentration phenomena contrary to public interest;
- VI. The obligation of the concessionaires to submit bid security;
- VII. The term of the concession, and
- VIII. Under no circumstance shall the determinant factor be solely economic, without prejudice to the provisions of this Law in terms of considerations.

Article 80. The call for bid shall be declared null and a new call may be issued, when the proposals submitted in the public bidding do not ensure the best conditions according to the public interest or do not comply with the requirements set forth in the bid specifications or when the considerations offered in favor of the Treasury of the Federation are lower than the minimum value of reference.

Article 81. The concession to use, enjoy or exploit the radio spectrum for commercial use or for private use shall contain as a minimum the following:

- I. The name and address of the concessionaire;
- II. The frequency band object of the concession, the modalities of use and geographic area where they shall be used;
- III. The duration of the term;
- IV. The technical specifications of the project;
- V. The programs and commitments of investment, quality, geographic, population or social coverage, connectivity in public sites and contributions to universal coverage that, if applicable, the Institute determines and for which it shall consider the proposals the Ministry issues on an annual basis, according to the respective plans and programs;
- VI. The amounts that shall be paid to the Treasury of the Federation for the use, enjoyment or exploitation of the radio spectrum, and
- VII. Other rights and obligations of the concessionaires.

Article 82. The radio spectrum for private use for the purposes provided in article 76, section III, paragraph b), shall be a concession directly subjected to availability for up to a non-renewable term of two years, except

when it refers to radio aficionados, in which case they may be granted for up to five years renewable according to the terms of Chapter VI of this Title. In any situation, the concessions referred to in this article shall be non-transferable.

The guidelines to grant the concession referred to in this article shall be established by the Institute through general rules in order to resolve the request in the order it is submitted and shall include the prior payment of a consideration in favor of the Federal Government under the terms of this Law.

Section III

Radio Spectrum Concessions for Public or Social Use

Article 83. The radio spectrum concessions for public or social use shall be granted through direct allocation for up to fifteen years and may be extended for up to equal terms, according with the terms set forth in Chapter VI of this Title. Under this modality of concessions services shall not be provided for-profit purposes and they shall not share the radio spectrum with third parties. The foregoing, without prejudice to the multiprogramming of broadcasting concessions whereby capacity may be offered to third parties in terms of this Law.

The agencies and department of the Federal Executive may share between them the frequency bands concession for the purposes of the concession, with prior authorization of the Institute. The requests for authorization for assignment related with frequency bands for security shall be analyzed in priority.

Article 84. The concessionaires or permit holders of public services other than those of telecommunications and broadcasting may obtain direct allocation of the frequency bands for the operation or security of such public services, and shall verify before the Institute the need to have the use of such frequency bands.

The concessionaires or permit holders referred to in the foregoing paragraph shall previously pay the corresponding amount in terms of Section VII, Chapter III of this Title, same that shall be fixed exclusively considering the services provided for the public services.

Article 85. For the attribution of the concessions to use, enjoy or exploit the radio spectrum for public or social use, the interested party shall submit before the Institute an application containing at least the following information:

- I. Name and address of the applicant;
- II. The services they wish to provide;
- III. Justification of the public or social use of the concession;
- IV. The technical specifications of the project;
- V. The programs and commitments of coverage and quality;
- VI. The project to be developed, according to the characteristics of the concession intended to be obtained, and
- VII. The documents verifying the technical, economic, legal and administrative capacity, according to the nature of the applicant, as well as the source of financial resources for the development and operation of the project.

Regarding the applications for the concession of community social use, it shall be verified before the Institute that the applicant is incorporated under a civil association with not for profit purposes.

The Institute shall determine through general guidelines the terms under which the prior requirements in this article shall be verified, and in the case of community and indigenous concessions, it shall have the obligation to provide technical assistance to ease the compliance with such requirements, which shall be in accordance with the social organization forms and the rights of indigenous people and communities.

Once the mentioned requirements have been complied with, the Institute shall resolve accordingly within a term of one hundred and twenty business days following the submission of the application.

The Institute may donate the concessionaires of social use providing broadcasting services, transmission equipment that have passed to the property of the Nation as a consequence of the proceedings and assumption provided for the loss of properties for the use of the radio spectrum that do not have a concession.

Section IV

Radio Spectrum Concessions for Public and Social Use to provide Broadcasting Service

Article 86. The parties interested in obtaining a radio spectrum concession for public use to provide broadcasting services shall submit an application whereby they shall comply with the requirements set forth in article 85 of this Law, within the term established in the annual program for the use and enjoyment of frequency bands.



Such request shall contain the mechanisms to ensure editorial independence; financial management autonomy; citizen participation guaranties; clear rules for the transparency and accountability; defense of their contents; financing options; full access to technologies and regulations for the expression of ideological, ethnic and cultural diversities.

The Institute shall verify that the mechanisms exposed in the application are sufficient to guarantee such objectives and, otherwise, shall inform the applicant to carry out the necessary modifications.

Article 87. The parties interested to obtain a radio spectrum concession for social use to provide broadcasting services, shall submit the requirements set forth in article 85 of this Law, within the term established in the annual program of use and enjoyment of frequency bands.

The concessions for social use include those regarding communities and indigenous, which shall be subjected according to their purposes to the principles set forth in articles 2, 3, 6 and 7 of the Constitution.

The Institute shall establish collaboration mechanisms with the National Commission for the Development of Indigenous Communities or other organizations to:

- I. Promote the granting of indigenous concessions;
- II. Ease the granting of concessions to indigenous communities where they have presence and to transmit in their local languages, especially in such places where there are no concessions, and
- III. Promote that the concessions for indigenous social use, help preserving and enriching their languages, knowledge and all the elements that constitute their culture and identity.

Article 88. For the fulfillment of their purposes, the operation of broadcasting concessions of public use shall be financed with public budget that guarantees their operation.

The concessionaires of public use may have any of the following additional sources of income:

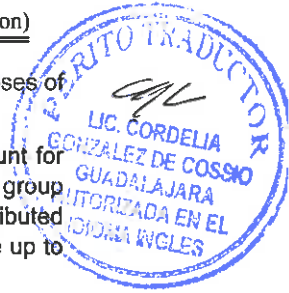
- I. Donations in cash or kind made by individuals or companies of Mexican or foreign nationality, provided that in the latter case they exclusively arise from multi-lateral organizations and international cooperation agencies recognized by the national legal system, that under no circumstances may participate, or influence the content of the transmissions.
In the case of donations in cash, tax receipts shall be issued complying with the provisions established by the Ministry of Finance, while the donations in kind shall be reflected in a contract according to the applicable law;
- II. Sale of products, own contents previously transmitted in accordance with their purpose and object or services, according to their capacity both legal and operative, without including the emission of commercial messages and sale of publicity;
- III. Sponsorships;
- IV. Financing projects and co-investment agreements for the production or broadcasting of contents that comply with the purposes of the service, and
- V. Co-investment agreements with other public agencies for a better compliance of their public service purposes.

The absence of for profit purposes implies that such concessionaires shall not pursue within their activities obtaining profits with purposes of accumulation, in such way that the remaining of their operation may only be invested to the object of the concession.

Article 89. The concessionaires for social use, according to their purposes, may obtain income from the following sources:

- I. Donations in cash or in kind;
- II. Contributions and payments or cooperation from the community they provide services to;
- III. Sale of products, own contents previously transmitted according to their purpose and object or services, according to their capacity both legal and operative, without including the emission of commercial messages and sale of publicity, except for the terms of section VII of this article;
- IV. Resources from public entities for the creation of programming contents other than those of commercialization;
- V. Lease of studios and editing, audio and recording services;





- VI. Co-investment agreements with other social means for a better compliance with their purposes of public service, and
- VII. Sale of publicity to the federal public entities which shall destine one percent of the amount for services of social communication and publicity authorized in their respective budgets to the group of community and indigenous concessions for social use of the country, which shall be distributed equally among the existing concessions. The Federal and Municipal Entities may authorize up to one percent for such purposes according to their respective budgets.

The terms provided in this section shall only be applicable for the community and indigenous concessions for social use.

The absence of for profit purposes implies that such concessionaires shall not pursue within their activities obtaining profits with purposes of accumulation, in such way that the remaining of their operation may only be invested to the object the concession. In order to receive donations in cash or in kind, the concessionaires for social use shall be authorized to receive donations, according to the applicable provisions.

The concessionaires for social use providing broadcasting service shall deliver on annual basis to the Institute, the necessary information in order to verify that the source and destination of the income comply with the purposes for which the concession was granted.

Article 90. For the granting of broadcasting concessions for public and social use, the Institute shall take into consideration:

- I. That the technical project makes good use of the capacity of the frequency band to provide the services;
- II. That the granting contributes to the social function of the broadcasting public services and the exercise of the human rights of free expression, the information and free access to information technologies and communication;
- III. That it is compatible with the purpose of the applicant in accordance with articles 86 and 87 of this Law, and
- IV. The technical and operative capacity as well as the source of income.

Once the requirements have been complied with, in a maximum term of ninety business days following the submission, the Institute shall resolve if the concession is granted or not.

In the granting of the concessions the Institute shall favor diversity and shall prevent national and regional concentration of frequencies.

Once the requirements established in the Law and those established by the Institute are complied with, the applicant shall be granted the radio spectrum concession for social use destined to communities and indigenous people, according to the availability of the corresponding annual program.

The Institute shall reserve for community and indigenous FM radio stations ten percent of broadcasting band of FM that goes from 88 to 108 MHz. Such percentage shall be granted as concession for the upper part of the referred band.

The Institute may grant concessions for community and indigenous AM radio stations, in the segment of the extended radio spectrum band that goes from 1605 to 1705 KHz. The foregoing, is without prejudice to the fact that the Institute may grant concessions of public, commercial or social use, that are not community or indigenous, in the rest of the AM segment.

The Institute shall issue, and if applicable, update the technical parameters under which the concessionaires shall operate and which are referred in this article, and carry out the necessary actions to comply with the provisions.

Article 91. The spectrum concessions for public use providing broadcasting services may only be assigned, encumbered or totally or partially transferred to public entities. In any case, the commitments and conditions established in the concession shall be kept in force.

Section V

Concessions for the Occupation and Exploitation of Orbital Resources

Article 92. The concessions to occupy and exploit orbital resources for commercial or private use, in this case for the purposes provided in article 76, section III, paragraph a), shall be granted, with the prior payment

of the consideration, through public bidding, except for the terms set forth in section VI of this Title, for which the criteria provided in articles 28 and 134 of the Constitution shall apply.

Article 93. In order to carry out the public bidding proceeding referred to in the foregoing article, the Institute shall publish in its webpage and in the Federal Official Gazette, the respective call for bid.

The public bidding specifications shall include as a minimum:

- I. The requirements that the interested parties shall comply with to participate in the bid, among which the following are included:
 - a) The programs and commitments of coverage and quality of the services that are intended to be provided, and
 - b) The technical specifications for the projects;
- II. The orbital resources object of the bid;
- III. The criteria that ensure effective competition and prevent concentration phenomena contrary to public interest;
- IV. If applicable, the obligation of the concessionaires of commercial use to address the service applications submitted by the authorized resellers;
- V. The model of the concession;
- VI. The obligation of the concessionaires to submit a bid security;
- VII. The term of the concessions;
- VIII. The satellite capacity that shall be reserved in favor of the State;
- IX. The minimum value of reference, and
- X. The criteria to select the winner, among which the coverage and capacity offered in the national territory, shall be privileged. Under no circumstances shall the determinant factor be merely economic, without prejudice to the provisions of this Law in terms of compensations.

Article 94. The concession to occupy and exploit orbital resources for commercial or private use shall contain as a minimum the following:

- I. The name and address of the concessionaire;
- II. The orbital resources object of the concession;
- III. The duration of the term;
- IV. The services the concessionaire may provide;
- V. The technical specifications of the project;
- VI. The satellite capacity that shall be reserved in favor of the State;
- VII. If applicable, the conditions under which the service requests shall be attended when submitted by the resellers;
- VIII. The considerations that shall be paid to the Treasury of the Federation, and
- IX. Other rights and obligations of the concessionaires.

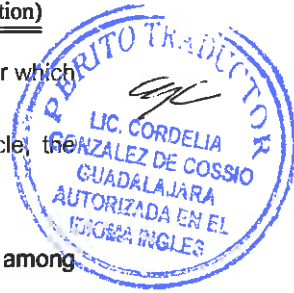
Article 95. The bid shall be declared null and another call for bid shall be issued, when the proposals submitted in the public bidding do not ensure the best conditions according to the public interest, or fail to comply with the requirements established in the bid specifications, or when the proposals offered are not satisfactory, under the criteria of the Institute, or are lower than the minimum value of reference.

Section VI

Concessions for the Occupation and Exploitation of Orbital Resources obtained upon request of the interested party

Article 96. Any person may declare to the Institute its interest for the Federal Government to obtain orbital resources in favor of the Mexican state, for this purpose the person shall:

- I. Submit a request declaring its interest, backed up with an investment project;
- II. Provide the following technical information:
 - a) The frequency band or bands;





- b) The geographic coverage;
 - c) The geostationary orbit position that is intended to be occupied or, if applicable, the detailed description of the orbit or satellite orbits, as well as the corresponding satellite system;
 - d) The technical specifications of the project, including the description of the satellites that intend to use the orbital resources, and
 - e) All the additional technical information that the applicant considers relevant;
- III. The radio communication services that are intended to be offered in each one of the bands to be coordinated;
- IV. The documents that verify the technical, financial, legal and administrative capacity of the requesting party, and
- V. A letter of commitment to participate and assist the Federal Government in all the processes, requirements and coordination necessary to obtain or record the orbital resources in favor of the country.

Article 97. The Institute shall analyze and assess the corresponding documents and within a term of thirty business days shall admit the processing of the application and shall inform only once the applicant, when its application contains any omission to the requirements set forth in the preceding article, granting an equal term to comply with the omission.

Once the information request is made, the Institute shall admit the processing of the request within the following fifteen days. Once the term has elapsed and the information requested has not been presented or the requirements have not been complied with, it shall be interpreted as if the application had not been submitted.

The file shall be integrated once the information has been submitted or the term has elapsed for its filing.

Once the file has been integrated to the satisfaction of the Institute, it shall be sent to the Ministry accompanied with the estimation of expenses the Institute may incur. The foregoing is considered in order for the Ministry to determine the admissibility of the application.

If the request is admissible, the Ministry shall notify the Institute and set the amount of the bond or the letter of credit in favor of the Federal Government and the Institute, to guarantee compliance of the applicant and the expenses the Federal Government and the Institute may incur. Otherwise, the Ministry shall notify the reasons of the non admissibility to the Institute who shall give the answer to the interested party.

Once the bond is granted, the Ministry shall carry out the process before the International Telecommunications Union in order to begin the corresponding coordination proceeding.

The Ministry, with the collaboration of the Institute, shall carry out the coordination proceeding before the competent international organizations, entities of other countries and national or foreign concessionaires or operators.

The interested party shall be responsible to provide all the information and documents that are required to conclude the corresponding international coordination process and therefore guarantee the occupation priority of the orbital resources.

The interested party shall pay, without reimbursement, all the expenses generated before the International Telecommunications Union.

If as a consequence of the process, the priority to occupy the orbital resources object of the request is obtained in favor of the country before the International Telecommunications Union, the Institute shall grant the respective concession directly to the interested party with the prior payment of the corresponding consideration, in accordance with the provisions of Section VII, Chapter Third of this Title.

In these cases, the Institute shall deduct from the respective consideration the expenses previously incurred by the person and that were considered from the beginning for such purposes.

Article 98. Regarding the agencies and departments of the Federal Public Administration, the Institute shall grant through direct assignation the concessions of orbital resources.

The Institute shall guarantee at all times the availability of orbital resources for services of national security, public security, connectivity of public sites, social coverage and other needs, functions, purposes and goals under the competence of the Federal Executive. For those purposes, it shall directly grant, without consideration, with preference over third parties for an irrevocable term of up to 20 years, the concessions of public use that are necessary, with the prior evaluation of their consistency, with the principles and objectives

established by this Law for the administration of the radio spectrum, the national program of radio spectrum and the frequency band program.



Section VII Considerations

Article 99. All the considerations referred to in this Law shall require a non-binding prior opinion of the Ministry of Finance, same that shall be issued in a term that shall not exceed thirty calendar days. Once this term elapsed without such opinion being issued; the Institute shall continue the corresponding processes.

Article 100. In order to set the amount of the considerations for the granting, renewal of term or changes in the services of the concessions, as well as for the authorization of the services linked thereto regarding radio spectrum concessions, the Institute shall consider the following elements:

- I. Frequency band of the radio spectrum in reference;
- II. Amount of spectrum;
- III. Coverage of the frequency band;
- IV. Term of the concession;
- V. References of the market value of the frequency band, both national and international, and
- VI. The compliance of the purposes set forth in articles 6 and 28 of the Constitution, as well as those established in the National Development Plan and other programming instruments.

In the request of opinion formulated by the Institute to the Ministry of Finance and Public Credit, it shall include, as applicable, the information referred in sections I to VI of this article, as well as the consideration proposal derived from the analysis of such information.

Article 101. All the considerations referred to in this Law shall be in favor of the Federal Government and shall be paid to the Treasury of the Federation.

The foregoing is without prejudice to the payment of contributions established by the laws for the use or enjoyment of the properties of public domain of the nation.

Article 102. The Institute shall have the obligation to ensure the payment of the considerations established in this Law, as well as the contributions derived from the use, enjoyment or exploitation of the radio spectrum.

The concession shall be delivered once complied with the payment of the consideration determined.

Article 103. The provisions established in this section shall apply, as referred, to the considerations for the granting of orbital resources.

Section VIII Radio Spectrum Lease

Article 104. The concessionaires may lease, only frequency bands given in concessions for commercial or private use, the latter with purposes of private communication with the prior authorization of the Institute. For that purpose, the following shall be observed:

- I. The lessee has a sole concession for the same use or has applied for one before the Institute;
- II. The lessee becomes a joint obligor of the concessionaire, regarding the obligations derived from the concession of the leased frequency band;
- III. The continuity in the provision of the service is not affected, and
- IV. There are no concentration, stockpiling or crossed property phenomena.

The Institute shall have forty-five business days to resolve the request for the authorization of the lease. The requirements to obtain the authorization of the lease referred to above, shall be subjected to the provisions issued by the Institute. The Institute shall promote the secondary market of the spectrum, observing the principles of promotion of competition, elimination of barriers for the entry of new competitors and the efficient use of the spectrum.

The lease of the frequency bands shall extinguishes fully in terms of the law when the concession terminates in any of the hypothesis provided in this Law.

Section IX

Radio Spectrum or Orbital Resources Change or Recovery

Article 105. The Institute may change or recover frequency bands or orbital resources in any of the following cases:

- I. When the public interest requires it;
- II. For reasons of national security at the request of the Federal Executive;
- III. For the introduction of new technologies;
- IV. To solve problems of harmful interference;
- V. To comply with international treaties signed by the Mexican State;
- VI. To reorder frequency bands, and
- VII. For the continuity of the public service.

Regarding the change of frequencies, the Institute may directly grant to the concessionaire new frequency bands through which services originally provided may be offered.

If as a result of the change of frequencies the concessionaire intends to provide additional services, it shall request it. The Institute shall evaluate such request according to the provisions of this Law.

Article 106. The change of frequency bands or orbital resources may be carried out ex officio or at the request of the interested party.

When the concessionaire requests the change referred to in this article, the Institute shall resolve it within a term of ninety business days following the date of submission of the request, taking into consideration the efficient planning and administration of the spectrum, the orbital resources, the technological advances and the public interest.

Without prejudice to its recovery powers, the Institute may propose the change ex officio, for which it shall notify its determination and the respective conditions to the concessionaire. The concessionaire shall respond to the proposal within the following ten business days. If the concessionaire fails to respond, the proposal of change shall be considered as denied.

The concessionaires may exchange among themselves a frequency, a set of frequencies, a complete band or several frequency bands or orbital resources they have in concession, with prior request and authorization of the Institute. The Institute shall resolve accordingly within a term of forty-five business days following the date in which the request is submitted, and shall verify that the exchange requested does not cause any alteration to the planning, does not affect free competition or third parties, that there are no phenomena of concentration, stockpiling or any phenomena contrary to the competition process and that an efficient use of the spectrum or the orbital resources is obtained.

Article 107. In the case of change of frequencies for any of the hypothesis provided in article 105, the concessionaire shall previously accept the new conditions established by the Institute.

Once the concessionaire accepts the new conditions, the Institute shall carry out the necessary amendments to the concession and shall provide what is necessary for its efficient exploitation. The concessionaire shall comply with the legal regulations, or administrative applicable provisions.

Under no circumstances shall the term of the concession be modified. If the concessionaire does not accept the change or the conditions established by the Institute, it may proceed to recover the frequency bands.

Under no hypothesis of change of a frequency band or orbital resources shall the concessionaire be indemnified.

Article 108. For the recovery of the frequency band concession or orbital resources, the Institute shall notify the concessionaire the reasons justifying its determination, granting a term of thirty-five business days from the following business day that the notice became effective, in order for the concessionaire to manifest what serves its interests and provide the evidence it deems necessary.

The Institute shall analyze the declarations made and the submission of evidence within a term of twenty business days following the conclusion of the term referred to in the preceding paragraph. Once the evidence submitted, a term of five business days shall be granted to the concessionaire in order to submit its pleadings. Once this term has elapsed, with or without pleadings, the Institute shall resolve within a term of fifty business days. The recovery shall be effective from its declaration by the Institute.



If the Institute resolves to recover the frequency band or the orbital resources, it may request the support of the INDAABIN to determine the corresponding indemnity for which the concessionaire may contribute with arguments and elements it deems convenient through the Institute, within the following ten business days:

In order to determine the corresponding indemnity, the Institute shall take into account the investment made and duly evidenced, the properties, equipment and facilities of network destined directly to the purposes of the concessions and their depreciation. The present value may also be considered which, if applicable, has been covered to acquire the rights to use and exploit the concession properties, deducting the time of the term elapsed of the concession. Under no circumstances shall an indemnity apply if among the causes that motivated the recovery there is a noncompliance with obligations or conditions established in the concession or the authorization, including those that derived from contributions or considerations.

If the concessionaire agrees to the amount of the indemnity, the amount set forth for this payment shall be definite. If it does not agree, the amount of the indemnity shall be determined by the specialized courts in economic competition, broadcasting and telecommunications, at the request of the concessionaire, who shall submit the request within a term of fifteen business days following the date the resolution that determines the amount of the indemnity is notified. If the concessionaire fails to submit the request to the specialized courts in economic competition, broadcasting and telecommunications, the amount of the indemnity shall be definite. For the terms not provided regarding the recovery, the General Law of National Properties shall apply.

Article 109. When due to the recovery, the concessionaire cannot continue to provide services and, therefore, the concession is terminated, the Institute shall give a prior notice to the Federal Executive for it to exercise, if applicable, the powers that are necessary to guarantee the continuity of the provision of the services, in which case the Federal Executive may request temporarily that one or several concessionaires operate the public telecommunications network, as well as, if applicable, the spectrum frequencies associated thereto, to guarantee continuity of the provision of the services. For that purpose, the Institute and the Federal Executive may carry out the actions that are necessary to safeguard the provision of the services.

Chapter IV Assignment of Rights

Article 110. Only the concessions for commercial or private use, the latter with purposes of private communication, may be assigned with prior authorization of the Institute, in accordance with the provisions of this Law.

The Institute may authorize within a term of ninety calendar days, following the submission of the request, the partial or total assignment of the rights and obligations established in the concessions, provided the assignee commits to comply with the obligations that are pending and assumes the conditions established by the Institute.

The prior authorization of the assignment referred to in this article may be requested provided a term of three years has elapsed following the granting of the concession.

No authorization shall be required by the Institute in the cases of assignment of the concession by virtue of the merger of companies, divisions or corporate restructures, provided such actions are within the same group of control or economic agent.

For that purpose, the operation shall be notified to the Institute within a term of thirty calendar days following its execution.

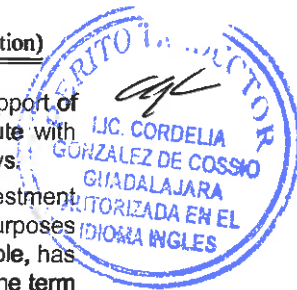
In the cases where the purpose of the assignment is to transfer the rights and obligations established in the concessions to another concessionaire that provides similar services in the same geographic area, the Institute may authorize the assignment with the prior analysis of the effects such action has or may have on free competition in the corresponding market.

If the assignment entails the obligation to notify a concentration in terms of the Federal Economic Competition Law, the Institute shall resolve within the term provided for such proceeding, adding the considerations established in this chapter.

The jurisdictional authorities, prior to awarding to any person the transfer of concession rights, shall request the opinion to the Institute regarding the compliance of the requirements established in this Law.

The concessions for public or commercial use whose title holders are the Powers of the Union, the States, the agencies of the Federal District Government, the Municipalities and the autonomous constitutional bodies, may be assigned to public entities including under the schemes of public-private association with prior authorization of the Institute.

Article 111. Under no circumstances may the concession, the rights conferred therein, facilities, auxiliary services, offices or accessories and properties affected thereto, be assigned, encumbered, pledged or given in trust, mortgaged or transferred totally or partially to any foreign government or state.





Chapter V

Share Control

Article 112. The concessionaire, when it refers to a company, shall submit to the Institute, at the latest on June 30 of each year, its share structure or equity parts, with their respective percentages of participation, together with a list of the shareholders that are the title holders of five percent or more of the capital stock of the company, as well as the name of the individuals that directly or indirectly participate with ten percent or more of the capital stock of the company, its main shareholders and respective percentages of participation with the information in the format determined by the Institute.

In any hypothesis of subscription or transfer of shares or equity parts in an act or series of acts, that represents ten percent or more of the amount of its capital stock, and provided that there is no obligation to notify the operation according to the terms of the Federal Economic Competition Law, the concessionaire shall have the obligation to comply with the following regime:

- I. The concessionaire shall give notice to the Institute of the intention of the interested parties to carry out the subscription or transfer of the shares or equity parts, whether directly or indirectly, and shall accompany the notice with the detailed information of the people interested in acquiring the shares or equity parts;
- II. The Institute shall have a term of ten business days following the presentation of the notice, to request the opinion of the Ministry;
- III. The Ministry shall have a term of thirty calendar days to issue an opinion, and
- IV. The Institute shall have a term of fifteen business days following the date it receives the opinion from the Ministry, or if it has not issued an opinion as of the date the term has terminated according to the foregoing paragraph to challenge with justified reason the corresponding operation. Once such term elapsed without the operation being challenged by the Institute, it shall be considered authorized.

The operations not objected by the Institute shall be recorded in the share registry book of the company without prejudice to the authorization other authorities may require, according to the legal regulatory and administrative applicable provisions.

There shall be no need to submit the notice referred in section I of this article when the subscription or transfer refers to shares or equity parts representing the neutral investment in accordance with the Foreign Investment Law or when it refers to the capital increase that is subscribed by the same shareholders, provided the proportion of the participation of each one of them in the capital stock is not modified.

There shall also be no need to submit the notice referred in section I of this article in case of merger of companies, divisions or corporate restructures, provided the changes in the shareholding are within the same group of control or economic agent. For that purpose, the operation shall be notified to the Institute within a term of thirty calendar days following its execution.

If the party interested to subscribe or acquire shares or equity parts is a company, in the notice referred to in section I of this article, it shall submit the necessary information to the Institute to know the identity of the people that have economic interests higher than ten percent of the capital stock of such company.

If the obligation to notify a concentration exists according to the terms of the Federal Economic Competition Law, the Institute shall process the request according to the terms provided for such procedure in the corresponding law, considering in addition the criteria established in this Law.

This article shall be included totally and expressly in the corporate by-laws of the concessionaire, as well as in the titles or certificates that are issued. For purposes of the foregoing, the concessionaire shall have ninety business days following the date of the concession to submit before the Institute the amendments corresponding to its by-laws.

Chapter VI

Concessions Renewal

Article 113. A sole concession may be extended by the Institute provided that it is requested by the concessionaire within the year prior to the start of the last fifth part of the concession term, that it is up to date with the compliance of the obligations provided in the Law and other applicable provisions and in its concession, and that it previously accepted the new conditions which shall be provided, if applicable. The institute shall resolve the renewal within one hundred and eighty business days after the filing of the request.

If the Institute does not resolve within the aforementioned term, it shall be deemed as if the sole concession is extended.

Article 114. For the granting of the frequency band or orbital resources concessions' renewals, the concessionaire shall request the Institute, within the year prior to the start of the last fifth part of the concession term; and that it shall be up to date with the compliance of the obligations provided in the Law and other applicable provisions, as well as in its concession.

The Institute shall resolve within the year following the filing of the request, in case there is a public interest in recovering the radio spectrum or the orbital resources, it shall notify the concessionaire its determination and the concession shall be terminated at the end of its term.

If the Institute determines that there is no public interest in recovering the radio spectrum or the orbital resources, it shall grant the requested renewal within the same term indicated in the preceding article, provided the concessionaire previously accepts the new conditions established by the Institute, amongst which the payment of compensation shall be included.

For the granting of the concessions renewals referred to in this Law, the Institute shall notify the Ministry before its determination, then the Ministry may issue a technical non-binding opinion within a term, not exceeding thirty days. Once this term has elapsed without the opinion being issued, the Institute shall continue the corresponding process.

Chapter VII

Termination of Concessions and Requisition

Article 115. Concessions terminations are due to:

- I. Expiration of the term of the concession, except when extended;
- II. Resignation of the concessionaire;
- III. Revocation;
- IV. Recovery, or
- V. Concessionaire's dissolution or bankruptcy.

The termination of the concession does not extinguish the obligations contracted by the concessionaire during its term.

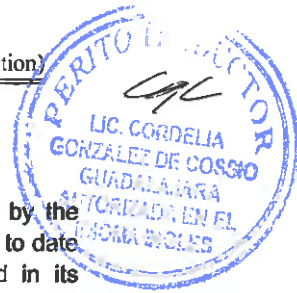
Article 116. At the end of the concession, the frequency bands or orbital resources attached to the services provided in the concession shall return to the Nation.

The Federal Government shall have the preferential right to acquire infrastructures, equipment, and other goods directly used in the provision of the concession services, prior payment of their value that shall be established by the INDAABIN in accordance to the procedure provided in article 108 of this Law.

Article 117. In case of natural disaster, war, or any other alteration of public order, or in the case of an imminent danger to the national security, the country's interior peace, the national economy, or in order to guarantee the continuity of the public services provision referred to in this Law, the Federal Executive, through the Ministry, may carry out the requisition of the general means of communication, as well as of the movable and immovable properties necessary to operate said means and dispose of them as deemed appropriate.

The Institute shall give the Federal Executive the required technical support.

The Federal Executive may also use the personnel working for the requisitioned mean when deemed appropriate. The requisition shall be maintained as long as the conditions which caused it still exist.



An administrator shall be appointed for the use of the means, properties and rights object of the requisition, and he/she shall have broad powers to comply with the purposes of the requisition.

The Federal Executive, except in the case of war, shall indemnify the interested parties by paying the damages and losses caused by the requisition. If there is no agreement regarding the amount of the indemnification, the damages shall be established by experts appointed by both parties, and in the case of the losses, they shall be calculated based on the average net income of the year prior to the requisition. Each of the parties shall cover half of the expenses generated by the expert report. The rights of the workers shall be respected in accordance with the corresponding law.

FIFTH TITLE

Networks and Telecommunication Services

Chapter I

Installation and Operation of Public Telecommunication Networks

Article 118. The concessionaires operating public telecommunication networks shall:

- I. Directly or indirectly interconnect their networks with those of the concessionaires requesting it, through transit services provided by a third network, and abstain from performing acts delaying, obstructing, or causing inefficiency of the services;
- II. Abstain from interrupting the transit between concessionaires with interconnected public telecommunication networks, without prior authorization of the Institute;
- III. Abstain from carrying out modifications of their network affecting the operation of the users equipment or networks equipment with which it is interconnected, without having previously notified the parties that may be affected, and without prior approval of the Institute;
- IV. Offer and allow the effective number portability in accordance with the provisions of this Law and the Institute;
- V. Abstain from charging national long distance to their users for calls to any national destination. They may continue to provide intelligent network services in their modalities of collected calls, and other special services;
- VI. Provide, without discrimination, services to the public in accordance the concession;
- VII. Provide telecommunication services subscribed by users based on pricing and quality policies, and other conditions provided for in this Law and the Federal Consumers Protection Law;
- VIII. In case there is no other concessionaire in a certain place which provides similar services, the concessionaire providing services in said place, may not cease to provide the services, in accordance of the conditions provided in its concession, except in the case of force majeure, or with an express authorization of the Institute; and
- IX. Abstain from establishing contractual or any other type of barriers preventing other concessionaires from installing or accessing telecommunications infrastructures in buildings, shopping centers, residential developments, hotels, or any other shared use real estate.

Article 119. The concessionaires with public telecommunication networks providing mobile services may freely sign agreements regarding visiting user services, and they shall establish the terms and conditions under which the connection between their platforms shall be performed in order to send or receive data and voice communications. The signature of said agreements shall be mandatory for the preponderant economic agent in the telecommunication sector or agents with substantial power, who may be obligated to execute the corresponding agreement within sixty calendar days following the date of the request made by the interested concessionaire.

The preponderant economic agent or agent with substantial power shall have the obligation to provide the visiting user service temporarily and exclusively in areas where the interested concessionaire does not have any infrastructures, or where it does not provide the mobile service.

In case of disagreement, the Institute shall resolve the conditions which were not agreed on and may arise regarding the visiting user service, seeking, at all times, the efficient development of the telecommunications. Regarding the term, the Institute shall establish the period during which they shall have the obligation to provide the visiting user service, so that within said term, the concessionaires without infrastructures may develop it.

Article 120. The Institute shall regulate the terms, conditions and rates of the visiting user services, which the preponderant economic agent in the telecommunication sector or agents with substantial power shall provide to other concessionaires of the public telecommunication networks. In order to do so, the Institute shall



establish the rates based on a cost model promoting effective competition taking into consideration the best international practices and the participation of the concessionaires in the market. Said rates shall never be greater than the lowest rate registered, offered, applied or charged by said agent to any of its clients in order to promote effective competition in the telecommunications sector. The preponderant economic agent or agent with substantial power may not discriminate in the provision of this service, or in its quality, which shall be the same as the one received by its clients.

The concessionaires of fixed public telecommunication networks signing commercialization agreements in accordance with the provisions of article 270 of this Law, with a mobile concessionaire different from the one referred to in the paragraph above, may directly request in accordance with the preceding paragraph, the visiting user service in order to complement the services to be commercialized. The Institute shall establish the mechanisms for the efficient operation of said services.

Article 121. The Institute shall resolve any disagreement arising from the provisions of the preceding article, within a term of thirty business days and, and the corresponding procedure for the resolution of disagreements regarding interconnection which is referred to in this Law shall be applicable.

Article 122. The information transferred through telecommunication networks and services shall be confidential, except when it is public by nature, or when there is an order issued by a competent judicial authority.

Chapter II

Telecommunication Services Numbering, Addressing, and Name

Article 123. For the telecommunication services available to the public, all public resources rights of use regarding numbering, addressing and name needed in order to allow the effective provision of services shall be granted, taking into consideration the corresponding national plans.

The procedures granting these rights shall be defined by the Institute and shall be open, pro-competitive, objective, non-discriminatory and transparent.

Chapter III

Access and Interconnection

Article 124. The concessionaires operating public telecommunication networks shall adopt the open architectural network designs in order to guarantee the interconnection and interoperability of their networks.

For such purposes, the Institute shall create, update and manage the fundamental technical plans of numbering, switching, signalling, transmission, appraisal, synchronization and interconnection, among others, with which the concessionaires operating public telecommunication networks shall comply. Said plans shall take into consideration the users' and the concessionaires' interests, prioritizing those of the users, and they may take into consideration the recommendations and best international practices, with the following purposes:

- I. Promote a large development of new telecommunication concessionaires, technologies, infrastructures and services, through the development and investment in telecommunication networks, and through the promotion of innovation;
- II. Give a non-discriminatory treatment to the concessionaires, except for the asymmetric or specific measures provided in this Law;
- III. Guarantee the effective interconnection and interoperability of the public telecommunication networks;
- IV. Promote a more efficient use of the resources;
- V. Promote conditions for effective competition;
- VI. Define the minimum technical conditions necessary in order for the interoperability and interconnection of the public telecommunication networks to operate efficiently, complying with the quality standards determined by the Institute;
- VII. Establish flexible mechanisms which allow and promote the use of new technologies in the telecommunication networks, in the benefit of users;
- VIII. Adopt measures in order to guarantee the technological neutrality;
- IX. Establish conditions for the compliance of the obligations arising from this Law, and
- X. Allow each concessionaire to identify the interconnection points and terminal connection points of the public telecommunication networks, in order to promote them among concessionaires and with the Institute.



Prior to the adoption of a technology or the change in the design in its network, the preponderant economic agent or agent with substantial power shall inform Institute to authorize the technology or change proposed, prior consultation of other concessionaires.

Article 125. The concessionaires operating public telecommunication networks shall have the obligation to interconnect their networks with those of other concessionaires in non-discriminatory and transparent conditions based on objective criteria, and in strict compliance of the plans referred to in the previous articles, except for the provisions of this Law regarding rates.

The interconnection of the telecommunication public networks, its rates, terms and conditions are of public order and social interest.

The interconnection terms and conditions offered by a concessionaire to another in virtue of an agreement or a decision of the Institute shall be granted to anyone who requests it from the date of the request.

Article 126. Except for the rates referred to in article 131 of this Law, the public telecommunication networks concessionaires shall agree on the conditions of their interconnection, in accordance with the legal and regulatory provisions, as well as the provisions provided in the fundamental technical plans and other applicable rules and methodologies that may be issued by the Institute.

Article 127. For purposes of this Law, the following, among others, shall be considered interconnection services:

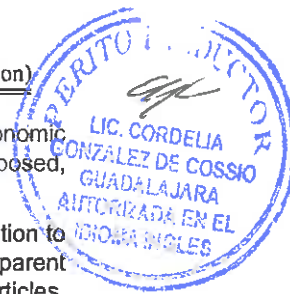
- I. Traffic management, including its origin and termination, as well as calls and short messages services;
- II. Transmission links;
- III. Access ports;
- IV. Signalling;
- V. Transit;
- VI. Co-location;
- VII. Infrastructure sharing;
- VIII. Related auxiliaries; and
- IX. Invoicing and Collection.

Article 128. The interconnection agreements shall be registered with the Institute in the Telecommunications Public Registry, within thirty business days following their signature.

Article 129. The concessionaires operating public telecommunication networks shall interconnect their networks, and in order to do so, they shall subscribe an agreement within no longer than sixty calendar days from the date any of them request it. For such purposes, the Institute shall establish an electronic system through which the concessionaires interested in interconnecting their networks, may process among each other subscription requests of the corresponding agreements.

Once said term has expired without an agreement, the interested party shall request the Institute to decide on the conditions, terms and rates not agreed on with the other party, in accordance with the following procedure:

- I. Any party shall request from the Institute a decision regarding the interconnection disagreement within forty five business days following the next business day of the day the term mentioned in the first paragraph of this article expired;
- II. Within the next five business days, the Institute shall decide on the admissibility of the request, and if deemed necessary it may summon the requesting party;
- III. Once the request admitted, the Institute shall notify the other party in order for it to manifest what serves its interest and provide the evidence it deems necessary within a term of five business days from the business day following the day the disagreement was notified;
- IV. Once the term referred to in the section above expires, the Institute with or without arguments of the other party shall decide on the admission of the evidence submitted and shall order their production within the next fifteen business days;
- V. Once the evidence produced, the Institute shall grant a term of two business days for the parties to present their pleadings;
- VI. Once the evidentiary stage submitted, and before the term for the issuance of the decision, if the parties present an agreement and ratify it before the Institute, the procedure shall be concluded;



- VII. Once the term to present pleadings expired, the Institute with or without pleadings, shall issue a decision in a term not exceeding thirty business days;
- VIII. Once the decision issued, the Institute shall notify it to the parties within the following ten business days; and
- IX. The decision issued by the Institute shall be registered in the Telecommunications Public Registry within ten business days following its notification, and the effective interconnection between networks, and the traffic exchange shall start no later than within the next thirty calendar days from the day following the notification of the decision, or if applicable, from the implementation of the corresponding agreement.

The request of a decision regarding interconnection conditions, terms and rates, which have yet to be agreed on, may be requested to the Institute before the term referred to in the first paragraph of this article expires, if both parties request it.

In the case of concessionaires whose public telecommunication networks are interconnected, and due to the termination of the term of their agreements may now agree on new interconnection conditions, and there is no agreement between the parties, they shall present before the Institute, their request for resolution regarding the interconnection disagreement, no later than July 15 of each year in order to get a decision in accordance with the administrative procedure provided in this article, the interconnection conditions not agreed between concessionaires, including rates, before December 15th in order for the new interconnection conditions to start their term on January 1st of the next year.

The Institute shall favor the prompt and effective interconnection between public telecommunication networks, therefore, the corresponding administrative procedures shall be filed transparently, promptly, quickly, and all procedural acts which delay the effective interconnection between public telecommunication networks, or the conditions allowing the provision of the public telecommunication services not agreed on shall be avoided.

Article 130. If a public telecommunications network concessionaire refuses to carry out negotiations regarding its network interconnection with another concessionaire, the Institute shall decide on the form, terms, and conditions under which said interconnection shall take place, without prejudice to the sanctions provided in this Law. The foregoing shall apply when the concessionaire to whom the interconnection has been requested in accordance with article 129, does not perform any action aimed towards that, and thirty business days from the day of the corresponding request have elapsed, or when it expresses its refusal without a justified cause to the Institute.

Article 131. When the Institute considers there are effective competition conditions in the telecommunications sector, it shall establish the criterion according to which, the fixed and mobile public telecommunication networks concessionaires, shall compulsorily execute reciprocal traffic compensation agreements, without any charge due to termination, including calls and short messages.

While there is a preponderant economic agent in the telecommunications sector, or agent with substantial power with a direct or indirect national participation over fifty per cent in the telecommunications sector, measuring said percentage either by the number of users, subscribers, or traffic in their networks, or the capacity used in said networks in accordance with the Institute's data, the fixed and mobile traffic termination rates, including calls and short messages shall be asymmetrical in accordance with the following:

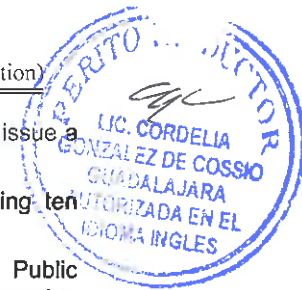
- a) The agents referred to in the preceding paragraph, shall not charge other concessionaires for the traffic terminating in their network, and
- b) For the traffic terminating in the network of other concessionaires, the interconnection rate shall be negotiated freely.

The Institute shall solve any dispute regarding the rates, terms, and/or conditions of the interconnection agreements referred to in subsection b) of this article, based on the cost methodology it determines, taking into consideration the natural asymmetries of the networks to be interconnected, the market share, or any other factor, establishing the corresponding rates, terms, and/or conditions.

The rates determined by the Institute based on said methodology shall be transparent, reasonable and, if applicable, asymmetrical, taking into consideration the market share, the hours the network is congested, the volume of the traffic, or others determined by the Institute.

The rates shall be sufficiently unbundled so that the interconnected concessionaire does not need to pay for components or network resources not needed for the service to be provided.

The Institute, prior to determining that a preponderant economic agent ceased to have said character, or no longer has the participation referred to in the second paragraph of this article, shall determine if said agent has



a substantial power in the relevant market of call and short messages termination. In case the agent has substantial power in the referred market, the Institute shall decide if it shall stay in the asymmetric regime referred to in subsection a) of the second paragraph of this article, or if it shall establish an asymmetric rate in accordance with the methodology provided in the second, third and fourth paragraphs of subsection b) of this article.

Article 132. In the interconnection agreements the parties shall establish, at least:

- I. The interconnection points of their network;
- II. The mechanisms allowing the separate or individual use of the services, capacity, functions and infrastructures of their networks in a non-discriminatory way in accordance with the provisions of this Law;
- III. The obligation to abstain from giving volume discounts due to interconnection rates;
- IV. The obligation to act based on reciprocity between concessionaires providing each other similar services, capacities and functions, without prejudice to the provisions of this Law, or what the Institute determines, and abstain from requesting conditions not essential for the interconnection;
- V. The commitment to carry out the interconnection in any switching point, or others where technically possible;
- VI. That the equipment necessary for the interconnection may be provided by any of the concessionaires and located or collocated in any of their facilities;
- VII. The mechanisms guaranteeing the suitable capacity and quality to process the required traffic between both networks, neither discriminating on the traffic type, nor lowering the capacity or quality of the services that may be accessed by the users;
- VIII. The obligation to deliver the traffic to the concessionaire selected by the subscriber at the nearest technically efficient point;
- IX. Establish a procedure to handle interconnection requests under the first entry, first exit criteria;
- X. The mechanisms and conditions to carry out the measurement tasks and services rating provided by the concessionaires to the users when requested, as well as the provision of the necessary and accurate information for the corresponding invoicing and collection;
- XI. The conditions under which the commercialization of the capacity in the interconnection services shall be carried out;
- XII. The maximum terms for each concessionaire to deliver interconnection links;
- XIII. The procedures to follow when handling interconnection failures, as well as the corresponding maintenance programs;
- XIV. The interconnection services object of agreement;
- XV. The economic considerations and, if applicable, the corresponding compensation mechanisms;
- XVI. The conventional sanctions; and
- XVII. Others that they are bound to agree upon in accordance with the fundamental technical plans.

Article 133. The provisions of all interconnection services provided in article 127 shall be mandatory for the preponderant economic agent or agent with substantial power, and those provided in sections I to IV of said article shall be mandatory for the rest of the concessionaires.

The interconnection agreements that shall be signed by preponderant economic agents shall contain the provisions of article 132 and other provisions and resolutions applicable to said agents.

Article 134. The Institute and the Ministry shall promote agreements with foreign authorities in order to have reciprocity in the access conditions for national concessionaires interested in offering services abroad, and greater competition.

Article 135. Only concessionaires operating public telecommunication networks, or people expressly authorized by the Institute shall be authorized to install telecommunication equipment and transmission means crossing the country's border, without prejudice to other applicable provisions.

The traffic exchange of public telecommunication networks with foreign networks shall be carried out through agreements negotiated by the interested parties.



The concessionaires shall submit to the Institute, before their execution, the traffic exchange agreements they plan on signing. The Institute may establish the conditions that shall be contained in said agreements in order to incorporate proportionality and reciprocity conditions regarding the services object of the exchange.

If it were necessary to sign agreements with a foreign government in order for the national networks to exchange traffic with foreign networks, the concessionaires shall request the intervention of the Ministry to sign the corresponding agreements in coordination with the Institute.

Article 136. The Institute shall establish and guarantee, through the publication of standards, the applicable and financially competitive measures so that the users of all public telecommunication networks may have access to invoicing, information, directory, emergency, collected calls and operator services, among others.

Article 137. The Institute shall publish in the Federal Official Gazette, in the last trimester of the year, the minimum technical conditions and rates that have resulted from the costs methodologies issued by the Institute, which shall be in force during the following calendar year.

Article 138. The preponderant economic agent in the telecommunication sector or agent with substantial power shall be subjected to the following specific obligations:

- I. Register, before the Institute a list of unbundled interconnection services, previously authorized by it in order to provide the necessary information to other concessionaires regarding the technical and functional specifications of the interconnection points, which shall be updated at least, once a year;
- II. Annually publish in the Federal Official Gazette a public interconnection offer containing at least, the characteristics and conditions referred to in article 267 of this Law, detailed and itemized in their technical, financial and legal aspects, which shall be offered to the concessionaires interested in interconnecting their network, and which shall be subjected to the approval of the Institute during the first trimester of each calendar year;
- III. Submit to the Institute, at least once a year, the separate and funding accounting of the interconnection services based on the methodologies and criteria the Institute may determine;
- IV. Not carry out practices which prevent or limit the efficient use of infrastructure dedicated to interconnection;
- V. Sign agreements for co-location sites sharing and shared use of the infrastructure;
- VI. Allow sharing of rights of way;
- VII. Handle requests for interconnection services in the time and form in which they handle their own needs and the needs of their subsidiaries, affiliates or companies of the same economic interest group;
- VIII. Have physical presence in the Internet traffic exchange points in the national territory, as well as sign agreements that allow the Internet service providers to exchange internal traffic more efficiently and cheaper, in the terms provided by the Institute; and
- IX. Others determined by the Institute.

Chapter IV

Infrastructure Sharing

Article 139. The Institute shall promote the execution of agreements between concessionaires for the co-location and shared use of the infrastructure.

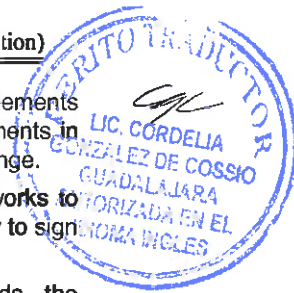
The co-location and shared use shall be established through agreements between the interested concessionaires. In the absence of agreement between concessionaires, when it is essential for the service provision and there are no substitutes, the Institute may establish the use, sharing of the physical space, as well as the corresponding rate conditions, provided there is capacity for said sharing.

The disputes shall be resolved by the Institute, following the procedure provided in this Law for the resolution of interconnection disputes, except for the resolution term which shall be up to thirty business days.

The co-location and shared use agreements executed by the concessionaires shall be registered in the Telecommunications Public Registry provided for in this Law.

When the access to a public resource such as the right of way and others similar is limited due to public interest or legal or regulatory provisions, the Institute shall promote the execution of agreements between concessionaires for the location and infrastructure shared use.

The Institute may verify, at any time, the conditions of sharing agreements in order to assess their impact on effective competition in the corresponding sector, and establish measures so that sharing is carried out and



the concessionaire is granted access under non-discriminatory conditions, as well as those required to prevent or remedy effects contrary to the competition process.

Chapter V

Public Telecommunication Networks with Public Participation

Article 140. When the Institute assigns concessions for commercial use to public entities, even when these entities are under a public-private association scheme, the concessions shall have the character of a telecommunication services wholesale shared network, in accordance with the provisions of this Law.

Under no circumstance may those networks offer services to end users.

If there is no concessionaire or authorized entity providing services to end users in certain geographic area and there is coverage and infrastructure of the wholesale networks referred to in articles fifteenth and sixteenth of the Decree, the Federal Executive shall guarantee through the decentralized body named Telecommunications Mexico, the resellers or concessionaires the provision of services to the users located in the corresponding localities, until there is another offer for the users.

Article 141. The concessionaires with public participation shall comply with the principles of competition neutrality when their purpose is commercial. In any case, they shall carry out separate accounts of their telecommunication or broadcasting service activities. The wholesale shared network concessions shall comply with this Law and with the Federal Economic Competition Law.

Article 142. The Institute shall directly assign 90 MHz of the 700 MHz band for the operation and exploitation of a wholesale shared network through a concession for commercial use in accordance with the provisions of this Law.

Article 143. The concession of wholesale shared network shall include, in addition to the provisions of the chapter regarding concessions for commercial use, coverage obligations, quality, price, and others determined by the Institute.

Article 144. The wholesale shared networks shall operate in accordance with the sharing principles of all their infrastructure and unbundling sale of all their services and capacities. Through those networks, the services shall be provided exclusively to resellers and concessionaires under non-discriminatory conditions and with competitive prices.

The concessionaires wishing to make available to other concessionaires the acquired shared network capacity may only do so if they offer the same conditions under which they acquired the shared network, without including the financial considerations in said conditions.

The concessionaires operating wholesale shared networks may only offer access to their capacity, infrastructure or services to the preponderant economic agent in the telecommunication sector, or to the agent declared with substantial power, with prior authorization of the Institute which shall establish the corresponding terms and conditions.

Chapter VI

Networks Neutrality

Article 145. The concessionaires and authorized entities providing Internet access service shall comply with the general guidelines issued by the Institute in accordance with the following:

- I. **Free choice.** The Internet access service users may access any content, application, or service offered by the concessionaires or by the authorized resellers, within the legal applicable framework, without limiting, deteriorating, restricting or discriminating their access.
They may not limit the right of the Internet access service users to incorporate or use any type of instruments, devices, or equipment that may be connected to their network, as long as these are homologated.
- II. **Non-discrimination.** The concessionaires and authorized resellers providing Internet access service shall abstain from obstructing, interfering, inspecting, filtering or discriminating contents, applications, or services;
- III. **Privacy.** They shall protect user's privacy and the network's security;
- IV. **Transparency and information.** They shall publish in their webpage the information regarding the characteristics of the service offered, including traffic administration and network policies authorized by the Institute, speed, quality, nature and service guarantee;
- V. **Traffic administration.** The concessionaires and authorized entities may take the necessary measures or actions for the traffic and network administration in accordance with the policies authorized by the Institute in order to guarantee the service quality or speed subscribed by the user, provided that it is not against healthy and free competition;



- VI. **Quality.** They shall maintain the minimum quality levels provided in the corresponding guidelines, and
- VII. **Infrastructure sustained development.** In the corresponding guidelines, the Institute shall promote the sustained growth of telecommunications infrastructure.

Article 146. The concessionaires and authorized entities must provide the Internet access service complying with the capacity, speed and quality subscribed by the user, with the independence of content, origin, destination, terminal, or application, as well as services provided through Internet in accordance with the provisions of the preceding article.

Chapter VII

Exploitation of the State's properties for the development of the Telecommunications Infrastructure

Article 147. The Federal Executive, through INDAABIN shall provide the technical, financial, security and operational conditions which allow the Federal Public Administration properties; the general communication channel rights; the infrastructure associated to broadcasting stations, the electrical transmission and radio communication towers; the posts on which the electrical distribution cables are installed; as well as the posts and pipelines, among others, to be available for the use and exploitation by all concessionaires on non-discriminatory basis and with the considerations established by the competent authorities in each case.

The administrative departments and agencies shall ensure that the properties referred to in this article, whenever the technical, security and operational conditions allow it, are destined to the promotion of telecommunication and broadcasting development and competition, in accordance with the purposes of this Law.

The Federal Executive, through the Ministry, shall issue recommendations to the states, the Federal District and municipal governments, for the infrastructure development, public works, territorial and real estate development promoting the free competition and telecommunications service coverage. More specifically, the Federal Executive shall actively promote, within its legal powers, the use of the properties referred to in this chapter for the telecommunication networks development.

For purposes of the provisions of the preceding paragraph, the Ministry shall coordinate with the real estate management departments or agencies, with INDAABIN, the Ministry of Finance and Public Credit, the Ministry of Energy, the Ministry of Environment and Natural Resources, the Ministry of Agricultural, Urban and Territorial Development, in order to establish the bases and rules to implement the real estate policy allowing the telecommunication infrastructure development.

No public telecommunication networks concessionaire may have exclusivity rights agreements for the use or exploitation of said properties.

Article 148. In order to decide on the admissibility of the use or exploitation of the Federal Public Administration property attribution, mentioned in the preceding article, the departments or agencies shall not only comply with the provisions of the General National Property Law, and other applicable laws, but also verify that the ones interested in obtaining the use and exploitation comply with the technical provisions applicable. If necessary, they may request support from the Ministry.

Article 149. In order to promote infrastructure sharing and exploitation of State's properties, any concessionaire may install infrastructure on State's properties to develop public telecommunication and broadcasting networks.

CHAPTER VIII

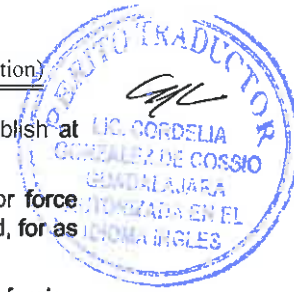
Satellite Communication

Article 150. The Ministry in coordination with the departments and agencies shall define if applicable, the satellite capacity that is required from orbital resources concessionaires and authorized entities to exploit the rights of signal transmission and reception from foreign satellites to provide services in the national territory, as the State reserve for national security networks, social services and other government needs.

The Institute shall ensure that the concessionaires and authorized entities provide the sufficient and appropriate satellite capacity reserve for national security networks, social services and other government needs as referred to in the paragraph above. The reserve capacity above mentioned may be complied with in cash or in kind at the discretion of the Ministry. The economic resources obtained in the case that the obligation is fulfilled in cash will be transferred to the Ministry for the acquisition of the corresponding satellite capacity.

Article 151. Concessionaires of orbital resources shall perform in a timely manner all the preliminaries to ensure the commissioning of services in accordance with the concession.





Article 152. Concessionaires of orbital resources which have coverage of the country must establish at least one control and operation center of the respective satellites in the national territory.

Regarding control centers established in the country, in case of unforeseeable circumstances or force majeure, the Institute may authorize the temporary use of a control and operation center located abroad, for as long as the cause persists.

Article 153. The entities authorized to use the rights of signal transmission and reception from foreign satellites that provide services in the national territory shall comply with the provisions established by the Institute for this purpose.

Article 154. Concessionaires of orbital resources operating in geostationary orbital positions need the authorization of the Institute to operate in inclined orbit or under specific conditions, if the service itself requires it.

Concessionaires of orbital resources shall inform the Institute of any event that affects or may affect service delivery or continuity.

The Institute shall set the maximum deadlines within which the concessionaires of orbital resources shall hold the orbital position and resume the provision of services. In order to set the deadline, the Institute shall be subjected to the applicable international terms and regulations and shall ensure the preservation of orbital resources for the Mexican State.

Should the de-orbiting of the satellite be required, a prior authorization shall be requested from the Institute.

The Institute shall resolve the matter within thirty business days from the submission of the relevant application.

CHAPTER IX

Specific Provisions for Broadcasting, Restricted Television and Audio Services

Section I

Installation and Operation

Article 155. Broadcasting stations and their supplementary equipment shall be constructed, installed and operated according to the technical requirements established by the Institute in accordance with the provisions of this Law, international treaties, the Mexican official standards, technical standards, engineering standards generally accepted and other applicable provisions. Any change to the specifications shall be subjected to the approval of the Institute.

For the installation, height increase, towers or radiator system facilities relocation or any change affecting the propagation or interference conditions, the concessionaire shall submit an application to the Institute together with the favorable opinion of the competent aeronautics authority.

Article 156. The Institute shall specify a period not exceeding one hundred eighty days for the start of the provision of services of a station as well as for any change in location of the station transmission plant, taking into account the calculations submitted by the concessionaire, in accordance with the approved plans.

In the case of changes in other technical parameters of the station operation, the Institute shall set a term not exceeding ninety calendar days, unless the concessionaire submits information that supports the need for a longer term to perform such work.

In any of the cases referred to in this article, the authorized term may only be extended once and for periods equal to the ones originally granted.

Article 157. The concessionaire providing broadcasting services has the obligation to ensure continuity of broadcasting public service, so the broadcasting cannot be suspended except in the case of unforeseeable circumstances or force majeure. The Concessionaire shall justify the cause to the Institute.

In case of suspension of service, the concessionaire shall inform the Institute of:

- I. The cause that originated the suspension;
- II. The use, if any, of emergency equipment, and
- III. The date for the return to normality of the service.

The concessionaire shall submit to the Institute the information mentioned in the sections above, within a period of three business days from the occurrence.

In case of maintenance or replacement of radio station facilities and equipment, concessionaires shall notify the Institute of the temporary suspension of the broadcasting service. Such notice shall be submitted at least fifteen business days before the date of the intended service suspension, indicating the time it will occur, its specific reasons and how long the suspension will last. In case there is no objection from the Institute within five business days following the mentioned period, the concessionaire may perform the said maintenance or replacement.

The persistence of the suspension of the service beyond the authorized periods may result in appropriate sanctions and, if necessary, the revocation of the concession.

Section II Multiprogramming

Article 158. The Institute shall grant the concessionaires upon request, authorizations to access the multiprogramming, in accordance with the principles of competition and quality, guaranteeing the right to information and specifically complying with the national and regional concentration of frequencies, including where appropriate the payment of the compensation due under the following criteria:

- I. The concessionaires shall request the number of multiprogramming channels they wish to transmit and the technical quality proposed for such transmission;
- II. In the case of concessionaires belonging to an economic agent declared preponderant or with substantial power, the Institute will not authorize the transmission of a number of channel greater than fifty percent of the total amount of broadcasted television channels, including the multiprogramming ones, authorized for other concessionaires that are broadcasting in the region covered;
- III. The Institute shall issue guidelines for the implementation of this article as well as for the payment of the compensation if appropriate;
- IV. When granting new concessions the Institute shall always consider in the object of the same the authorization to transmit multiprogramming in accordance with this article, and
- V. The concessionaires will under no circumstances be authorized to use the radio spectrum to provide restricted television or audio services.

Article 159. Concessionaires providing restricted television or audio services shall retransmit for free the multiprogramming broadcast signal with the largest audience. In case of disagreement, the Institute shall determine which broadcast signal shall be retransmitted. Concessionaire of restricted television services via satellite, are only obligated to retransmit multiprogramming broadcast signal of fifty percent coverage or more in the national territory with the largest audience.

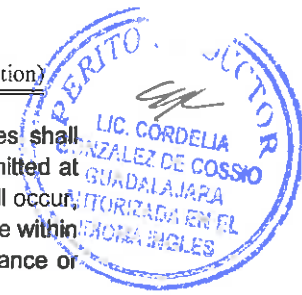
The foregoing is without prejudice to the concessionaire of restricted television services to broadcast the other multiprogramming broadcast signals, in accordance with Section I of Transitory Article Eighth of the Decree.

The concessionaire and national and foreign independent producers may freely enter into contracts for the access to multiprogramming channels in market conditions.

The access to the capacity of the multiprogramming channels shall be done under fair and non-discriminatory conditions in accordance with the guidelines issued by the Institute.

Article 160. For each channel under the multiprogramming scheme, concessionaires shall indicate the following in their application:

- I. The transmission channel to be used;
- II. The identity of the program channel;
- III. The number of hours of programming to be transmitted with innovative technology, in accordance with the provisions issued by the Institute;
- IV. The tentative transmission start-date;
- V. In the case of television, the video quality and the standard of video compression used for transmission, and
- VI. If it is a program channel whose content is the same as another broadcast channel in the same coverage area but offered with a delay in transmissions.



Article 161. In the case of TV channels, they shall comply with the following, in accordance with what the Institute establishes:

- I. An electronic TV guide according to the applicable provisions and
- II. Subtitle or dubbing services in Spanish and Mexican Sign Language for accessibility to people with hearing impairment. These services shall be available in at least one of the highest-rated news programs nationwide.

Article 162. The Institute shall answer the access application to multiprogramming in a maximum of sixty business days from the day following the application submission. If the Institute does not issue the appropriate response within the prescribed period, the application shall be considered negative.

Article 163. The concessionaire shall be responsible for the technical operation of the station, but not for the content delivered by independent programmers or producers who shall be responsible for it.

Section III

Retransmission

Article 164. The concessionaires providing television broadcast services are required to enable the concessionaires of restricted television to retransmit their signal, for free and in a non-discriminatory manner, within the same geographic coverage area, in full, simultaneously and without changes, including advertising and with the same quality as the broadcast signal.

The concessionaires providing restricted television services are required to retransmit the television broadcast signal, for free and in a non-discriminatory manner, within the same geographic coverage area, in full, simultaneously and without changes, including advertising and with the same quality as the broadcast signal and to include it free of charge in the services subscribed by their users and customers.

Article 165. Concessionaires of restricted television services via satellite are only obligated to retransmit broadcast signal of fifty percent coverage or more in the national territory. All concessionaires of restricted television shall retransmit federal public institutions broadcast signals.

Article 166. Telecommunications or broadcast television concessionaires that were declared with substantial power in any broadcasting or telecommunications markets or preponderant economic agent in accordance with the Decree may not be entitled to the rule of free broadcasting content or free retransmission; which shall under no circumstances be reflected as an additional cost in the subscribed services by users and subscribers.

Article 167. The concessionaires referred to in the previous article, shall agree on the terms and pricing of broadcasting content or the retransmission. In case of disagreement, the Institute shall determine the rate according to the principles of free competition.

Article 168. The Institute shall penalize the preponderant economic agents or agents with substantial power who benefit directly or indirectly from the free services rule, through other concessionaires revoking their concession, without prejudice to the compensations that may apply. The concession of the latter shall also be revoked.

Article 169. The obligations to provide and broadcast for free the contents shall expire simultaneously when the conditions of competition in the telecommunications and broadcasting markets are met. This statement shall be made by the Institute in accordance with this Law and the Federal Law of Economic Competition. In this case, concessionaires shall freely agree on prices and conditions of retransmission of broadcast content. In case of disagreement the Institute shall determine the rate which shall be cost-oriented.

SIXTH TITLE

Sole Chapter

Authorizations

Article 170. The authorization of the Institute is required for:

- I. Establishing and operating or exploiting a telecommunication service reseller without the status of concessionaire;
- II. Installing, operating or exploiting earth stations to transmit satellite signals;





- III. Installing telecommunications equipment and transmission means that cross the country borders;
- IV. Exploiting the rights of signal transmission and reception and frequency bands associated with foreign satellite systems that cover and can provide services in the national territory, and
- V. Temporarily utilizing spectrum bands for diplomatic visits.

The Institute may exempt from said authorization the transmitting earth stations that comply with the established standards, and therefore do not cause harmful interference to other telecommunication systems.

The authorizations granted by the Institute, will be valid for up to ten years renewable for up to the same period, provided it is requested by the authorized entity within the year prior to the start of the last fifth part of the authorization, in compliance with the obligations and in acceptance of the conditions established by the Institute.

Article 171. The Institute shall establish general rules for the requirements and deadlines to apply for the authorization referred to in the article above.

Article 172. The installation and operation of receiving earth stations do not require an authorization from the Institute.

Article 173. Telecommunication service resellers may:

- I. Access to wholesale services offered by concessionaires;
- II. Offer their own services or resell the services and capabilities that were previously agreed on with another concessionaire operating public telecommunications networks and
- III. Have their own numbering or acquire it through agreements with public telecommunications network concessionaires.

Article 174. Telecommunication service reseller shall:

- I. Allow number portability, and
- II. Be liable towards the end user for the services provided and comply with the obligations established in the present Law and other provisions applicable regarding user rights.

The economic agent who has been declared preponderant in the telecommunications sector or the concessionaires that are part of the economic group to which the declared preponderant agent belongs to may not participate directly or indirectly in any service trading company.

Article 175. Applications for authorization shall be resolved by the Institute no later than thirty business days following their submission, once the period expired with no resolution they shall be considered as granted and the Institute shall issue the authorization within the following thirty business days.

SEVENTH TITLE

Public Registry of Telecommunications

Article 176. The Institute shall keep the Public Registry of Telecommunications, which shall consist of the Concessions Public Registry and the National Information Infrastructure System, in accordance with the provisions of this Law and the applicable provisions that shall be issued.

Chapter I

Concessions Public Registry

Article 177. The Institute shall be responsible for creating, keeping and updating the Concessions Public Registry in which the following shall be registered:

- I. Concessions and authorizations granted, and any modification or termination thereof;
- II. The updated National Frequency Allocation Table;
- III. Associated services;
- IV. Liens on the concessions;
- V. The assignment of rights and obligations of the concession;
- VI. The frequency bands granted in different areas of the country as well as those that have been leased or changed;
- VII. The interconnection agreements, the infrastructure sharing and unbundling of the local network made by the concessionaires;



- VIII. Public offers made by concessionaires declared preponderant economic agent or agents with substantial power in the telecommunications and broadcasting sector;
- IX. The retail prices of telecommunications services offered by concessionaires and authorized entities, including discounts and rebates, as well as those which require a registration according to the provision of this Law or when set by the Institute;
- X. The adhesion contracts of concessionaires;
- XI. The shareholding structure of concessionaires, as well as the shareholding, ownership or operation control changes of the companies related to concessions in telecommunications and broadcasting;
- XII. The criteria adopted by the plenary of the Institute;
- XIII. The annual work programs, quarterly activity reports of the Institute, as well as studies and consultations that may be generated;
- XIV. The statistics and indicators generated and updated by the National Institute of Statistics and Geography, in the telecommunications and broadcasting area, in accordance with the measurement methodology recognized or recommended by the International Telecommunication Union.
The Institute shall thus participate in the National Advisory Council of the National Statistics and Geography Information; advise and ask the Council to generate indicators for telecommunications and broadcasting; and provide the information held in their administrative records for the creation and update of the indicators;
- XV. The guidelines, models and resolutions on interconnection as well as fundamental technical plans issued by the Institute;
- XVI. Specific measures and obligations imposed upon the concessionaire(s) declared preponderant economic agent or agent with substantial power, and the results of the monitoring actions of the Institute, regarding the compliance;
- XVII. The results of the monitoring actions of the Institute, regarding the obligations compliance of the concessionaires;
- XVIII. Participation statistics of concessionaires, authorized entities and economic interest group in each market determined by the Institute;
- XIX. The disciplinary procedures initiated and sanctions imposed by the Institute which are definitive;
- XX. Sanctions imposed by the Ministry, the Federal Telecommunications Commission and the Federal Competition Commission, prior to the entry into force of the Decree, which are definitive;
- XXI. Sanctions imposed by the PROFECO which are definitive, and
- XXII. Any other document that shall be registered as per the plenary determination.

Article 178. The Institute shall register the information referred to in this Law at no cost for the concessionaires or the authorized entities; and provide access to the information recorded in the Concessions Public Registry, through publication on the website with no need of an access key or a password and with a search system that facilitates navigation and information consultation.

The information contained in the Concessions Public Registry shall be public, except for the information which by nature is deemed confidential or private, in accordance with the Federal Law of Transparency and Access to Public Government Information and other applicable provisions.

The Registry is a tool with which the Institute shall promote transparency and access to information; therefore the Institute shall promote permanently the inclusion of new acts to be registered, as well as increased advertising and access to information recorded, following the principles of digital government and open data.

The entry in the Register shall have declaratory effect and the acts registered shall not constitute nor give for that fact alone rights in favor of any person.

Article 179. Any amendment to the information referred to in Article 177 shall be notified to the Institute within a period not exceeding thirty business days prior to the said amendment.

Article 180. Concessionaires and authorized entities are obliged to make available to the Institute in the term this latter shall determine, in writing and electronically, all data, reports and documents requested from

them in the area of the Institute's competence in order to integrate them to the Registry Public Telecommunications.

Chapter II

National Infrastructure Information System

Article 181. The Institute shall create and update a geo-referenced national database including information from the active infrastructure records, means of transmission, passive infrastructure and rights of way and public places.

The database shall be reserved in accordance with the Federal Law of Transparency and Access to Public Government Information, without prejudice to the Institute giving access to concessionaires and those who wish to become concessionaires or authorized entities, provided that they:

- I. Register with the Institute and confirm that they are indeed a concessionaire or an authorized entity or their interest in becoming one;
- II. Submit documentation proving their identification data through certified public documents, and
- III. Establish that the information is confidential for the people requesting the access through the guidelines issued by the Institute to ensure that no misuse of the information is made.

The security and law enforcement authorities shall have access to the database in order for them to exercise their powers.

Section I

Active Infrastructure

Article 182. Information regarding active infrastructure and transmission means shall contain all the information needed to identify and geo-locate the type, location, capacity, coverage areas and, if applicable, routes and other characteristics of all telecommunications and broadcasting networks and, where appropriate, the frequency bands used and any other information the Institute may deem necessary.

Article 183. Concessionaires and authorized entities shall submit the information regarding active infrastructure and transmission means, for registration in the National Telecommunications Infrastructure Information System, according to the schedule and guidelines published by the Institute for this purpose.

In the case that they use active infrastructure and transmission means of another concessionaire, the corresponding information shall be submitted in accordance with the conditions and deadlines established by the Institute.

Section II

Passive Infrastructure and Rights of Way

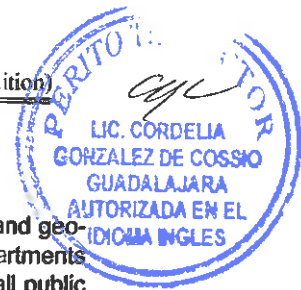
Article 184. Information regarding passive infrastructure and rights of way shall contain all the information needed to identify and geo-locate the type, location, capacity and, if applicable, routes and other characteristics of the entire passive infrastructure used or that may be used, for the deployment and installation of active infrastructure and public telecommunications and broadcasting networks. It shall also contain the identity of the concessionaires using that passive infrastructure and rights of way and any other additional information in accordance with the conditions and deadlines established by the Institute.

Article 185. Concessionaires, authorized entities, departments and agencies of the Public Federal Administration, the Federal District, State and Municipal administrations and the autonomous bodies shall provide information to the Institute regarding passive infrastructure and rights of way, for registration in the National Telecommunications Infrastructure Information System according to the conditions and deadlines established by the Institute.

When using passive infrastructure or right of ways of a third party in the corresponding contracts they should establish some sort of mechanisms in order to ensure the submission to the Institute of the information regarding this infrastructure in accordance with the conditions and deadlines established by the Institute.

When the Secretary provides connectivity to sites and public spaces of the states, the Federal District Government and their delegations, municipalities, public agencies and institutions, said entities shall previously provide the Ministry and the Institute, information regarding their passive infrastructure and rights of way.





Section III Public and Private Sites

Article 186. Information regarding public sites shall contain all the information needed to identify and geo-locate the type and location of all buildings and public spaces under the control of agencies and departments of the public administration of the various levels of government, autonomous bodies and, in general, all public agencies and institutions. Furthermore, the registry shall indicate for each site, if there is Internet connectivity and, if so, whether it is accessible to the general public and the bandwidth with which it is connected.

Article 187. The departments and agencies of the Public Federal Administration, the Federal District, State and Municipal Administrations, autonomous constitutional bodies, universities and public research centers, shall provide the Ministry and the Institute the information regarding public places in accordance with Section II of this Title and their passive infrastructure, for registration in the National Telecommunications Infrastructure information System in accordance with the conditions and deadlines established by the Institute. When using third party sites, in the corresponding contracts they shall establish mechanisms to ensure the submission to the Ministry and the Institute of the information regarding said sites in accordance with the provisions of this Law and the corresponding guidelines issued by the Institute.

Article 188. Individuals who wish to make available to the concessionaires real properties for the installation of infrastructure may request to the Institute their registration in the National Infrastructure Information System.

The Institute shall publish on its website real properties registered by individuals through a list or a geo-referenced map open to the public.

EIGHTH TITLE

Collaboration with Justice

Sole Chapter

Obligations in terms of Security and Justice

Article 189. Telecommunications concessionaires and, where appropriate, authorized entities and applications and contents service providers are required to answer every written request, founded and motivated by the competent authority in accordance with what is established by law.

The heads of security and law enforcement authorities shall appoint public servants responsible for managing the requirements that are made to concessionaires and receive the corresponding information through agreements published in the Federal Official Gazette.

Article 190. Telecommunications concessionaires and, where appropriate, the authorized entities shall:

- I. Collaborate with security, law enforcement and administration of justice authorities, in the geographical location, in real time, of the mobile communication equipment, in accordance with the law.

Any omissions or noncompliance with these provisions shall be penalized by the authority, pursuant to the provisions of the applicable criminal law.

The Institute, listening to the authorities referred to in Article 189 of this Law, establishes guidelines that telecommunications concessionaires, and if any, the authorized entities shall adopt in order for the collaboration referred to in this Law with said authorities, to be effective and done in a timely manner;

- II. Keep a record and control of communications made from any type of line using owned or leased numbers, in any form, which identifies accurately the following data:
 - a) Name or business name and address of the subscriber;
 - b) Type of communication (voice, voice mail, conferencing, and data), supplementary services (including call forwarding and call transfer) or messaging or multimedia services used (including short message services, multimedia and advanced services)
 - c) Data necessary to trace and identify the source and destination of mobile communications: destination number, type of lines with a contract or a tariff plan, such as in the form of prepaid lines;
 - d) Data necessary to identify the date, time and duration of communication and messaging or multimedia service;



- e) In addition to the above data, the date and time of the initial activation of the service and the location label (Cell ID) from which the service is activated shall also be kept;
- f) If applicable, identification and technical characteristics of the devices, including, among others, international manufacturing identity codes of equipment and subscriber;
- g) The digital location of the geographic positioning of the telephone lines, and
- h) The obligation to keep data shall start as of the date on which the communication occurred.

For this purpose, the concessionaire shall keep the data referred to in the preceding paragraph during the first twelve months in systems that allow consultation and real time delivery to the competent authorities through electronic media. Once the referred period come to an end, the concessionaire shall keep such data for an additional twelve months in electronic storage systems, in which case the delivery of information to the relevant authorities will be made within the following forty-eight hours, starting as of the notification of the request.

The request and real-time delivery of data referred to in this subsection shall be made through the mechanisms that the authorities determine as referred to in Article 189 of this Law, which shall be reported to the Institute for the purposes of paragraph III section I of this Article.

Telecommunications concessionaires and, where appropriate, authorized entities, shall take the necessary technical measures regarding data to be kept, to ensure its conservation, protection, non-manipulation or unlawful access, destruction, alteration or cancellation and the authorized personnel for its management and control.

Without prejudice to the provisions of this Law regarding the protection, treatment and control of personal data held by concessionaires or authorized entities, the provisions of the Federal Law on the Protection of Personal Data in Possession of Individuals shall apply;

- III. Deliver kept data to the authorities referred to in Article 189 of this Law, as required, in accordance with their responsibilities under applicable laws.

The use of kept data for purposes other than the purposes specified in this chapter is prohibited; any other use shall be penalized by the competent authorities administratively and criminally when applicable.

Telecommunications concessionaires and, where appropriate, authorized entities, are required to provide the information within a maximum period of twenty-four hours, from the date of the notice, provided that there is no other express provision of a competent authority;

- IV. Provide a responsible area available twenty four seven all year round, to handle information requirements, geographic location and tapping of private communications as referred to in this Title.

For purposes of the foregoing, the concessionaires shall notify to the heads of the instances referred to in Article 189 of this Law, the name of the person responsible for these areas and their location data; furthermore said person shall have broad and sufficient powers to handle the requirements formulated to the concessionaire or authorized entity and take necessary measures. Any changes of the responsible person shall be notified twenty four hours prior;

- V. Establish prompt procedures to receive reports from users who are victim of the theft or loss of mobile handset devices or equipment and for the user to prove the ownership of the subscribed services. Such report shall include, where appropriate, the equipment manufacturing identity code;

- VI. Suspend the service of mobile terminal devices or equipment reported stolen or lost, at the request of the owner.

Concessionaires shall sign collaboration agreement which will allow them to exchange lists of mobile communication equipment reported stolen or lost by their respective customers or users, whether the reports are made to the competent authority or the concessionaires themselves;

- VII. Block immediately all mobile communication lines operating under any form when reported by customers, by any means, as lost or stolen; and suspend immediately the telephone service when instructed by the competent authority in order to bring to an end the commission of offenses in accordance with the provisions of applicable laws;

- VIII. Collaborate with the competent authorities within the operating technical field to cancel or permanently cancel all cell phone signals, radio communication or transmission of data or image

within the perimeter of federal or state social rehabilitation centers, prisons or detention centers for minors, no matter their denomination.

The signal blocking referred to in the preceding paragraph shall be done on all frequency bands used for communication terminal equipment reception and shall not exceed twenty meters outside the premises of the centers or establishments to ensure the continuity and security of services to external users. In this collaboration, the concessionaires shall consider the technical elements of replacement, maintenance and service.

Telecommunications concessionaires and, where appropriate, authorized entities, are required to cooperate with the National Public Security System in monitoring the functionality or operation of the equipment used for permanent blocking of cell phone signals, radio or data or image transmission;

- IX. Implement a harmonized single number nationwide and, where appropriate, global emergency services, in accordance with the terms and conditions established by the Institute in coordination with the National Public Security System, under interoperable platforms, and include mechanisms to identify and geographically locate the call and, if necessary, emergency text messages;
- X. Report timely and at no charge to users the phone number(s) associated with the security and emergency services as determined by the Institute in coordination with the National Public Security System and also provide communication to those services for free;
- XI. In the terms defined by the Institute in coordination with the relevant institutions and authorities, prioritize communications regarding emergencies, and
- XII. Carry out under the coordination of the Institute, studies and research aimed at developing technological solutions to inhibit and combat the use of telecommunications equipment for the commission of crimes or the realization of risks or threats to national security. Concessionaires operating public telecommunications networks may voluntarily establish an organization that will have as a purpose carrying out the mentioned studies and research. The obtained results shall be recorded in an annual report that shall be forwarded to the Institute, the Congress and the Federal Executive.

Private communications are inviolable. Only the federal judicial authority, at the request of the federal authority empowered by the law or the head of the Public Prosecutor's office of the corresponding state, may allow any private communication to be tapped.

NINTH TITLE

Users

Chapter I

Users Rights and Protection Mechanisms.

Article 191. Users are entitled to the rights provided for in this Law and the Federal Consumer Protection Law as well as other applicable provisions.

Users have the right to:

- I. Check at no charge their balance in the case of prepaid mobile services without conditioning this to additional credit purchase;
- II. The protection of personal data in accordance with the applicable laws;
- III. Phone number portability within the period determined by the Institute, and which shall be at no charge;
- IV. Freely choose their service provider;
- V. Subscribe and be informed of the commercial conditions established in adhesion standard contracts, registered with the PROFECO, through electronic media, including the website of the concessionaire or authorized entity, with no prejudice to receiving them through other means.

PROFECO shall verify that adhesion contracts establish reasonable penalties for early cancellation of the contract by the consumer, and temporary suspension of service for non-payment. In these cases, PROFECO shall verify that unpaid or unearned balance payments of equipment, as well as charges for reconnection after suspension are reasonable and proportional to the violation of the corresponding obligation. In both cases, PROFECO shall take into account the characteristics of the different packages and commercial plans, to avoid creating additional costs to the provider.





PROFECO shall verify that users and consumers can enter into and cancel adhesion contracts through expeditious mechanisms, including electronic media. The contract may be canceled when expiring through these electronic media;

- VI. Free choice and non-discrimination in Internet access services;
- VII. Receive telecommunications services within the parameters of quality subscribed or established by the Institute;
- VIII. Receive a notification by any means, including electronic, of any changes to the originally contracted terms;
- IX. Demand the enforcement of the contract when the service provider modifies the conditions originally contracted and if the conditions are not met, ask for a cancelation.
- X. Terminate the contract or change the service package or plan, before the expiration, paying if necessary the remaining cost of the equipment;
- XI. Request and obtain the release of the terminal equipment at the end of the contract or when the cost has been paid;
- XII. Unlock the mobile terminal device, when, it's paid cash, the cost is settled or the initial term of contract expired, in any event the concessionaire or authorized entity shall provide the unlocking code;
- XIII. A Rebate or discount for service failure or improper charges, attributable to the concessionaire or authorized entity, as provided in the contract or as otherwise determined by the competent authority;
- XIV. In the provision of telecommunications services, discrimination based on ethnic or national origin, gender, age, disability, social background, health, religion, opinions, sexual orientation, marital status or any other that undermines human dignity and has the effect of nullifying or impairing the rights and freedoms of individuals shall be prohibited;
- XV. Express ideas, access information and seek, receive and spread information and ideas as established by the Constitution and applicable laws;
- XVI. Carry over the balance unused at the expiry date as additional balance when purchasing credit within the year following that date.
- XVII. When entering into an adhesion contract, such contract may only be changed by an agreement between the parties. Consent shall be granted through electronic means;
- XVIII. Cancel the contract with no need of an authorization of the concessionaire or the authorized entity and no penalty when the agreed period expires, except when the contract is renewed to continue using and paying telecommunications services originally subscribed;
- XIX. Not receive calls from the concessionaire or authorized entity regarding promotion of services and packages unless consent was expressly given through electronic means;
- XX. When the mobile service contract is renewed and the user does not acquire a new device, the monthly payment is only intended for charges of unpaid services and not for the payment of the device, and
- XXI. The contract of mobile services shall be transparent in terms of monthly payment indicating the cost corresponding to the services and the one corresponding to the device or installation and its payment term.

Concessionaires and authorized entities shall hand over a letter to the users containing the rights that this Law and the Federal Consumer Protection Law recognize; such letter may be sent by electronic means.

The Institute and the PROFECO shall determine the minimum rights to be included in the referred letter.

The minimum rights referred to in the preceding paragraph, shall permanently be issued by the Institute, PROFECO, concessionaires and authorized entities in their respective Internet websites and will be handed to users when subscribing the corresponding service.

PROFECO shall promote, protect, advise, defend, reconcile, and represent users and consumers against concessionaires or authorized entities of telecommunications services or in advisory committees of standardization as well as record and publish standard contracts of adhesion in accordance with this Law and the Federal Consumer Protection Law.

The Institute shall regulate, monitor and oversee the quality of public telecommunications services indicators, parameters and procedures established for this purpose, and shall inform PROFECO of the results obtained in order for it to exercise its powers.

The Institute and the PROFECO shall exchange information related to user complaints, trading behavior of concessionaires or authorized entities, the compliance with their obligations as well as penalties imposed in order to proceed within the extent of their competence. Penalties imposed by the PROFECO shall be recorded in the Concessions Public Registry.

The Institute and the PROFECO shall inform each other when concessionaires and authorized entities engage in systematic or recurrent violation of users or consumers rights pursuant to this Law and the Federal Consumer Protection Law, so that within their powers they may carry out the necessary actions to protect and compensate them or where appropriate, the Institute shall impose penalties for infringement of obligations to concessionaires.

Article 192. In the contracts signed between concessionaires or authorized entities and users and subscribers for the provision of services, the provisions of this Law shall be observed; clauses shall be null and void when they:

- I. Let concessionaires or authorized entities unilaterally modify the contents of the contract or unilaterally avoid their obligations.
The contracts may stipulate clauses which allow modifications of their conditions only when a prior notice to the user or subscriber is expressly established. In case of any changes in contractual terms, the user or subscriber shall be notified by any means, including electronic;
- II. Release the concessionaires or authorized entities of their civil liability with the exception of when there is a breach of contract by the user or subscriber;
- III. Transfer to the subscriber, user, or a third party not part of the contact, the responsibility of the concessionaire or authorized entity;
- IV. Set prescription terms shorter than the legal requirement;
- V. Establish certain formalities for exercising the actions initiated against concessionaires or authorized entities, and
- VI. Require the user to give up provisions of this Law, the Federal Consumer Protection Law, or exercising an individual or class judicial action or subject them to the jurisdiction of foreign courts.

Article 193. Concessionaires or authorized entities shall register with the PROFECO, prior their use, the standard contracts of adhesion that they plan on signing with the users, these contracts shall comply with the provisions of this Law, the Federal Consumer Protection Law and other applicable provisions.

Article 194. The Ministry of Economy shall issue the official Mexican standards in coordination with the Institute which establish specific obligations to be observed by the concessionaires or authorized entities, in order to ensure effective protection of the rights of users under the Federal Consumer Protection Law and in this Law.

Article 195. Concessionaires and authorized entities are required to report and observe the prices, rates, guarantees, penalties, compensation, quantities, quality, measures, interest, charges, terms, deadlines, dates, modalities, reservations and other conditions of service provision which they offered, or for which they are obligated and they agreed on with the user or subscriber and under no circumstances shall these goods and services be denied to any person.

The Institute shall issue the provisions establishing the conditions under which the concessionaires and authorized entities shall publish transparent, comparable, adequate and updated information on prices and applicable rates, any charges related to the termination of the contract, as well as information on access and use of the services provided to users or subscribers. The information shall be published in a clear, understandable and easily accessible manner.

Article 196. Concessionaires and authorized entities are required to provide service to the user or subscriber according to the terms and conditions offered or implied in advertisements or information published, unless otherwise agreed or with the written consent of the user.

Article 197. Concessionaires and authorized entities shall block contents, applications or services upon express written or recorded request of the user or subscriber or by any other electronic means, the blocking shall not be extended arbitrarily to contents, applications or services other than those requested by the user or subscriber. Under no circumstances shall this blocking arbitrarily affect providers of services and applications found on the Internet.

They shall also make available for users who request it, a parental control service and publish clearly the operational characteristics of this service and instructions for the user to operate the necessary applications for the correct operation of that service.



Article 198. At the end of a concession, the radio spectrum assigned under the concession shall automatically revert to the state, so that the Institute may call for a bid or assign it in accordance with the provisions of this Law. Notwithstanding the above, in order to protect and safeguard the rights of the users or subscribers, the Institute may authorize the temporary use of radio spectrum only in the amount and the time strictly necessary for the then concessionaire to migrate users or subscribers to other services or concessionaires or carry out the period and the terms under which they are obligated.

The Institute shall set in accordance with the concessionaire's proposed action plan, the amount of radio spectrum and the enough time to carry out the above, according to the number of users or subscribers, type and duration of the services they have agreed on.

The same shall apply in the case of the transition or technological improvement made possible by the concessionaire, provided that the concessionaire has an authorization from the Institute, in order to ensure that the users or subscribers of a service originally provided, can migrate in equal circumstances to new services.

During the time the radio spectrum is used or exploited, under the authorization referred to in this Article, the corresponding compensation and rights shall be paid.

Chapter II

Rights of Users with Disabilities

Article 199. The Federal Executive and the Institute in their respective areas of competence shall promote the equal opportunity access to telecommunications services for users with disabilities.

Article 200. In addition to the rights provided for in this Law and in order to have real equal opportunities, users with disabilities shall enjoy the following rights to:

- I. Request and receive advice from the concessionaires on the use of telecommunications services;
- II. Subscribe and be informed of the commercial conditions established in standard adhesion contracts, registered with the PROFECO, through electronic media, including the website of the concessionaire or authorized entity, which shall have formats with accessibility features in accordance with the guidelines issued by the Institute, with no prejudice to receiving them through other means;
- III. Have upon request of the user, terminal equipment with features, programs or applications that allow accessibility to telecommunications services for people with mobility, visual and hearing disabilities;
- IV. Access a telephone number for emergency services, harmonized nationwide and where applicable worldwide, including mechanisms to identify and locate geographically the call and, if necessary, text messages; in the terms and conditions established by the Institute in coordination with the National Public Security System;
- V. No discrimination in the subscription and provision of telecommunications services;
- VI. Concessionaires or authorized entities facilities or centers accessible to the public shall be adjusted, modified or equipped with mechanisms allowing proper attention to people with disabilities, provided that such adjustments do not imply disproportionate or undue charges to the concessionaires or authorized entities in accordance with the guidelines issued by the Institute;
- VII. The Internet portals and websites or customer service phone lines of the concessionaires or authorized entities shall have accessibility features provided that they do not imply disproportionate charges for the concessionaires or authorized entities and
- VIII. Customer care shall be provided by the concessionaires or authorized entities through trained staff.

Article 201. The Internet websites of the agencies of the Federal Public Administration, as well as decentralized public agencies, state-owned companies, Congress, Judiciary Power of the Federation, autonomous constitutional bodies; as well as the Public Administration agencies, the legislative and judiciary power and the federal and federal district entities shall have accessibility features for people with disabilities. In the case of the Federal Public Administration, their websites shall comply with the provisions established in the National Digital Strategy framework in accordance with international best practices, as well as technology upgrades. The Executive shall promote the implementation of these accessibility features in private and social sectors.

Article 202. The Federal Executive in accordance with the National Digital Strategy and the Institute, within their respective competences, shall promote access for people with disabilities to new information and communications systems and technology, including the Internet and in accordance with the guidelines issued thereof.



Article 203. For the definition of the guidelines by the Institute regarding accessibility for people with disabilities the Institute shall comply with the standards and sign agreements with public and private institutions specialized in the field.

Chapter III

User Rates

Article 204. Telecommunications services concessionaires for commercial or social use shall freely set user tariffs for services rendered.

Article 205. Telecommunications services concessionaire for commercial or social use shall submit electronic application of registration of tariffs to users prior to their entry into force. Said application shall contain a description of the service provided, and implementation rules and, if any, penalties according to the forms established by the Institute

The Institute shall establish an electronic mechanism to register such fees, which shall come into force from the application date.

Article 206. The telecommunications concessionaire declared as preponderant economic agent may not grant preferential treatment to services provided, in accordance with the principles of competition, directly or through its subsidiary companies, subsidiaries, affiliates or companies from same economic interest group.

Article 207. In the case of telecommunications services offered to the public with charges for the duration of communications, concessionaires and authorized entities shall include in their commercial offers, plans and tariffs, charges per second, without prejudice to other plans based on charges per minute, event, capacity or any other form.

Article 208. The tariff freedom referred to in article 204 and the provisions of articles 205 and 207 shall not apply to telecommunications concessionaires declared as preponderant economic agents or agents with substantial power in the telecommunications sector, in which case, they shall comply with the specific regulations on tariffs imposed by the Institute. These tariffs shall be approved by the Institute, who shall keep a record of the same, in order to publicize them.

The preponderant economic agent in the telecommunications sector or agent with substantial power in the market of call termination and short messages shall have among others the following obligations:

- I. The agent may not charge users or give commercial conditions different in terms of quality and price, for services that originate and terminate in their network from those that apply to the services that originate or terminate in the network of another concessionaire;
- II. The agent may not differentiate charges of their mobile services users when receiving calls from their network or from other concessionaires;
- III. The agent shall not charge public telecommunications network concessionaires, with higher tariff than those offered to any end user; the said tariff shall be extended to the concessionaire upon request;
- IV. The agent shall not sign exclusivity agreements for the purchase and sale of terminal equipment, neither shall he have any conduct with the purpose or effect of limiting the access to terminal equipments for the rest of the competition, and
- V. The agent shall not sign exclusivity contracts for point of sales and distribution, including purchase of airtime top up, different from the preponderant economic agent, which prevent or hinder access of other concessionaires to those points of sales.

Chapter IV.

Phone Numbers Conservation by Subscribers.

Article 209. The concessionaires shall guarantee, in accordance with the guidelines approved by the Institute to this purpose that subscribers with numbers from the national telephone numbering plan will keep, upon request, the numbers that they were assigned, regardless of the concessionaire providing the service.

The costs of updating the network and systems elements needed to enable the number portability shall be paid for by each concessionaire without being entitled to receive any compensation for it. Other costs generated by phone numbers portability shall be distributed through the adequate agreement between the concessionaires affected by the change. Should there be no agreement, the Institute shall decide.

The costs referred to in the preceding paragraph shall be oriented on the basis of actual expenses. Concessionaires shall not charge the end user or subscriber for the number portability.





TENTH TITLE
Sole Chapter
Universal Coverage

Article 210. In order to achieve universal coverage, the Ministry shall prepare annually a social coverage program and a connectivity program in public places.

Article 211. The objective of the social coverage program is to increase network coverage and penetration of telecommunications services in priority areas as defined by the Ministry.

In order to prepare the social coverage program, the Ministry shall coordinate with the governments of the states, the Federal District, municipalities and the Institute. It shall also receive and evaluate proposals from any interested party by the means established by the Ministry for this purpose.

The Ministry shall establish the telecommunications and broadcasting services to be included in the social coverage program, with priority given to Internet access and voice services, and design and promote incentives for the participation of concessionaires.

Article 212. The Ministry in coordination with the Institute and the National Institute of Statistics and Geography, shall define and publish indicators that will enable measuring the evolution of telecommunications and broadcasting services throughout the national territory, following when possible and without limitation, internationally recognized methodologies that allow the measurement of progress and international comparison. The purpose of these indicators shall be quantifying the progress of programs of social coverage and connectivity in public places.

Concessionaires involved in the programs of social coverage, shall be required to report to the Ministry data that will allow quantifying the progress of programs of social coverage and, where appropriate, acquired compliance obligations. The Ministry shall follow up on compliance of concessionaires or authorized entities with the commitments made in the respective programs and the Institute shall penalize noncompliance of concessionaires and authorized entities with the obligations of social coverage and universal coverage that were set.

Article 213. The National Council for Technology and Sciences, in coordination with the Ministry shall establish the necessary technical and administrative mechanism and grant technical and financial support required by the Public Institutions of Higher Education and Investigation for the interconnection of their networks, with the sufficient capacity, setting up national network of education and investigation, as well as the interconnection between the national and international networks specialized in the academic field.

Article 214. The departments and agencies of the Federal Public Administration shall support the development of social coverage programs and connectivity in public places, as well as digital strategy issued by the Federal Executive.

Article 215. Social coverage programs and connectivity in public places shall have the mechanisms determined by the Ministry, with the support of the Ministry of Finance and Public Credit.

ELEVENTH TITLE
Audiovisual Contents
Chapter I
Authorities Competence

Article 216. The Institute shall:

- I. Monitor and penalize noncompliance with the deadlines established for the transmission of commercial messages set out in this Law;
- II. Monitor and penalize noncompliance with obligations in terms of defense of the audiences in accordance with the provisions of this Law;
- III. Oversee that the programming targeted to children complies with the values and principles referred to in article 3^d of the Constitution, the regulations on health and the guidelines established in this Law governing scheduled advertising programming aimed at children, based on the regulations issued by the competent authorities;
- IV. Order the precautionary suspension of transmissions violating the rules pursuant to this Law in matters referred to in sections II and III with prior warning, and
- V. Report to the Ministry of Health and the Ministry of the Interior, the results of supervisions conducted in accordance with section III, in order for them to exercise their powers of sanction.

For the purposes of the provisions of Section III of this Article, it may conclude cooperation agreements with federal agencies or departments.



Article 217. The Ministry of the Interior shall:

- I. Order and manage the transmission of the State times in the terms provided in this Law and where applicable, those set forth in other applicable provisions;
- II. Order and coordinate the simultaneous broadcast of radio and television transmission networks;
- III. Order the transmission of bulletins of any authority related to security and national defense, public order or with measures set to anticipate or remedy any natural disaster;
- IV. Order transmissions of the national anthem in accordance with the provisions of this Law;
- V. authorize and supervise the transmission or promotion of contests that offer prizes in various forms and stages, in order to protect the good faith of the contestants and the public, as well as penalizing non compliance within the scope of its competence;
- VI. Supervise and monitor the transmission of the State times and, where appropriate, those provided in other applicable provisions, bulletins and national channels, in the terms of this Law and penalize non-compliance of the concessionaires;
- VII. Require from the concessionaires providing restricted television and audio, the free channel reserve for the distribution of television signals in accordance with the legal provisions;
- VIII. Check that the radio and television transmission comply with the classification criteria, to be issued under this Law, including those related to programming aimed at children, in accordance with the guidelines issued under this Law ;
- IX. Based on the results of monitoring carried out by the Institute, apply the penalties established in this Law for failure to comply with the guidelines regulating the scheduled programming and advertising aimed at children;
- X. Establish specific guidelines regulating the scheduled advertising in the programs aimed at children, to ensure the values and principles referred to in article 3 a. of the Constitution, and
- XI. Others conferred by this Law and other legislation.

While exercising these powers, the Ministry of the Interior shall respect the rights of expression of ideas, freedom of information and expression and cannot perform any prior censorship.

Article 218. The Ministry of Public Education shall:

- I. Promote in coordination with the Ministry, the use of information technology and communication in the education area, under the terms established in the provisions issued by the Federal Executive regarding the Federal Digital Strategy;
- II. Promote the broadcasting of programs of cultural and civic interest;
- III. Develop and disseminate educational and recreational programs for children;
- IV. Intervene in broadcasting to protect copyright, in accordance with the provisions established in the Federal Law of Copyright and
- V. Others conferred by this Law and other legislation.

Article 219. The Ministry of Health shall:

- I. Authorize the broadcasting of advertising regarding the practice of medicine and related activities;
- II. Promote in coordination with the Ministry, the use of information technology and communication in the health area, under the terms established in the provisions issued by the Federal Executive regarding the Federal Digital Strategy;
- III. Authorize advertising for nutritional supplements, biotechnological products, alcoholic beverages, drugs, herbal remedies, medical equipment, prosthetics, orthotics, functional aids, diagnostics agents, dental supplies, surgical materials, pesticides, plant nutrients and toxic or hazardous substances and others to be determined in the applicable legislation. The Ministry of Health may issue the general rules applicable in terms of advertising of products listed in this article, without prejudice to the powers of the Ministry of interior regarding contents;
- IV. Set standards in terms of health for programming aimed at children;
- V. Based on the results of the supervision conducted by the Institute, impose sanctions for non-compliance with the rules regulating the scheduled programming and advertising directed at children in terms of health and

VI. Others conferred by this Law and other legislation.

Article 220. The Federal Executive, through the agency empowered to do so, shall inform the Institute regarding those matters, events and circumstances which require its intervention for legal purposes in accordance with the Decree.

Article 221. The National Electoral Institute shall have the powers set out in the General Institutions and Electoral Act and other applicable procedures in this field.

Chapter II**Contents****Section I****Common Provisions**

Article 222. The right to information, expression and reception of content through public service broadcasting and restricted television and audio, is free and consequently shall not be subjected to any prosecution or judicial or administrative investigation or limitation or prior censorship, and shall be exercised in accordance with the Constitution, international treaties and applicable laws.

The authorities in their area of competence shall promote the respect of human rights, the principle of the best interests of the child, in order to fully ensure their rights as well as the gender perspective.

Article 223. The programming distributed through broadcasting or restricted television and audio in the context of freedom of expression and reception of ideas and information shall facilitate:

- I. The integration of families;
- II. The harmonious development of the child;
- III. The improvement of education systems;
- IV. The diffusion of artistic, historical and cultural values;
- V. Sustainable development;
- VI. The diffusion of ideas that affirm the national unity;
- VII. Equality between women and men;
- VIII. The diffusion of scientific and technical knowledge, and
- IX. The correct use of language.

The independent national programmers and the ones adding content may commercialize them in one or more channels for one or more distribution platforms of said content. The rates of these commercial deals shall be agreed freely between these programmers and the networks or platforms on which they shall be transmitted, in accordance with international practices.

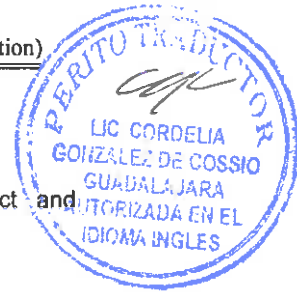
Article 224. In each multiprogramming channel for commercial, public and social use authorized to the concessionaires providing broadcasting services, these must comply with the same rules and regulations applicable in terms of content, advertising, independent national production, defender of the audience, State time, bulletins, simultaneous retransmission and penalties.

Article 225. The concessionaires providing restricted television and audio shall set the necessary technical measures to enable the users to lock channels and programs they do not wish to receive.

Article 226. In order to promote free and harmonious development of children and adolescents, as well as contribute to meeting the educational goals outlined in the article 3 of the constitution and other legislation, the broadcast programming aimed at this sector of the population shall:

- I. Disseminate information and programs that strengthen the cultural, ethical and social values;
- II. Avoid transmissions contrary to the principles of peace, non-discrimination and respect to the dignity of all people;
- III. Avoid contents that stimulate or justify violence;
- IV. Inform and guide about the rights of the child;
- V. Promote interest in the understanding of national values and knowledge of the international community;
- VI. Stimulate creativity and interest in physical culture, family integration and human solidarity;





- VII. Foster interest in knowledge, particularly in science, art and social aspects;
- VIII. Promote respect for the rights of people with disabilities
- IX. Promote a culture that stimulates environmental awareness, conservation, respect and preservation;
- X. Stimulate a culture of prevention and health care;
- XI. Provide information about protection against all forms of child exploitation and human trafficking;
- XII. Promote tolerance and respect for diversity of opinions;
- XIII. Promote the right of women to have a life freed from violence;
- XIV. Protect the identity of victims of sexual offenses, and
- XV. Comply with the classification and schedules relating to the use and dissemination of pornographic content.

Children's programs transmitted live, the ones recorded in any form in the country or abroad, times of State and, where appropriate, those provided in other applicable provisions, shall be subjected to the provisions of the preceding sections.

Concessionaires providing broadcasting services or restricted television and audio and programmers shall take appropriate measures to warn the audience of content that could harm the free development of the personality of children and adolescents each for their respective contents, .

Article 227. Concessionaires providing broadcasting services or restricted Television shall display the titles of the programs and their classification at the start and halfway through the programs; complying with the content rating system established in the applicable provisions.

It shall be the duty of the programmers to comply with the classification characteristics in accordance with this Law and other applicable laws, each for their respective contents,

Cinematographic films broadcast or restricted television shall use the same classification criteria as for the rest of the programming, without prejudice to possible changes of the classification modified versions for transmission.

Concessionaires of restricted television shall inform about the classification and the schedule in their electronic TV guide, in accordance with the guidelines established by the Institute, provided that the programmer sends the corresponding classification.

It shall be the duty of the programmers to comply with the classification characteristics in accordance with this Law and other applicable laws, each for their respective contents,

Article 228. Concessionaires providing broadcasting services or restricted television and audio and programmers, when it comes to their contents, shall inform the public of the classification and warn about specific contents that may be unsuitable or inappropriate for minors in accordance with the classification system of program and films content established in the regulations.

The foregoing shall apply to recorded materials in any format in the country or abroad in which case they may recognize the original country classification, provided that it is equivalent to the one applicable to national content classification in accordance with the guidelines issued by the Institute for this purpose.

Article 229. Transmission or promotion of contests in which prizes are offered in various forms shall be pre-approved and supervised at all stages by the Ministry of the Interior, in order to protect the good faith and integrity of the participants and the public.

In the case of contests that are transmitted through signals from abroad, concessionaires shall sign agreements with programmers and operators of foreign signals, ensuring the reliability of the contest and compliance with the prizes awarded when it comes to winning participants in the country.

Religious transmissions shall be subjected to the provisions of the Law on Religious Associations and Public Worship and other provisions in this field.

Article 230. In their transmission, concessionaire broadcasting stations shall use the national language. The foregoing is without prejudice to the use of the corresponding language of the indigenous people by the concessions for indigenous social use.

If transmissions are in a foreign language subtitling or translation into Spanish shall be used, in exceptional cases, the Ministry of the Interior may authorize the use of foreign languages without subtitling or translation in accordance with the regulations.

Article 231. Concessionaires providing broadcasting services and restricted television and audio shall include in their daily programs information on events of political, social, cultural, sporting and other matters of general, national or international interest.

Article 232. Concessionaires providing restricted television or audio services shall transmit for free the Federal Public Institutions broadcast signals. When the Concessionaire does not have the ability to relay all signals, including multiprogramming, the Ministry of the Interior, in the case of signals of the Federal Executive or public institution owner of the signal, shall indicate to the concessionaire which of the programming channel shall be broadcast. In case of disagreement, the Institute shall resolve.

Article 233. Concessionaires providing restricted television and audio service shall reserve at no charge channels for the distribution of federal public institutions television signals as indicated by the executive through the Federal Executive, as follows:

- I. A channel, when the service consists of 31 to 37 channels;
- II. Two channels, when the service consists of 38 to 45 channels, and
- III. Three channels, when the service consists of 46 to 64 channels. Beyond this last number, a channel shall be added for every 32 transmission channels.

Article 234. When the service consists of up to 30 channels, the Ministry may require, that a specific channel dedicates up to 6 hours daily for transmission of programming as indicated by the Ministry of the Interior.

Article 235. The Interior Ministry shall directly request from the concessionaires the channels referred to in the two preceding articles and may indicate to the concessionaires the channel number to be assigned.

Article 236. The Concessionaire may use the channels referred to in the preceding article, if they are not required by the Ministry of the Interior.

The Concessionaire shall cover the costs of the equipment and facilities necessary for the reception and distribution of the signals that are indicated. The transmission quality of these signals shall be at least equal to the rest of the service.

Section II

Advertising

Article 237. Concessionaires providing broadcasting or restricted television and audio services, as well as programmers and signals operators shall maintain a balance between advertising and programming transmitted daily, and the following rules shall apply:

- I. Concessionaires of commercial use broadcasting:
 - a) In television stations, the time spent on commercial advertising shall not exceed eighteen percent of the total transmission time per programming channel, and
 - b) In radio stations, the time spent on commercial advertising shall not exceed forty percent of the total transmission time per programming channel.

The length of commercial advertising does not include transmissions of the station own advertising, nor does it include State time and other Executive Power provisions or programs offering products or services;

- II. Concessionaires of restricted television and audio:
 - a) May transmit, daily and per channel, up to six minutes of advertising for every hour of transmission.

For purposes of the corresponding calculation, advertising in the broadcast signals that are retransmitted and programming channels own advertising shall not be considered, and

- b) The channels exclusively dedicated to programs of product offerings, shall be exempted from the limit stated in the previous paragraph, and
- III. Concessionaires of indigenous and community social use broadcasting:
 - a) In television stations, the time dedicated to sale advertising for federal public authorities and, where appropriate, those of the States and Municipal Entities shall not exceed six percent of the total transmission time per programming channel and



- b) Radio stations dedicated to sale advertising for federal public authorities and, where appropriate, of the States and Municipalities, shall not exceed fourteen percent of the total transmission time per programming channel.

The duration of advertising referred to in this section does not include the station own advertising or the transmissions corresponding to the State times, bulletins, simultaneous retransmissions and other provision of the Executive Power.

Article 238. In order to prevent the transmission of misleading advertising, without affecting freedom of expression and diffusion, transmission of publicity or propaganda presented as journalistic news or information is prohibited.

Article 239. Restricted television advertising of products or services not available in the domestic market, shall include visual and audio resources to indicate that fact. The concessionaire shall include this provision in the respective contracts with programmers.

Article 240. Concessionaires providing broadcasting services or restricted television and audio will have the right to trade space within their programming in accordance with the provisions of this Law and other applicable regulations.

Article 241. Concessionaires providing the broadcasting services shall offer in terms of market and in non-discriminatory manner, services and advertising spaces to any natural or legal person requesting it. In order to do so, they shall observe the terms, packages, conditions and rates in effect at the time of contract. Also, they may not restrict, deny or discriminate access or advertising space contract to any advertiser, even if the latter had chosen, at some point, other advertising space or means.

Article 242. Broadcasting concessionaires shall freely set rates for services and advertising space, and shall not have greater obligations than to submit the respective minimum rates to the Institute for registration in the Public Register of Telecommunications, and not restrict access to the advertising when it involves the displacement of their competitors or the affectation of free competition in accordance with the applicable provisions.

Article 243. Lotteries, raffles and draws advertising and promotion may only be done when they have been previously authorized by Ministry of the Interior.

Article 244. The contents of advertisements shall comply with the classification system referred to in Article 227 of this Law and shall be transmitted in accordance with the time slots provided for this purpose

Article 245. Advertisements shall not present behaviors or situations in which not having a product or service is the cause of discrimination of any kind.

Article 246. In advertising aimed at children the following shall not be allowed:

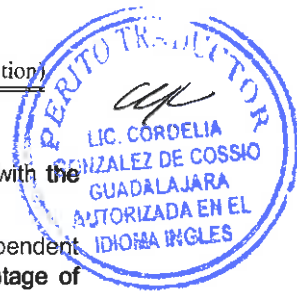
- I. Promote or show illegal or violent behaviors that endanger life or physical integrity, either through real or animated characters;
- II. Show or promote products or behaviors that threaten physical or emotional health;
- III. Present children or adolescents as sex objects;
- IV. Use their inexperience or immaturity to persuade them of the benefits of a product or service. The exaggeration of the properties or qualities of a product or service or generation of false expectations of their benefits shall not be permitted;
- V. Encourage directly to purchase or ask for the purchase or subscription of a product or service;
- VI. Show behaviors that promote inequality between men and women or any other form of discrimination;
- VII. Present, promote or encourage behaviors of harassment and bullying that may cause sexual abuse or otherwise, injury, theft, among others, and
- VIII. Contain subliminal or concealed messages.

Section III

National Production and Independent National Production

Article 247. Concessionaires providing broadcasting services for commercial use with national production covering at least twenty percent of their programming may increase the percentage of advertising time referred to in this Law, up to two percentage points.





This incentive shall apply in direct proportion to the percentage of national production complying with the provisions of the preceding paragraph.

Article 248. Concessionaires providing broadcasting services for commercial use with independent national production covering at least twenty percent of their programming may increase the percentage of advertising time referred to in this Law, up to five percentage points.

This incentive shall apply in direct proportion to the percentage of independent national production complying with the provisions of the preceding paragraph.

Article 249. Broadcasting concessionaires shall exploit and stimulate local and national artistic values and expressions of Mexican culture, according to the characteristics of its programming. The daily schedule using the personal acting should include greater time covered by Mexicans.

Article 250. In order to promote national production and the independent national production, the Federal Executive shall boost funding measures for these sectors.

Chapter II

Free Times for the State

Section I

State Time

Article 251. Concessionaires of commercial, public and social use providing broadcasting service shall have daily free transmission in each station and for each programming channel, of duration up to thirty minutes whether continuous or discontinuous, dedicated to disseminate educational, cultural and social interest topics. Transmission times shall be administered by the Ministry of the Interior, which shall previously hear the concessionaires and in agreement, the Ministry shall set the schedules throughout their transmission times.

The Federal Executive shall indicate the agencies that shall provide the material for the use of that time and the programs shall be coordinated by the Ministry of Interior.

Concessionaires of social use shall be exempted from the tax established by the Tax Law on services expressly declared services of public interest by law, involving concessionaires of goods of the nation direct territory

Article 252. The way those thirty minutes may be divided shall be as follows:

- I. Fifteen minutes in formats or segments of not less than twenty seconds each, and
- II. Fifteen minutes in formats or segments no shorter than five minutes each.

Article 253. All concessionaires of commercial, public and social use providing broadcasting services will be required to transmit the National Anthem at six-twenty four, and in the case of television, also simultaneously the image of the national flag.

Section II

Bulletins and National Network

Article 254. In addition to the time set for the State, concessionaires of commercial, public and social use of radio and television stations are required to transmit for free and with priority:

- I. bulletins or messages of any authority relating to the safety or homeland defense, the preservation of public order, or measures to anticipate or remedy any public emergency;
- II. Information relevant to the public interest in terms of national security, civil protection and general health, and
- III. Messages or warnings related to ships or aircraft in danger, requesting help.

Article 255. All concessionaires of commercial, public and social use providing broadcasting services shall be required to broadcast simultaneously in radio stations and television channels in the country when it comes to transmitting information of concern to the nation, according to the Ministry of the Interior.

Chapter IV.
Rights of Audiences
Section I
Rights



Article 256. Public service of public interest broadcasting shall in terms of competence and quality, satisfy the rights of the audiences, for which, through their transmissions shall provide benefits of culture, preserve plurality and veracity of the information, and promote the values of national identity, in order to contribute to satisfy the objectives set out in article 3 of the Constitution. The rights of the audiences are as follow:

- I. Receive content reflecting the ideological, political, social, cultural and linguistic pluralism of the nation;
- II. Receive programming that includes different genres responding to the expression of the diversity and plurality of ideas and opinions that strengthen the democratic life of society;
- III. Clearly differentiates the news information from the opinion of the presenter;
- IV. Elements to distinguish between advertising and program content shall be brought;
- V. The program schedules shall be respected and changes shall be notified in a timely manner and shall include parental warnings;
- VI. Exercise the right of reply, in accordance with the regulatory law;
- VII. The same quality and standards for audio and video shall be maintained during the programming, including advertising space;
- VIII. In the provision of broadcasting services all discrimination on grounds of ethnic or national origin, gender, age, disability, social background, health condition, religion, opinions, sexual orientation, marital status or any other that undermines human dignity and has the effect of nullifying or impairing the rights and freedoms of individuals shall be prohibited ;
- IX. The respect for human rights, the best interests of the child, gender equality and non-discrimination, and
- X. Others established in this and other laws.

The concessionaires of broadcasting services or restricted television and audio shall issue Codes of Ethics in order to protect the rights of the audiences. Codes of ethics shall be consistent with the guidelines issued by the Institute, which shall ensure compliance with the rights to information, expression and reception of content in accordance with the provisions of Articles 6 and 7 of the Constitution. The guidelines issued by the Institute shall ensure that concessionaires of commercial, public and social use have full freedom of expression, programming freedom, editorial freedom and avoid any kind of prior censorship of their contents.

Section II
Rights of Disabled Audiences

Article 257. The Federal Executive and the Institute in their respective areas of competence shall promote conditions in order for the audiences with disabilities to have access to broadcasting services on an equal opportunity basis with other audiences.

Article 258. In addition to the rights provided for in this Law and in order to have real equal opportunities, audiences with disabilities shall enjoy the following rights:

- I. Subtitle, dubbing services in Spanish and Mexican Sign Language for accessibility to people with hearing impairment. These services shall be available in at least one of the highest-rated news programs nationwide.
- II. The Recognition of their skills, merits and abilities is promoted as well as the need for attention and respect;
- III. Mechanisms that give them accessibility to voice their claims, suggestions and complaints to the defenders of audiences, provided they do not represent a disproportionate or undue burden to the concessionaire, and
- IV. Access to the TV guide via a phone number or Internet portals of the concessionaires in the formats accessible for people with disabilities.

Section III
Defense of Audience

Article 259. Concessionaires providing broadcasting service shall have a body responsible for the defense of the audience, which may be the same concessionaire, jointly with various concessionaires or through representative bodies. The defender of the audience shall be responsible for receiving, documenting, processing and following up on comments, complaints, suggestions, requests or remarks of the people who make up the audience.

In the guidelines referred to in the last paragraph of Article 256, the Institute shall issue general guidelines establishing the minimum obligations that the defenders of audiences shall have for the adequate protection of their rights.

Each concessionaire providing broadcast service shall set the period of assignment of the defender of the audience; said period may be extended twice.

The performance of the defenders of the audience shall conform to the criteria of impartiality and independence, the priority being the enforcement of the rights of the audiences, according to the codes of ethics that were signed or accepted by each concessionaire.

The defenders of the audiences and the codes of ethics shall be registered in the Concessions Public Registry, which shall be made available to the general public.

The defenders of the audience shall determine the mechanisms for the dissemination of their performance, and may choose between email, web pages or a phone number, which shall have accessibility features for disabled audiences, provided it does not involve a disproportionate burden.

Article 260. In order to be a defender of the audience the following requirements shall be met:

- I. Be at least thirty years old at the date of the designation;
- II. Have recognized expertise in the areas of communications, broadcasting and telecommunications;
- III. Not have been convicted of an intentional crime that carry more than one year of imprisonment and
- IV. Not have worked with the respective concessionaire(s), if applicable, for a period of two years prior.

Article 261. The defender of the audience will hear claims, suggestions and complaints from audiences about content and programming, implementing mechanisms for accessibility to audiences with disabilities.

Listeners or viewers shall submit their claims in writing and identify themselves by providing name, address, telephone number and email, in order to receive a personalized response. Also, they shall present their claims or suggestions no later than seven business days after the broadcast of the program in question.

Once the claims, complaints or suggestions received, the defender shall process them in the areas or departments responsible, requiring explanations he/she shall consider relevant.

The defender shall answer to the radio listener or television viewer within a maximum of twenty business days providing responses and, where appropriate, with the explanation that he/she considers relevant.

Rectification, recommendation or proposed corrective actions if appropriate, shall be clear and precise and shall be posted within twenty-four hours on the website published by broadcasting concessionaire for such effects.

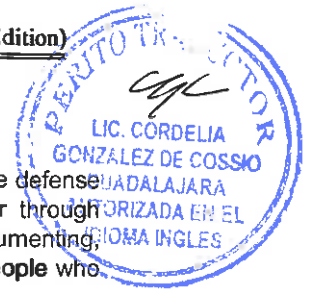
TWENTY SECOND TITLE

Asymmetric Regulation

Chapter I

Preponderance

Article 262. The Institute shall determine the existence of preponderant economic agents in the broadcasting and telecommunications sectors, and impose the necessary measures to avoid compromising competition and free competition and thus, end users, and include as applicable, related information, service offer and quality, exclusive agreements, limitations of the use of terminal equipment between networks, asymmetric regulation on tariffs and network infrastructure, including the unbundling of essential elements and, where appropriate, the accounting, functional or structural separation of such agents.



For purposes of this Law, anyone who has, directly or indirectly, a national participation of more than fifty percent, this percentage measured either by the number of users, subscribers, audience, or traffic on their networks or capacity used, according to the data available to the Institute shall be considered as a preponderant economic agent, because of their national participation in the provision of broadcasting services and telecommunications.

The obligations imposed on preponderant economic agent shall become extinct in its effects upon declaration of the Institute once, in accordance of the Law, the conditions of effective competition in the market concerned are met.

The Institute is empowered to declare at any time preponderant economic agents in the telecommunications and broadcasting sectors.

Article 263. The Institute shall establish criteria for measuring traffic and capacity of public telecommunications networks of concessionaires. Under no circumstances shall the traffic of another concessionaire that is not part of the economic interest group of the preponderant economic agent be considered as the traffic of the preponderant agent, by virtue of unbundling of the local public telecommunications network of the preponderant agent.

Article 264. The Institute is empowered to declare economic agents with substantial power in any of the relevant markets in these sectors, in accordance with this Law and the Federal Law of Economic Competition.

When the Institute in the exercise of its antitrust powers, issues warnings of the existence of elements suggesting that there are no conditions of effective competition in a market or that free competition is compromised and that this behavior is carried out by or is involving the economic agents not subjected to the jurisdiction of the Institute in telecommunications and broadcasting, it shall inform the Federal competition Commission in order for it to proceed in accordance with the law in that matter.

Article 265. For the declaration of an economic agent as preponderant and the imposition of necessary measures to avoid compromising competition and free competition and thereby affecting the end users, both in the field of telecommunications and broadcasting, the Institute shall apply the following procedure:

- I. The Institute shall notify the agent of the draft declaration as alleged preponderant economic agent. A copy of the draft declaration shall be annexed to the notification and the location of the file used as a backup shall be indicated as well as the address of the authority before which it shall appear;
- II. The alleged preponderant economic agent shall within fifteen business days from the day following the effective date of the notification referred to in the preceding section, manifest what serves his interests and provide the evidence it deems necessary, which shall be related to the draft declaration of preponderance.

In the case of failure to appear within the time aforesaid, it shall be presumed that there is no disagreement or opposition of any kind of the alleged economic agent with the draft declaration and the case will be turned over immediately to the issuance of a final decision;

- III. Once the alleged preponderant economic agent appears, the Institute, through the authority set forth in its statutes, shall decide on the admission of the evidence presented and, where appropriate, shall order to open a period for their preparation and processing within a maximum of fifteen business days.

All the evidence will be received except confessional and testimonial ones for which authorities are responsible, or those that are inappropriate, unnecessary or contrary to morality and law.

The alleged economic agent shall have the burden of carrying out all necessary diligences and acts in order for its evidences to be duly processed within the period previously stated otherwise these shall be considered null and void.

If necessary, there shall be a hearing in which the evidence shall be presented when they need to be presented by their nature, and it shall be carried out within the fifteen days period previously stated.

Opposition to prior acts during the procedure shall be invoked by the alleged economic agent within three days following the date the affecting action was verified for it to be taken into consideration in the final decision.

At the end of the proceedings, the alleged economic agent may make allegations in a period not exceeding five business days. After this deadline, with or without arguments, the case shall be resolved;





- IV. If during the investigation the Institute considers it is necessary to establish specific or asymmetric measures to be imposed to the alleged economic agent, it shall order the ancillary processing and make the final decision.

In the incident, the alleged preponderant economic agent shall state what it deems convenient regarding the measures, which were determined within a period not exceeding five business days from the day following the effective date of the notice of commencement of the incident, only presenting evidences that are directly related to the measures proposed by the Institute.

In case no statement was made within the above mentioned period, it shall be presumed that there is no disagreement or opposition regarding the proposed measures and the incidental case shall be considered constituted for the purpose of the ruling of the final resolution.

- V. The Institute shall have a term of forty business days to dictate the corresponding final resolution, which shall be notified within a period not exceeding twenty business days from the day following its issuance by the corresponding authority and subsequently published in the Federal Official Gazette and on the website of the Institute.

Additionally, the Federal Administrative Procedure Law shall be applicable to this procedure provided it does not conflict with the provisions of this Law.

Article 266. Regarding the broadcasting sector the Institute may impose the following measures to the preponderant economic agent:

- I. It shall allow concessionaires of restricted television to retransmit its signal:
 - a) At no charge and in a non-discriminatory manner;
 - b) Within the same geographic coverage area, and
 - c) In its entirety, simultaneously without changes, including advertising;
- II. For the purposes of the preceding section, it shall enable the concessionaires of restricted television to retransmit its signal with the same quality as the broadcasting signal.

It shall not participate alone or through groups commercially, organizationally, economically or legally related, in the tenders referred to in section II of the Eighth Transitory Article of the Decree.

The Institute shall issue the rules with provisions for the cases in which it shall be considered that there is a power of authority or control resulting from the commercial, organizational, economic or legal ties aforementioned.

In cases other than the one mentioned in the preceding paragraph, it shall submit to the Institute approval, its participation in the bidding for frequency bands of the radio spectrum for the provision of broadcasting services;
- III. Deliver the separate accounting of broadcasting concessionaires;
- IV. Deliver to the Institute information on the transmission sites, their location and technical characteristics;
- V. Annually submit to the Institute the plans of modernization of its transmission sites;
- VI. The information referred to in the preceding sections IV and V shall be submitted in the conditions determined by the Institute, to learn about the operation and exploitation of its broadcasting services;
- VII. Allow access and use of its passive infrastructure to the broadcasting concessionaires under any legal title, on a nondiscriminatory basis without subordinating it to the purchase of other goods and services. The concessionaires with 12 MHz or more of spectrum in the locality in question, may not have access to infrastructure sharing referred to in this section;
- VIII. Carry out a public reference offer to the concessionaires referred to in the preceding section, containing the conditions, terms and rates applicable to the passive infrastructure sharing necessary for the provision of television broadcast service concession;
- IX. Report to the Institute the excess capacity of passive infrastructure for the purposes of the provisions of the preceding section;
- X. Allow users to use any receiver equipment compliant with the official Mexican standards;



- XI. Not restrict access to advertising when it involves the displacement of competitors or affects free competition;
- XII. In contracts documenting the provisions of the preceding section, market conditions shall be considered;
- XIII. Post on its Website and deliver to the Institute information on the various advertising services offered in the broadcast television service concession;
- XIV. Refrain from applying discriminatory treatment in terms of advertising space offered in the broadcast television service concession;
- XV. If intending to acquire control, manage, establish business alliances or have direct or indirect share participation in other broadcasting concession companies, it shall seek an authorization from the Institute;
- XVI. Refrain from participating directly or indirectly in the capital, management or control of the preponderant economic agent;
- XVII. Refrain from participating directly or indirectly in companies carrying out production, printing, trading or distribution of print media published daily, whether locally, regionally or nationally, as the Institute may determine;
- XVIII. Provide services complying with the minimum quality standards established by the Institute. These levels shall be reviewed every two years;
- XIX. Refrain from establishing technical, contractual or other type of barriers, which prevent or hinder other concessionaires from competing in the market;
- XX. Refrain from signing exclusive contracts for the broadcasting rights of sporting events with high expected levels of national audience, for which the Institute shall issue a list every two years to indicate the reasons why it considers that such abstention will generate effective competition in the broadcasting sector;
- XXI. Refrain from participating, without the authorization of the Institute, in agreement with other economic agents in the acquisition of broadcasting rights of audiovisual content to be broadcast in order to improve the conditions of said acquisition;
- XXII. Concessionaires of restricted television may request from the preponderant economic agent in the sector of broadcasting the delivery by other means, of the signals specified in section I of this article, provided that the purpose is to optimize the broadcast and that they pay to said agent the corresponding consideration at the market price;
- XXIII. It may only participate or remain in broadcast audiovisual content purchase clubs or any similar figure, with the authorization of the Institute, provided that the purchase does not have anti-competitive effects, and
- XXIV. Additional specific measures that the Institute shall consider necessary to prevent possible effects on competition.

The Plenary of the Institute shall issue an opinion that establishes as a minimum:

- a) The possible negative effect on the economic competition that is intended to be corrected, and
- b) The reasonableness of the measures in relation to that negative effect.

Article 267. Regarding the telecommunications sector the Institute may impose the following measures to the preponderant economic agent:

- I. Submit annually for the approval of the Institute the reference public offers for services of: a) interconnection, including the draft interconnection framework agreement and the provisions of article 132 b) visiting user, c) sharing of passive infrastructure, d) effective unbundling of the local telecommunications public network, e) access, including links, f) wholesale reselling services of any retail service rendered;
- II. Submit for the approval of the Institute the rates that apply for: i) the services provided to the public ii) to intermediate services to other concessionaires, and iii) its separate or individual operation in order to prevent cross-subsidization between services, or schemes that displace competition. To this end:
 - a) It shall submit along with the application for approval of the rates to the public, commercial packages, promotions and discounts, and separate the price of each service. A prior



authorization of the Institute is necessary to sell or advertise services in communication media.

The Institute shall ensure that retail prices can be replicated by other concessionaires. To this end, the Institute shall develop and make public the approval opinion of the rates.

This opinion shall analyze the costs attributed by the preponderant economic agent to the rest of the concessionaires and those self-applied, in order to avoid that the commercial proposal has the object or effect of displacing the competitors;

- b) The rates of intermediate services provided to other concessionaires shall be equal to or less than those which apply or are attributed to its own operation, except in cases otherwise provided in this Law. It shall not attribute different rates than those authorized by the institute. The Institute will issue an opinion in order to avoid cross-subsidization, predatory pricing and anti-competitive practices;
- III. Submit annual information about its: i) wired, wireless and broadband topology, including the modernization and development, ii) plants and other infrastructure elements as determined by the Institute, for it shall provide details, among other physical and logical elements, the location using geo-referenced coordinates, technical specifications, hierarchy, functionalities and capabilities;
- IV. Allow interconnection and interoperability between public telecommunications network concessionaires at any feasible point, regardless of where they are located, and provide for interconnection capacities in the terms requested.
The Interconnection for terminating calls and short messages on its networks shall be given in accordance with this Law;
- V. Regarding telecommunications services that originate or end within its network, the agent may not offer its users commercial conditions different in terms of quality and price, from the ones that originate in the network of a third party or originate in its network and terminate in the network of another concessionaire;
- VI. It shall not discriminate between its own network traffic and traffic from other public telecommunications network concessionaires;
- VII. Provide services complying with the minimum quality standards established by the Institute. These levels shall be reviewed every two years;
- VIII. Not set obligations, contractual sanctions or restrictions of any kind in the agreements signed, which will result in inhibiting consumers to choose another service provider;
- IX. Provide the Institute separated accounting information per services, in detail, and containing the breakdown chart of accounts for all the companies of the agent, which shall reflect, where appropriate, the implicit and cross subsidies discounts.
The separate accounting shall comply with the regulation and methodologies to be established by the Institute and shall be based on international standards;
- X. Offer and provide services to public telecommunications network concessionaires in the same terms, conditions and quality as for itself.
To this end it shall respond to requests and provide the telecommunications services to its competitors in the same time and form as it does for its own operation under the first come the first served principle. The Institute is empowered to determine the mechanisms that ensure the compliance of this obligation, including delivery times and installation;
- XI. Allow users to use any terminal equipment that meets the standards established by the Institute, who shall issue rules to ensure non-exclusive, portability and interoperability thereof; and refrain from blocking the terminal equipment so that they can be used on other networks;
- XII. All packaged goods or services may be purchased by users or competitors individually or separately;
- XIII. It may not impose conditions which inhibit number portability, therefore, at the request of the user, in case other goods and services were sold, these shall be individualized and billed separately;
- XIV. The billing and collection services rendered to third parties shall be granted without discrimination regarding the third parties and those provided to its own operation;
- XV. Breakdown individually and with enough detail in the invoices issued each of the services provided, in order to know the rates or prices applicable to each item;

- XVI. Refrain from establishing technical or any other kind of barriers, to prevent the development of telecommunications infrastructure or the provision of telecommunications services to other public telecommunications network concessionaires;
- XVII. Provide services of measurement, pricing, billing and collection of services provided to its users, by other concessionaires in non-discriminatory conditions and provide the necessary and accurate information required for the billing and respective collection;
- XVIII. Act on a nondiscriminatory basis to provide marketing information about its subscribers, to affiliates, subsidiaries or third parties, with no prejudice to the provisions of the Federal Law on the Protection of Personal Data in Possession of Individuals;
- XIX. In terms of government procurement by agencies and departments of Federal Public Administration, state or municipal administration, the Federal District, the other federal power or autonomous bodies, it shall:
- a) Provide rates corresponding to all services individually or separately and, where applicable, approved by the Institute, and
 - b) In cases where the other concessionaires do not have the infrastructure in certain locations and require the provision of intermediate services, including connections, by the economic agent, a monitoring system shall be established for the provision of such services between the respective government body, the concessionaire providing the service, the economic agent and the Institute. In this case, the bid requirements shall contain minimum obligations of the preponderant economic agent which shall be monitored by the Institute, and
- XX. Additional measures which the Institute deem necessary in order to prevent monopolistic practices and promote competition.

All interconnection services shall be mandatory for the preponderant economic agent in telecommunications.

For purposes of this article, when referring to the services that the preponderant economic agent provides for itself or its operation it shall include services provided to subsidiaries, affiliates or any other person that is part of the economic agent.

The measures referred to in this article, including, if applicable, its amendments, the information presented and methodologies shall be registered with the Public Registry of Telecommunications and published on the website of the Institute on the date of issue.

Article 268. For purposes of Section I of article 267, public offers shall be submitted to the Institute in the month of July each year, and this latter shall submit them to public consultation for a period of thirty calendar days. After the consultation, the Institute shall have thirty calendar days to approve or amend the offer, within this period it shall inform the preponderant economic agent to make the statements it deem convenient.

The offer shall be published via the website of the Institute within the first fifteen days of December each year and it shall become effective in order for its validity to start the first of January of the following year.

Article 269. The Institute may impose on the preponderant economic agent in the telecommunications sector the following specific obligations for unbundling local telecommunications public network:

- I. Allow other public telecommunications network concessionaires to access in an unbundled manner, elements, active and passive infrastructure, services, capabilities and functions of its networks with non-discriminatory and individual rates not exceeding those established by the Institute.

Access shall be given at least in the same terms and conditions offered to itself, its affiliates or subsidiaries or other companies of the same economic interest group.

For purposes of the above the following shall be considered elements of the local telecommunications public network: any type and hierarchy of plants, radio bases, equipment, master systems, test systems, access to network features and other network elements necessary for the provision of services, at least in the same conditions and terms as of the preponderant economic agent;

- II. Offer any kind of service to access the local telecommunications public network, the physical circuit connecting the terminal connection point in the network address of the user to the telephone exchange or equivalent facility in the local telecommunications public network from which user service is provided; and the physical circuit connecting the termination point of said



network address of the user to a technically feasible point between the address of end user and telephone exchange or equivalent facility in the local telecommunications public network from which the user service is provided; whether requesting fully unbundled service, shared services, shared without basic telephone service, data transfer, or any technology that enables and is agreed with the concerned concessionaire or as determined by the Institute;

- III. Submit for approval of the Institute not later than June 30th of each year, reference public offers for passive infrastructure sharing and unbundling of the local telecommunications public network.

The Institute shall submit the corresponding offer(s) to public consultation within a period of thirty calendar days. After the consultation, the Institute shall have forty five calendar days to approve or amend the corresponding offer, within this period it shall inform the said agent to make the statements it deems convenient.

The offer in question shall enter into force and be published through the Institute website within the first fifteen days of December of each year.

The corresponding offer shall remain in effect for the following year and shall be updated if the preponderant economic agent offers, applies or bills other concessionaires of telecommunications public network new conditions, coverages or technologies;

- IV. Carry out at its own expenses the creation, development and implementation of processes, systems, facilities and other measures necessary to enable the efficient provision and competitive conditions of the unbundling element and services to other public telecommunications network concessionaires determined by the Institute. Among other elements and services, the failure report, co-location inside and outside the plant of the preponderant economic agent network, settings of levels of service quality, billing processes, testing and certification of equipment, operational standards maintenance processes shall be included.

For the definition of the measures referred to in the preceding paragraph and in order to ensure the proper implementation, the Institute shall set up working groups to which the preponderant economic agent and other public telecommunications network concessionaires determined by the Institute shall participate. In addition, the working groups shall have the tasks to define processes for monitoring the measures imposed by the Institute, technology to be used, topology, levels of service quality and create reports on performance of associated operational, economic, administrative, commercial technical factors.

The Institute shall issue rules of establishment and operation of working groups and expeditiously resolve differences among its members. For matters in accordance with the mentioned rules, the Institute may be assisted by a hired third party with proven experience;

- V. Allow other public telecommunications network concessionaires, to access among others, to the physical means, including optical fiber, technical and logical means of public telecommunication network belonging to the preponderant economic agent, in accordance with the measures imposed by the Institute for such access to be effective.

The measures referred to in the preceding paragraph shall consider as essential goods all the elements necessary for the effective unbundling of local telecommunications public network. Notably, concessionaires may choose the local network elements required from the preponderant economic agent and the network access point. Such measures may include the regulation of prices and rates, technical and quality conditions and the timetable for implementation in order to ensure universal coverage and increased penetration of telecommunications services;

- VI. Allow access to other public telecommunications network concessionaires to essential network resources, based on the cost model determined by the Institute, which shall also promote effective competition and consider international best practices, networks natural asymmetries and participation in the sector of each concessionaire. The preponderant economic agent may not impose on other public network concessionaires terms and conditions less favorable than those offered to itself, its affiliates and subsidiaries and the companies that are part of the same economic interest group;

- VII. The Institute may intervene to ensure that trade in unbundled access referred to in this article complies with conditions of non-discrimination, effective competition in the telecommunications sector, economic efficiency and maximum benefit to end users, and

- VIII. Additional measures which the Institute deems necessary to ensure effective unbundling.



Article 270. The preponderant economic agent in the telecommunications sector shall allow concessionaires and authorized entities to commercialize telecommunications services in the geographic scope of its concession, the opportunity to offer their users under the same terms of payment and competitive conditions, the mobile services available, which in turn the preponderant economic agent in the telecommunications sector provides to its users, including but not limited to the following:

- I. Airtime;
- II. Short messages;
- III. Data;
- IV. Value-added services, and
- V. Visitor User Service.

Article 271. The preponderant economic agent in the telecommunications sector shall allow the concessionaires and authorized entities to commercialize telecommunications services, select infrastructure and platform to support their business model and facilitate the integration of the platform with the system platforms of the preponderant economic agent.

Article 272. The concessionaires and authorized entities when commercializing telecommunications services shall be entitled to purchase wholesale services mentioned in the foregoing articles from the preponderant economic agent in the telecommunications sector and if any from the economic agent with substantial power in the market. The establishment of wholesale prices of services, between the preponderant economic agent and if any the economic agent with substantial power in the market and the concessionaire, shall be supported by a methodology that allows the concessionaire or authorized entities to sell competitively the same services offered by the preponderant economic agent or if any the economic agent with substantial power in the market and get a reasonable and equitable profit, at least similar to the one of the preponderant economic agent, in order to avoid being displaced. When determining said wholesale price, the Institute shall consider the lower price offered or charged to any of its clients or registered for each service by the preponderant economic agent in the telecommunications sector, and if any the economic agent with substantial power in the market. The preponderant economic agent in the telecommunications sector and, if any the economic agent with substantial power in the market may not discriminate the wholesale traffic and the quality of service shall be equal to their clients'.

Article 273. All rates, conditions and terms of the services that the preponderant economic agent in the telecommunications sector applies to the concessionaire or authorized entity for commercializing telecommunications services, including the changes that they undergo, as well as packages and promotions shall be authorized by the Institute.

Article 274. The agreement between the concessionaire or authorized entity and preponderant economic agent in the telecommunications service for the commercialization of telecommunications services shall not be subjected to minimum or maximum levels of consumption. The agreement shall allow the concessionaire or authorized entity to:

- I. Have and manage its own numbering or acquire it through agreements with public telecommunications network concessionaires ;
- II. Carry users to another concessionaire, and
- III. Other measures promoting its business model; integration of fixed and mobile services and effective competition in the telecommunications sector.

Article 275. The Institute shall check quarterly and sanction non-compliance with measures and asymmetric regulation that may have been imposed to the preponderant economic agent and where appropriate, shall determine extinction of the effects of all or part of the imposed obligations.

For the purposes of the preceding paragraph, the Institute may be assisted by an external, independent expert auditor to carry out the verification referred to in this article.

If so, prior to the hiring of the external auditor, the Institute shall receive feedback from interested concessionaires who are not declared preponderant economic agent in the corresponding sector within the term established for that purpose.

The Institute or, where appropriate, the external auditor shall issue quarterly compliance report of asymmetrical obligations, obligations of unbundling elements of local telecommunications public network and compliance of the concessions of the preponderant economic agent. In the case of telecommunications



services, an opinion on the integration of prices and rates for the services that the preponderant economic agent provides for itself, third parties or end users shall be included in the quarterly report.

The fees and expenses related to the execution of the external auditor functions shall be covered by the Institute with the resources provided in its annual budget.

Article 276. If as a result of its preponderant economic agent position there are additional affectations to free competition even after the Institute imposed the measures provided in Sections III and IV of article Eighth Transitory rules of the Decree; as well as provided in this Title and others related to the broadcasting and telecommunications sectors, respectively, the Institute may impose additional measures, which shall be directly related to the affectation in question.

The preponderant economic agent shall cease to be such, when the Institute determines that its national participation, considering the variables used to declare it as preponderant fell below fifty percent.

The Institute may declare said economic agent as preponderant using the same variables if its national participation is again above fifty percent. The foregoing is without prejudice to the powers of the Institute to declare as preponderant the same agent under any of the variables established by the Constitution.

The preponderant economic agent may submit at any time to the institute a plan including as applicable, structural separation, divestiture of assets, rights, social parts or shares or any combination of the previous, in order to reduce its national participation below fifty percent in the sector where it has been declared preponderant, provided that the implementation of this plan creates the conditions for effective competition in the telecommunications and broadcasting markets, in accordance with the Federal Economic Competition Law. In this case the following shall apply:

- I. The Institute shall analyze, assess and, if appropriate, approve the proposed plan within one hundred and twenty calendar days following its submission. If deemed necessary, this period may be extended only once up to ninety days;
- II. For the approval, the Institute shall determine that the proposed plan effectively reduces national participation of the preponderant economic agent below fifty percent in the corresponding sector; and that the participation in the sector that is reduced by the economic agent is transferred to one or more other economic agents different and independent from the preponderant economic agent and whose purpose or effect does not affect or reduce the existing social coverage;
- III. When approving the plan, the Institute shall set the maximum term for its execution, ensure effective separation and independence of these agents and establish the terms and conditions for this situation to be duly safeguarded;
- IV. Once the approved plan is executed and the Institute has determined that conditions of effective competition in the markets of the sector in question are met in accordance with the Federal Economic Competition Law and none of the resulting or participating agents meets the criteria for being considered a preponderant economic agent in accordance with this Law, the Institute shall eliminate the obligations imposed on the economic agent in the resolutions which declared it preponderant, unless any of these agents has substantial power in any of the relevant markets in which it participates, in which case the obligations which have been imposed for its position of preponderant economic agent or agent with substantial market shall be maintained, insofar the Institute imposes the corresponding measures in accordance with the Federal Economic Competition Law;
- V. The foregoing does not prevent the Institute from carrying out a new procedure to determine whether there is substantial power in any market from any of the economic agents in accordance with the Federal Economic Competition Law, and
- VI. The Institute shall authorize the agents referred to in this article to provide additional services or to move to the model of sole concession provided that such authorization does not generate adverse effects on competition. For the Institute to verify that no adverse effects on competition are generated eighteen months shall have elapsed from the implementation of the approved plan, within this period the agents shall demonstrate they are in compliance with the applicable laws and their concession.

Article 277. The preponderant economic agents in the telecommunications and broadcasting sectors may participate in tenders of frequency bands of the radio spectrum provided that the Institute authorizes it and that they are complying with the limits of accumulation of radio spectrum determined by the Institute.





Chapter II

Measures to Promote Competition

Article 278. Measures to promote competition in television, radio, telephony and data services shall apply in all segments so as to ensure as a whole, effective competition in broadcasting and telecommunications.

Chapter II

Substantial Market Power

Article 279. The Institute is empowered to determine the existence of agents with substantial power in any relevant market in the broadcasting and telecommunications sectors, in accordance with this Law and the Federal Economic Competition Law.

Article 280. The Institute shall declare whether an economic agent has substantial power in a relevant market in the broadcasting and telecommunications sectors, according to the procedure established in the Federal Economic Competition Law, as well as the substantive provisions of said law and this Law.

Article 281. The Institute shall establish the specific obligations of the economic agent with substantial power referred to in the preceding article, in accordance with the following procedure:

- I. The Institute shall notify to the agent the draft regulation establishing the specific obligations to which, where applicable it shall be subjected to. A copy of the draft regulation shall be annexed to the notification and the location of the file used as a backup shall be indicated as well as the address of the authority before which it shall appear;
- II. The economic agent with substantial power shall within thirty business days from the day following the effective date of the notification referred to in the preceding section, manifest what serves its interests and provide the evidence it deems necessary, which shall only be related to the draft regulation.

In the case of failure to appear within the time aforesaid, it shall be presumed that there is no disagreement or opposition of any kind of the economic agent with the draft regulation and the case will be turned over immediately to the issuance of a final decision;

- III. Once the economic agent appears, the Institute, through the authority set forth in its statutes, shall decide on the admission of the evidence presented and, where appropriate, shall order to open a period for their preparation and processing within a maximum of ten business days.

All the evidence will be received except confessional and testimonial ones for which authorities are responsible, or those that are inappropriate, unnecessary or contrary to morality and law.

The economic agent shall have the burden of carrying out all necessary diligences and acts in order for its evidence to be duly processed within the period previously stated otherwise it shall be considered null and void.

If necessary, there shall be a hearing in which the evidence shall be presented when its nature requires it, and it shall be carried out within the ten days period previously stated.

Opposition to procedural acts during the procedure shall be invoked by the economic agent within three days following the date the affecting action was verified for it to be taken into consideration in the final decision.

Terminating the proceedings, the economic agent may make allegations in a period not exceeding three business days. After this deadline, with or without arguments, the case shall be resolved, and

- IV. In the final decision the Institute shall determine the specific obligations the economic agent in question shall comply with.

The Institute shall have a term of fifteen business days to dictate the corresponding final resolution, which shall be notified to the economic agent within a period not exceeding five business days from the day following its issuance by the corresponding authority and subsequently published in the Federal Official Gazette.

Additionally, the Federal Administrative Procedure Law shall be applicable to this procedure provided it does not conflict with the provisions of this Law.

Article 282. The Institute may impose on the economic agent with substantial power, specific obligations and limitations, according to the market or service in question, among others, in the following subjects:

- I. Information;
- II. Quality;
- III. Rates;
- IV. Commercial offer, and
- V. Invoicing.

Article 283. The specific obligations and limitations shall aim not to affect free competition and the Institute shall not be limited to the subjects mentioned in the preceding article. The sanctions provided for in the Federal Economic Competition Law shall apply in the case of agents with substantial power. The Institute may also impose the agent with substantial power measures provided in articles 266-277 of this Law

Article 284. The preponderant economic agents in the broadcasting and telecommunications sectors are likely to be declared agents with substantial power, and the Institute may impose specific obligations it may determine in accordance with the provisions of this Law

Chapter IV.

Crossed Property

Article 285. In the case of broadcasting and telecommunications concessionaires that serve the same market or geographic coverage area, which prevent or restrict access to plural information in such markets and areas, the following shall apply:

- I. The Institute shall instruct the concessionaire providing restricted television services to include news channels or public interest information in its services, to the extent it is necessary to ensure access to timely and plural information, and
- II. The concessionaire shall include at least three channels whose content is predominantly own production of independent national programmers whose funding is mostly of Mexican origin, in accordance with the rules issued by the Institute for this purpose.

Article 286. When the concessionaire is not complying with the provisions of the preceding article, the Institute shall impose the limits:

- I. To the national or regional concentration of frequency bands of the radio spectrum for the provision of broadcasting services;
- II. To the granting of new concessions frequency bands of the radio spectrum for the provision of broadcasting services, or
- III. To the crossed property controlled by various media that are broadcasting and telecommunications concessionaires that serve the same market or geographic coverage area.

The foregoing is without prejudice to the sanctions that apply under the provisions of this Law.

Article 287. To impose limits referred to in the preceding article, the Institute shall consider:

- I. The restrictions or limitations of access to plural information, the existence of entry barriers for new agents and elements that may predictably alter those barriers and the offer of other competitors in that market or area of coverage;
- II. The existence of other media and their relevance;
- III. The possibilities of access of economic agent(s) and their competitors to essential goods enabling them to offer similar or equivalent services;
- IV. The behavior during the previous two years of the economic agent(s) participating in said market, and
- V. The efficiency gains that might result from the activity of the economic agent that impacts positively on the process of free competition in the market and coverage area.

Article 288. In the event that the measures imposed by the Institute in terms of the two preceding articles have not been effective, the Institute may order the economic agent the divestiture of assets, rights or social parts it holds, in the necessary part to ensure compliance with those measures, to guarantee the provisions of articles 6 and 7 of the Constitution.



The economic agents are entitled to submit a divestiture program with the Institute, who shall approve or amend motivating its reasons.

The Institute shall give a reasonable deadline for the resolution of divestiture of assets.

THIRTEENTH TITLE

Sole Chapter

Homologation

Article 289. Products, equipment, devices or systems for telecommunications and broadcasting that can be connected to a telecommunications network or use the radio spectrum shall be approved in accordance with the technical standards or rules in accordance with the provisions of the Federal Law on Metrology and Standardization.

The Institute may apply mutual recognition of conformity assessment of products, equipment, devices or systems for telecommunications and broadcasting whose compliance was assessed in another State with whom the Mexican government has signed an international agreement or treaty to this effect.

The applicant for the homologation of products listed in the previous paragraph shall have an address in the United Mexican States.

Article 290. The Institute shall develop, publish and keep updated procedures and guidelines applicable to the homologation of products for telecommunications, which shall serve as a guide to those interested in obtaining the certificate for a particular product.

The Institute shall address any non-compliance regarding the homologation procedure submitted by the applicants, so that appropriate measures are taken.

The mentioned guidelines shall include a generic classification of products subjected to homologation and shall specify the standards or technical provisions applicable partially or totally consistent with this classification.

The guidelines shall include the following hierarchy of application of standards or technical provisions:

- I. Official Mexican Standards
- II. Technical provisions issued by the Institute;
- III. Mexican Standards;
- IV. Technical standards and regulations referenced in international treaties signed and ratified by our country;
- V. Standards and technical regulations issued by international standardization bodies, and
- VI. Standards and technical regulations issued by regulatory or standardization bodies in other countries.

The Institute is empowered to appoint experts in telecommunications and broadcasting to support homologation procedures.

FOURTEENTH TITLE

Verification System

Sole Chapter

Verification and Supervision

Article 291. The Institute will verify and supervise, in its area of competence and in compliance of the Law, the provisions arising from it, as well as the conditions and obligations set out in the concessions, authorizations and other applicable provisions.

To this end, concessionaires, authorized entities and any related person are required to allow the Institute verifiers to access the offices of the company and facilities, and to grant all facilities, information and documentation to perform verification in accordance with this Law, including agreements and contracts with third parties related to the object of such concessions or authorizations.

Article 292. Concessionaires or people with an authorization, where applicable, shall provide, assist and facilitate accounting information for each service, region, function and components of their networks, for each of the concessions or authorizations granted, without prejudice to the information required from them at any time in compliance with the functions of the Institute.

The public telecommunications network concessionaires are required to provide the Institute, all information related to the topology of their networks, including capabilities, characteristics and location of their



elements, as well as the information that allow the Institute to learn about the operation and exploitation of telecommunications and broadcasting services. They will also be required to provide any information to the Institute to integrate the statistical inventory in the sector, without prejudice to the powers of the National Institute of Statistics and Geography.

The information referred to in this article shall be submitted according to the methodology, format and periodicity established by the Institute to this end.

Article 293. The Institute shall verify that the concessionaires operating public telecommunications networks and authorized entities provide the public with complete and accurate information on the telecommunications services they provide. The Institute shall verify compliance with this obligation with the power to define and modify its contents and, if appropriate, order the suspension of advertising of information if it is not compliant. The foregoing is without prejudice to the powers conferred to the PROFECO.

Article 294. When a verification visit is initiated if the Institute considers that the concessionaire is falling into a monopolistic practice by the conduct object of the verification it shall inform the investigating authority, without prejudice to the continuation of the verification in question.

Article 295. The Institute shall establish the necessary mechanisms to carry out the monitoring of radio broadcasts, the identification of harmful interference and other disturbance to the systems and services of telecommunications and broadcasting, in order to ensure the best performance of services and the efficient use of spectrum.

Article 296. In order to enforce its determinations the Institute may employ with prior warning, the following coercive measures.

- I. Fine from 100 to 20.000 days of minimum wage;
- II. Additional fine for each day that the verifiers of the Institute is not allowed access to their Installations and all facilities required for verification are not granted and/or the required information or documentation is not delivered, up to a maximum period of ten calendar days , and
- III. The help of law enforcement.

The total amount of the fine shall not exceed the amount of the surety bond the concessionaire gave the Institute or the competent authority before the entry into force of this Law.

If the pressure is insufficient, the competent authority may be requested to proceed against the rebel for disobedience to a lawful order of a competent authority regardless of sanctions imposed by the Institute in terms of this Law.

For purposes of section III of this article, the federal authorities and the security or police forces shall expeditiously provide the support requested by the Institute. In cases of public security forces of the states or municipalities, support shall be requested in accordance with legislation governing public security or, where appropriate, in accordance with administrative cooperation agreements signed with the Federation.

In order to calculate the amount of the fines imposed as coercive measures in days of minimum wage, the general minimum daily wage in Mexico City the day on which the behavior occurred or the assumption is materialized shall be used as based.

FIFTEENTH TITLE

Sanctions Regime

Chapter I

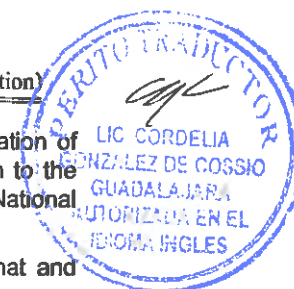
General Provisions

Article 297. Violations of this law, administrative provisions and concession titles or authorizations shall be sanctioned by the Institute according to Chapter II of this Title and shall be processed in accordance with the Federal Administrative Procedure Law.

Violations of the Federal Economic Competition Law, by the subjects regulated in the telecommunications and broadcasting sectors, shall be sanctioned by the Institute in accordance with the provisions and according to the procedures established in said Law.

Violations of the rights of users established in this Law committed by concessionaires or authorized entities shall be sanctioned by the PROFECO in terms of the provisions of article 128 and, where appropriate, article 128 bis of the Federal Law on the Protection Consumer.

The Ministry of the Interior shall sanction the noncompliance of the provisions of this Law in terms of content, State time and, where appropriate, those provided in other applicable provisions; national simultaneous retransmissions, bulletins, National Anthem, contests as well as the channel reserve of restricted television and audio as provided in Chapter III of this Title.



The Institute shall penalize non-compliance with time limits set for the transmission of commercial messages and obligations in terms of defense of the audiences, as provided in Chapter IV of this Title.

Chapter II

Sanctions in terms of Telecommunications and Broadcasting

Article 298. Violations of the provisions of this Law and the provisions deriving from it shall be penalized by the Institute in accordance with the following:

A) A fine of the equivalent of 0.01% to 0.75% of the revenues of concessionaires or authorized entities for:

- I. Submitting extemporaneously notices, reports, documents or information;
- II. Contravening the provisions regarding homologation of equipment and wiring, or
- III. Failing to comply with the registration requirements set out in this Law

In the event of voluntary compliance of the concessionaire and no inspection visit or verification from the Institute was demanded, the sanction referred to in this subsection shall not apply.

In the case of a first offense, the Institute shall admonish the offender in only one occasion.

B) A fine of the equivalent of 1% to 3% of the revenues of concessionaires or authorized entities for:

- I. Arbitrarily blocking, interfering with, discriminating, impeding or restricting the right of any user of the Internet access service;
- II. Having exclusive contracts of properties for the installation of infrastructure of telecommunications or broadcast, in contravention with the applicable provisions or orders issued by the authority.
- III. Failing to comply with obligations or conditions set forth in the concession or authorization when said failure is not penalized by a revocation, or
- IV. Other violations of this Law, the regulations, the administrative provisions, fundamental technical plans and other provisions issued by the Institute; as well as concessions or authorizations that are not expressly provided for in this chapter.

C) A fine of the equivalent of 1.1% to 4% of the revenues of concessionaires or authorized entities for:

- I. Entering into agreements that prevent offering services and advertising space to third parties;
- II. Offering discriminatingly services and advertising space;
- III. Failing to observe the maximum electromagnetic radiation exposure limits for humans according to the applicable regulations;
- IV. Establishing barriers of any kind to prevent the connection of the user's terminal equipment with other concessionaires operating telecommunications networks;
- V. Failing to comply with the obligations set forth in this Law relating to the collaboration with justice, or
- VI. Intentionally providing false information of users, directories, infrastructure or service charges.

D) A fine of the equivalent of 2.01 % to 6% of the revenues of concessionaires or authorized entities for:

- I. Failing to comply with the obligations of operation and interconnection of telecommunications networks;
- II. Carrying out acts that impede the performance of other concessionaires or authorized entities entitled thereto;
- III. Intercepting information conveyed by public telecommunications networks, unless there is a the decision of a competent authority;
- IV. Making changes to the network without authorization of the Institute, which affect the performance and interoperability of equipment;
- V. Not establishing the necessary measures to ensure the confidentiality and privacy of user communications;
- VI. Contravening the provisions or decisions on rates established by the Institute, or
- VII. Not complying with levels of efficiency in the use of radio spectrum established by the Institute.

E) A fine of the equivalent of 6.01% to 10% of the revenues of the infringing person who:



- I. Provides services of telecommunications or broadcasting without a concession or authorization, or
- II. Stops without just cause or authorization of the Institute the whole service provision in locations where the concessionaire is the only provider.

Article 299. The revenues referred to in the preceding article shall be the cumulative for the concessionaire, authorized entity or offending person directly involved, excluding those obtained from a source of wealth located abroad, as well as the taxable revenues if these are subjected to a preferential tax regime for the purposes of income tax of the last fiscal year in which the respective offense occurred. If unavailable, the basis of calculation corresponding to the previous fiscal year shall be used.

The Institute may request from concessionaires, authorized entities or offending person, the necessary tax information referred to in this article to determine the amount of the fines mentioned in the preceding article and it may use for this purpose, coercive measures established by this Law.

Those offenders who, for whatever reason, do not report or do not have accumulative taxable income for the purposes of income tax or were asked for the tax information and did not delivery it according to the provisions of the preceding article shall be fined as follows:

- I. In the cases of article 298, paragraph A), a fine up to the equivalent of eight million times the minimum wage;
- II. In the cases of article 298, paragraph B), a fine up to the equivalent of forty-one million times the minimum wage;
- III. In the cases of article 298, paragraph C), a fine up to the equivalent of sixty-six million times the minimum wage;
- IV. In the cases of article 298, paragraph D) and E), a fine up to the equivalent of eighty-two million times the minimum wage;

In order to calculate the amount of the fines referred in days of minimum wage, the general minimum daily wage in Mexico City the day on which the behavior occurred or the assumption is materialized shall be used as based.

Article 300. In case of reoccurrence, the Institute may impose a fine equal to twice the amounts indicated.

An offender shall be considered a repeat offender when after having committed an offense for which a sanction and a final decision was enacted has a conduct prohibited by this Law regardless of it being of the same kind or nature.

For the imposition of sanctions the reoccurrence shall not be considered for the offenses committed as provided in sections I and II of paragraph A), II, V and VI of paragraph C) of article 298. Regarding the last two sections referred to only for the delivery of information.

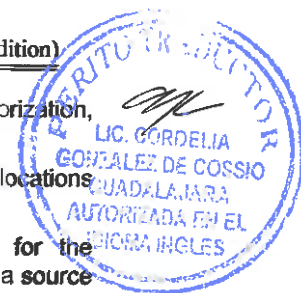
Article 301. In order to determine the amount of the fines established in this Chapter, the Institute shall consider:

- I. The severity of the offense;
- II. The financial capacity of the offender;
- III. Reoccurrence, and
- IV. When applicable, the spontaneous compliance with the obligations that have originated the disciplinary proceedings, which may be considered as mitigating circumstance for the sanction to be imposed.

Article 302. The sanctions imposed by the Institute shall be executed by the Tax Administration Service, through procedures and provisions applicable by said body.

Article 303. Concessions and authorizations may be revoked for any of the following causes:

- I. Not starting providing services within the established period, unless authorized by the Institute;
- II. Carrying out acts contrary to the law in order to prevent the performance of other concessionaires entitled thereto;
- III. Not complying with the obligations or conditions set out in the concession or authorization which expressly establishes that the noncompliance shall result in revocation;
- IV. Refusing to interconnect other concessionaires, fully or partially interrupt or hinder interconnection traffic without justification;
- V. Failing to comply with the provisions of the first paragraph of article 164 of this Law;





- VI. Refusing the retransmission of broadcast content in contravention of the provisions of the law;
- VII. Changing nationality or seeking protection of any foreign government;
- VIII. Assigning, leasing, encumbering or transferring the concessions or authorizations, the rights conferred by them or properties pertaining to them in contravention of the provisions of this Law;
- IX. Not paying to the Federal Treasury the consideration or rights that may have been established in favor of the Federal Government;
- X. Failing to comply with the obligations offered that formed the basis for the award of the concession;
- XI. Not providing guarantees established by the Institute;
- XII. Changing the location of the broadcast station without prior authorization of the Institute;
- XIII. Changing the allocated frequency bands, without the authorization of the Institute;
- XIV. Suspending, in whole or in part, in more than fifty percent of the coverage area, without justification and without authorization from the Institute, the telecommunications services for over twenty-four hours or up to three calendar days in the case of broadcasting;
- XV. Not complying with the Institute resolutions that are definitive in cases of behaviors related to monopolistic practices;
- XVI. In the case of preponderant economic agents or agents with a substantial power benefiting directly or indirectly from the rule on the free television signals broadcast through other concessionaires revoking the concessions of the latter as well.
- XVII. Failing to comply with resolutions or determinations of the Institute regarding accounting, functional or structural separation;
- XVIII. Failing to comply with resolutions or determinations of the Institute regarding the local network unbundling, divestiture of assets, rights or necessary parts or asymmetric regulation;
- XIX. Using for purposes other than those they were requested for, the concessions granted by the Institute in accordance with the provisions of this Law or making profit when it is forbidden by this Law according to the type of concession, or
- XX. Others provided in the Constitution, this Law and other applicable provisions.

The Institute shall immediately revoke the concessions and authorizations in the case of section I, III, IV, VII, VIII, X, XII, XIII, XVI and XX above. In other cases, the Institute may revoke the concession or authorization if it had previously sanctioned said concessionaire at least twice for any of the reasons provided in these sections and such sanctions are definitive except in the case provided for in section IX, in which case the revocation shall apply when there is a reoccurrence with the same behavior provided in said section. In these cases, for the purposes of determining the amount of such sanction subsection E) of section 298 of this Law is applicable.

Article 304. The holder of a concession or authorization which has been revoked shall be banned from obtaining, alone or through another person, new concessions or authorizations as provided in this Law, for a period of five years from when the respective resolution became definitive.

Article 305. People providing telecommunications or broadcasting services, without concession or authorization, or by any other means invade or obstruct the general communication channels shall lose in favor of the Nation property, facilities and equipment used in the commission of such offenses.

Article 306. Whoever damages, harms or destroys any general communication channel in telecommunications and broadcasting, any real property or furniture used in the installation or operation of concession, interrupting totally or partially their services, shall be punished with one to eight years imprisonment and a fine of 7,000 to 36,000 daily minimum wages in force in the Federal District. If damage is caused using explosive or incendiary material, imprisonment shall be of twelve to fifteen years.

Article 307. The sanctions set forth in this Chapter shall be without prejudice to any civil or criminal liability resulting from the revocation of the respective concession if applicable.

Chapter III

Audiovisual Content Sanctions

Article 308. Violations of the provisions of this Law and the provisions that derive from it in terms of audiovisual content will be sanctioned by the Ministry of the Interior, in accordance with the following:

A) With a one-time warning or a fine of the equivalent of 0.01% to 0.75% of the revenues of the concessionaire, authorized entity or programmer, for presenting extemporaneously notices, reports, documents or information.

In the event of voluntary compliance of the concessionaire, authorized entity or programmer and no inspection visit or verification from the Institute was demanded the sanction referred to in this subsection shall not apply.

In the case of a first offense, the Ministry of the Interior shall admonish the offender in only one occasion.

B) With a one-time warning or a fine of the equivalent of 0.76% to 2.5% of the revenues of the concessionaire, authorized entity or programmer, for

- I. Failing to comply with provisions of this Law regarding State time, national simultaneous retransmissions, bulletins, and contests, as well as regarding the reserve of channels of restricted television and audio;
- II. Exceeding the duration time of sponsorship transmission in the case of concessionaire of public use, or
- III. Not complying with the classification and descriptive categories according to the provisions of this Law and its regulations.

C) A fine of the equivalent of 2.51% to 5% of the revenues of concessionaires, authorized entities or programmer for:

- I. Including within the sponsorship the commercialization or sale of a product or service in the case of concessionaires of public use, or
- II. Receiving sponsorships in contravention of the provisions of this Law.

In the case of sections I and III of paragraph B) of this article, the provisions of section III of article 301 of the Law shall not be considered.

Article 309. In the case of the offenses set out in the preceding article the offender intention shall be considered for the imposition of sanctions.

Article 310. For the identification and quantification of the fines referred to in this chapter, the provisions of this Title shall apply.

Chapter IV.

Commercial Message Transmission Business and Defense of Audiences Sanctions

Article 311. The Institute shall sanction according to the following:

- a) A fine equivalent to twice the income obtained of what derived from the concessionaire exceeding the maximum caps of advertising transmission established by this Law;
- b) A fine of the equivalent of 0.51% to 1% of the revenues of concessionaires, authorized entities or programmer for:
 - I. Not making available to audiences the defense mechanisms;
 - II. Not appointing a defender of audiences or not to issuing codes of ethics, or
- c) A fine of 100 to 500 minimum daily wages in force in the Federal District to the defender of the audiences for:
 - I. Failing to comply with the obligations established in articles 259 and 261 of this Law, or
 - II. Failing to comply with general guidelines issued by the Institute on the minimum obligations for defense of the Audiences.

In the event of voluntary compliance of the concessionaire or the defender of audiences respectively and no inspection visit or verification from the Institute was demanded, the sanction referred to in this subsection shall not apply.

In the case of a first offense, the Institute shall admonish the offender in only one occasion.

SIXTEENTH TITLE

Sole Chapter

Legal Remedies

Article 312. The general rules, acts or omissions of the Institute may be contested only through the indirect appeal ("*amparo*") and shall not be subjected to suspension.



Article 313. In the case of resolutions of the Institute issued from a proceeding in the form of a trial only the resolution putting an end to it for violations committed in the resolution or during the procedure may be contested. The general rules applied during the procedure may only be contested in the appeal brought against the decision referred to.

Under no circumstances shall ordinary or constitutional appeals against intra-procedural acts be accepted.

Article 314. The indirect appeal shall be substantiated by judges and courts established by the Federal Judiciary Council for competition, telecommunications and broadcasting.

Article 315. The specialized courts of the Judicial Power of the Federation for competition, telecommunications and broadcasting shall hear disputes arising from the application of this Law.

ARTICLE TWO - Paragraph x) of section III of the 7th article is amended; and section III of the 6th article; and section IX of the 8th article of the Law on Foreign Investment, are abrogated and shall read as follows:

ARTICLE 6.- ...

I.- and II.-...

III.- Abrogated

IV.- to VI.- ...

...

ARTICLE 7.-...

I.- and II.-...

III.- Up to 49% in:

a) to w) ...

x) Broadcasting. Within this maximum foreign investment there shall be reciprocity in the country in which the investor or economic agent who ultimately controls it directly or indirectly is constituted.

IV.-...

...

ARTICLE 8.- ...

I.- to VIII.- ...

IX.- Abrogated

X.- to XII.- ...

ARTICLE THREE.- A second paragraph to article 27; and a second paragraph to article 144 of the Federal Copyright Law are added and shall read as follows:

Article 27.- ...

I. to VII. ...

The foregoing is without prejudice to the obligation of broadcasting concessionaires to allow retransmission of their signal and the obligation of restricted television concessionaires to retransmit in accordance with the provisions of the Federal Telecommunications and Broadcasting Law and without prejudice to the copyrights and related corresponding rights.

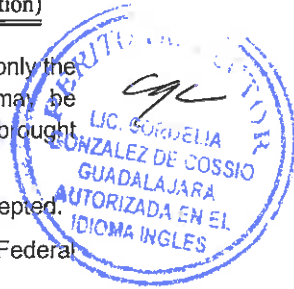
Article 144.- ...

I. to VI. ...

The foregoing is without prejudice to the obligation of broadcasting concessionaires to allow retransmission of their signal and the obligation of restricted television concessionaires to retransmit in accordance with the provisions of the Federal Telecommunications and Broadcasting Law and without prejudice to the copyrights and related corresponding rights.

ARTICLE FOUR.- Section X and XI are added, the current section X being now XII of article 3; and sections XV and XVI, of article 36 of the Federal Law of Administrative Responsibilities of Public Servants, and shall read as follows:

Article 3.-...



I.- to VIII.- ...

IX.- The Bank of Mexico;

X.- The Federal Telecommunications Institute;

XI.- Federal Commission of Economic Competition, and

XII.- Other courts and institutions established by law.

Article 36.- ...

I.- to XII.- ...

XIII.- The Ministry of Public Security: All public servants, from the level of department chair or homologous to the Ministry of Public Safety, including all members of the Federal Preventive Police;

XIV.- The Bank of Mexico: All public servants, from the head of department or equivalent in the Federal Public Administration Centralized to the Governor;

XV.- In the Federal Telecommunications Institute: All public servants, from the head of department or equivalent in the Federal Public Administration Centralized to the Commissioners, and

XVI.- The Federal Commission of Economic Competition: All public servants, from the head of department or equivalent in the Centralized Federal Public Administration to the Commissioners.

...

ARTICLE FIVE.- The first paragraph of article 128 is amended; and a section IX to article 107 and a third paragraph to article 128 are added, all of the Amparo Law, Regulating articles 103 and 107 of the Political Constitution of the United Mexican States are added and shall read as follows:

Article 107. Indirect appeal applicable:

I. to VI. ...

VII. Against the omissions of the Public Prosecutors' office in the investigation of crimes and the resolutions of reserve, non-execution of action, withdrawal of prosecution, or suspension of proceedings when the compensation of damages is not satisfied;

VIII. Against acts of authority that determine to inhibit or decline jurisdiction or knowledge of a matter and

IX. Against general rules, acts or omissions of the Federal Commission of Economic Competition and the Federal Telecommunications Institute.

In the case of resolutions of such bodies issued from a proceeding in the form of a trial only the resolution putting an end to it for violations committed in the resolution or during the procedure may be contested; general rules applied during the procedure may only be contested in the appeal brought against the decision referred to.

Article 128. Except in the cases where it is automatically applied, the suspension shall be ordered in all matters except those mentioned in the last paragraph of this article given the following requirements:

I. and II. ...

...

The general rules, acts or omissions of the Federal Telecommunications Institute and the Federal Commission of Economic Competition, shall not be subjected to suspension. Only in cases where the Federal Commission of Economic competition imposes fines or divestiture of assets, rights, social parts or shares shall these be executed after the appeal, if applicable, is resolved.

ARTICLE SIX. - Section VII and the second paragraph of article 14; Section II of article 29; Section I of article 78 are amended; and a third paragraph to Section I and a second paragraph to section II, III and IV of article 106; and a second paragraph to article 111 of the Law on the National Statistical and Geographic Information are added, and shall read as follows:

ARTICLE 14.- ...

I. to VI. ...

VII. A representative of the Bank of Mexico designated as such by the Governor and a representative of the Federal Telecommunications Institute appointed by the president commissioner.

The Institute may invite to sessions of the Council representatives of entities of the federal and local public administration and public, social and private institutions, as well as autonomous constitutional bodies.





...

ARTICLE 29.- ...

I. ...

II. Economy: The coordinators of the Secretaries of Treasury and Public Credit, Economy, the Bank of Mexico and the Federal Telecommunications Institute;

III....

...

...

...

...

ARTICLE 78.- ...

I. Regarding the following issues, datasets or indicators: population and demography dynamic; health; education; employment; income distribution and poverty; public security and justice system; government; housing; System of National Accounts; financial information; prices; work; science and technology; telecommunications and broadcasting; atmosphere; biodiversity; water; soil; flora; fauna; hazardous waste and solid waste; geodetic reference frame; coastal, international, state, and municipal boundaries; continental, insular and submarine relief data; cadastral, topographic, natural resources and climate, and geographical names data, or in the case of issues approved unanimously by the National Advisory Council, including those who need to know the subsystems referred to in the last paragraph of article 17 of this legislation;

ii. to IV. ...

...

ARTICLE 106.- Violations of the provisions of article 103 of this Law shall be sanctioned by a fine of:

I. ...

...

When the System Informants have the status of concessionaires or authorized entities in telecommunications or broadcasting, the fine shall be up to 30,000 to 40,000 wages;

II....

When the System Informants have the status of concessionaires or authorized entities in telecommunications or broadcasting, the fine shall be up to 20,000 to 30,000 wages;

III....

When the System Informants have the status of concessionaires or authorized entities in telecommunications or broadcasting, the fine shall be up to 10,000 to 20,000 wages;

IV....

When the System Informants have the status of concessionaires or authorized entities in telecommunications or broadcasting, the fine shall be up to 1,000 to 10,000 wages;

ARTICLE 111.- ...

The sanctions shall be set by the Institute and shall be executed by the Tax Administration Service, through procedures and provisions applicable by said body.

ARTICLE SEVEN.- Section VII of article 39; the first paragraph of article 68; the first paragraph of article 70; and article 71 of the Federal Law on Metrology and Standardization are amended and shall read as follows:

ARTICLE 39. ...

I. to VI. ...

VII. Coordinate with other agencies and the Federal Telecommunications Institute for the proper enforcement of the provisions of this Law, based on the functions of each department and the Institute;

Viii. to Xii. ...

ARTICLE 68. The conformity assessment shall be conducted by the competent agencies, the Federal Telecommunications Institute or certification bodies, testing or calibration laboratories and accredited verification units and, where appropriate, approved in accordance with article 70.

...

I. to IV. ...

...

ARTICLE 70. The competent agencies and the Federal Telecommunications Institute may approve the people accredited as required for the conformity assessment regarding the official Mexican standards which shall be subjected to the following:

I. and II. ...

ARTICLE 71. The competent agencies and the Federal Telecommunications Institute may at any time carry out verification visits to check compliance with this Law, its regulations and the official Mexican standards through accreditation bodies, people accredited or any other entity or body carrying out activities related to matters referred to in this Law as well as those for which they provide services.

ARTICLE EIGHT.- Sections II and XV of article 36 are amended; section I Bis is added to article 36; and section III of article 36 of the Organic Law of the Federal Public Administration is abrogated, and shall read as follows:

Article 36.- The Ministry of Communications and Transportation is in charge of the following matters:

I.- ...

I Bis.- Develop and lead the telecommunications and broadcasting policies of the Federal Government;

II.- Regulate, inspect and monitor public postal and telegraph services and its various services;

III.- Abrogated

IV.- to XIV.- ...

XV.- Establish the requirements that shall be met by the technical personnel of civil aviation, merchant marine, inland public transport as well as awarding the respective concessions and authorizations;

XVI.- to XXVII.- ...

ARTICLE NINE.- The first paragraph of article 140; article 145; section II of article 167; article 178 bis; the first paragraph of article 212; section III of article 214 are amended; and article 166 bis of the Federal Penal Code is added and shall read as follows:

Article 140.- Anyone who damages, destroys, harms or wrongfully interferes with communications means, public services, functions of state agencies, decentralized public agencies, state participation companies, autonomous constitutional bodies or facilities; steel, electric or basic industries plants; centers of production or distribution of weapons of necessary consumption, ammunition and war means, with the intention to disrupt the economic life or affect the ability to defend may incur two to twenty years in prison and a fine of one thousand to fifty thousand pesos .

...

Article 145.- Sentences of five to forty years in prison and a hundred and twenty thousand one hundred and fifty days fine may be incurred by the official or employee of the Federal or State Governments, or Municipalities, decentralized government agencies, state participation companies or public, federal or local services, or autonomous constitutional bodies, who committed any of the crimes provided in this Title, except the crime of terrorism whose sentence shall be from nine to forty-five years in prison and five hundred thousand days fine.

Article 166 Bis.- Anyone who by virtue of his office or employment in telecommunications, unlawfully provides reports on people using these communication means may incur a sentence of three months to three years in prison and shall be removed from office.

In the foregoing case, the sentence shall be increased by one-half when the offense is committed by a public servant in the exercise of his/her functions. Also, in addition to the sentences prescribed, the dismissal



of employment and disqualification for one to ten years from holding public office or commission may be incurred.

Article 167.- One to five years in prison and a fine of 100-10000 days may be incurred:

I.- ...

II - Anyone who destroys or separates one or more poles, insulators, wires, machinery employed in the telegraph service; any component of the telecommunications network, used in telephone service, switching or radio, or any component of a production facility or magnetic or electromagnetic energy transmission media;

III.- to IX.- ...

Article 178 Bis.- Any individual or, if applicable the representative of the legal entity that is required by the prosecutor or by the competent authority to assist or provide information for geographical locations in communication devices in real time in accordance with the provisions of the Federal Telecommunications and Broadcasting Law, which are related to investigations on organized crime, crimes against health, kidnapping, extortion, threats or any of the provisions of chapter II of Title Nine of the Federal Penal Code and who willfully refuses to do so shall incur imprisonment of 3 to 8 years and a 5000-10000 days fine.

The same sentences shall apply to the individual, or if applicable to the representative of the legal entity who maliciously obstructs, delays without just cause or refuses to cooperate in the private communications tapping or to provide information required in accordance with the applicable legislation.

The same sentences shall apply to the individual, or if applicable to the representative of the legal entity that is required by the competent authorities to cooperate or provide information for the geographic location, of the communication devices in real time in accordance with the provisions of the Federal Telecommunications and Broadcasting Law and willfully refuses to do so.

Article 212.- For the purposes of this Title and the subsequent, any person who holds a position, office or commission of any kind in the centralized federal public administration or the Federal District, decentralized agencies, majority state participation companies, organizations and companies assimilated thereto, public trusts, autonomous constitutional bodies, Congress, or Federal Judiciary Power and Judiciary Power of the Federal District, or who handles federal financial resources is a civil servant. The provisions of this Title, apply to the Governors of the States, the deputies of local legislatures and judges of the Local Courts of Justice, when committing offenses in federal matters according to the provisions of this Title.

...

Article 214.- ...

I.- and II.- ...

III.- Having knowledge by virtue of their employment, office or commission that may seriously affect property or the interests of any agency or entity of the centralized federal government, Federal District, decentralized agencies, majority state participation companies, assimilated associations and companies and public trusts, autonomous constitutional bodies, Congress or the Federal Judiciary Power or Judicial Power of the Federal District, by any act or omission and not reporting to their superior or avoiding it when it is within their powers.

IV.- to VI.- ...

...

...

ARTICLE TEN.- Section IX of article 3 of the Federal Transparency and Access to Public Government Information Law is amended and shall read as follows:

Article 3. ...

I. to VIII. ...

IX. Autonomous constitutional bodies: The National Electoral Institute, the National Human Rights Commission, the Bank of Mexico, the Federal Telecommunications Institute, the Federal Commission of Economic Competition, universities and other institutions of higher education to which the law grants autonomy and other established in the Constitution of the United Mexican States;





X. to XV. ...

ARTICLE ELEVEN.- The first paragraph of article 2 of the Law on Public Private Partnerships is amended and shall read as follows:

Article 2. The projects of public-private partnership regulated by this law are those that are carried out with any scheme to establish a long-term contractual relationship between public sector bodies and the private sector for the provision of services to the public sector, or wholesaler, intermediaries or end user and in which all or part of the infrastructure is provided by the private sector with the objective of increasing social welfare and levels investment in the country.

...

ARTICLE TWELVE.- Third paragraph of article 3 of the Federal Public Entities Law is amended and shall read as follows:

ARTICLE 3.-...

...

The National Commission of Human Rights, the Agrarian Bureau, the Federal Consumer Bureau, Mexican State News Agency and the Mexican State Public Broadcasting System, according to their objectives and the nature of their duties are excluded from the compliance with this legislation.

...

ARTICLE THIRTEEN.- The Mexican State Public Broadcasting System Law is issued.

MEXICAN STATE PUBLIC BROADCASTING SYSTEM LAW

Chapter I

General Provisions

Article 1. The decentralized public entity of the Federal Government, not under a specific sector, called Public Broadcasting System of the Mexican State, with legal personality and its own assets as well as technical, operational, decision-making and management autonomy aiming to provide non-profit broadcasting service is created, in order to ensure access of the greatest number of people in each of the states to contents promoting national integration, educational, cultural and civic training, equality between women and men, dissemination of impartial, objective, timely and accurate information from the national and international news, editorial independence and give space to the works of independent producers as well as the expression of the diversity and plurality of ideas and opinions that strengthen the democratic life of the society.

The Public Broadcasting System of the Mexican State shall have the necessary concessions and comply with the provisions of this Law and other applicable regulations.

Article 2. For the purposes of this Law the following definitions shall apply:

- I. **Citizen Council:** The Citizen Council of the System;
- II. **Controller's Office:** The System's internal Controller's Office;
- III. **President:** The head of the Presidency of the System;
- IV. **Organic Statute:** The Organic Statute of the System;
- V. **Government Board:** The Government Board of the System;
- VI. **Law:** The Broadcasting System of the Mexican State Law;
- VII. **Public broadcasting Media:** The radio or television station or entity of the Federal Public Administration, which operates under a concession and whose program content is based on the political, cultural and social diversity of the country and aims to promote education, democratic values, social service, truthful and objective information and citizen participation;
- VIII. **Ministry:** Ministry of Communications and Transportation;
- IX. **Head of the Secretary:** The head of the Secretary of the Government Board of the System, and
- X. **System:** Public Broadcasting System of the Mexican State.

Article 3. The Public Broadcasting System of the Mexican state has its headquarters in Mexico City, Federal District.



Chapter II

The System assets

Article 4. The assets of the Public Broadcasting System of the Mexican State are comprised of:

- I. The resources assigned to it in the corresponding Expenditure Budget of the Federation's fiscal year;
- II. The rights and movable and immovable property assigned by the public sector;
- III. The revenues from services rendered not including the issuance of commercial messages and advertising sales, and
- IV. Other revenues received under the terms of the relevant provisions, which may include sponsorships, donations, legacy, rights and others received from individuals and corporations.

Article 5. For the purposes of this chapter, the term sponsorship is the payment in cash or in kind made by anyone named sponsor, so that the denomination or business name of the person who made the payment is mentioned or visually shown, without inducing the commercialization or sale of any product or service.

Article 6. The sponsorships shall have the following characteristics:

- I. The specific rights and obligations between the Public Broadcasting System of the Mexican State and the Sponsor shall be set in writing;
- II. The format cannot be the one of an advertisement and its duration may not exceed five seconds;
- III. The name, denomination or business name shall only be mentioned or visually shown without highlighting or exalting their specific attributes;
- IV. The Signature, motto or slogan of the sponsor may be mentioned;
- V. Through sponsorship, the public supports or social donations carried out by the sponsor may be mentioned, and
- VI. The sponsorship may fund the installation and operation of broadcasting stations and production of broadcast segments or entire programs.

Chapter III

Guiding Principles

Article 7. The System shall have as guiding principles:

- I. The promotion of knowledge, human rights, freedoms and dissemination of civic values;
- II. The ethical commitment to objective, accurate and diverse information, which shall be fully adjusted to the criterion of professional independence and the political, social and cultural pluralism of the country;
- III. The facilitation of political debate on various ideological, political and cultural trends;
- IV. The promotion of citizen participation through the exercise of the right of access to public service broadcast medias;
- V. The promotion of the plurality of content in programming and institutional, social, cultural and sporting events targeting all sectors of the audience, paying attention to those topics of public interest;
- VI. The promotion of the dissemination and knowledge of national cultural productions, particularly cinematographic;
- VII. The support to social integration of minorities and social groups with specific needs;
- VIII. The promotion of the protection and safeguard of equality between women and men, avoiding any discrimination among them;
- IX. The promotion of knowledge of the arts, science, history and culture;
- X. Ensuring the conservation of historical audiovisual archives;
- XI. Trying to get the widest audience and maximum continuity and geographic and social coverage, with the commitment to offer quality, diversity, innovation and ethical exactitude;
- XII. The promotion of scientific and cultural knowledge, safeguard and respect of ecological values and environmental protection;
- XIII. Preservation of the rights of minors, and
- XIV. Other principles established in the Constitution of the United Mexican States.

Article 8. The system shall allow space for the works of independent production to help promote the right of women to live freed from violence, as well as the expression of the diversity and plurality of ideas and

opinions that strengthen the democratic life of the society, for which at least thirty percent of the weekly schedule shall be allocated.

Article 9. In the absence of express provision in this Law the following shall apply additionally:

- I. The Federal Telecommunications and Broadcasting Law;
- II. The Law on General Communications Means;
- III. The General Law on National Assets;
- IV. The Federal Administrative Procedure Law;
- V. Federal Civil Code, and
- VI. Federal Code of Civil Procedure.

Article 10. The system shall be required to provide information to individuals in accordance with the Federal Transparency and Access to Public Government Information Law, to grant to the right to reply in accordance with applicable law and to appoint a defender of the audience in accordance with the Federal Telecommunications and Broadcasting Law.

Chapter IV

Powers and Structure

Article 11. In order to fulfill its purpose, the system shall have the following powers:

- I. Coordinate with federal public service broadcast medias, in order to guarantee the fulfillment of its purposes;
- II. Collaborate and assist in the development of the activities of the state and local public broadcast medias;
- III. Preserve and disseminate audiovisual collections in the departments and agencies of the Public Federal Administration;
- IV. Carry out, promote and coordinate the generation, production, dissemination and distribution of audiovisual content and materials promoting the respect for human rights, the best interests of the child, equality and non-discrimination, by itself or through third parties;
- V. Become a platform for free expression promoting the educational, cultural and civic development of Mexicans and promoting international cultural exchange;
- VI. Design, develop and implement an annual program of activities providing proposals and meeting specific goals for improvement in the provision of broadcasting services, in coordination with the public broadcast medias;
- VII. Propose to the Ministry and the Ministry of the Interior upgrades deemed necessary to the legal framework governing public broadcast medias and participate in the formulation of draft initiatives of laws, decrees, regulations and other general rules concerning that activity;
- VIII. Participate in the training of specialized personnel in the operation of public broadcast medias, through the formulation and implementation of programs and training courses, education and specialization of professional, technical and support staff, promoting gender equality;
- IX. Encourage the incorporation of digital broadcasting and telecommunication technologies in the provision of services of public broadcast medias;
- X. Issue opinion on the program content and function developed by public broadcast medias, promoting the development of informative, cultural, social, scientific and educational broadcasting, according to the principles set forth in this Law;
- XI. Approve the annual report on the development of the activities of the System;
- XII. Carry out all actions required for the satisfactory compliance with the principles and purposes of the public broadcast medias
- XIII. In the provision of broadcasting services under the responsibility of the System all discrimination on grounds of ethnic or national origin, gender, age, disability, social background, health condition, religion, opinions, sexual orientation, marital status or any other that undermines human dignity and has the effect of nullifying or impairing the rights and freedoms of individuals shall be prohibited, and
- XIV. Other corresponding ones in accordance with this Law and applicable legislation.



Article 12. Apart from the necessary activities for the exercise of its functions, the System may process new concessions in order to have the necessary territorial coverage that allows full compliance with its guiding principles.

Chapter V

Management and Administration Bodies

Article 13. The management and administration of the System belongs to:

- I. The Government Board, and
- II. The President.

The Presidency shall have the administrative structure established in the Organic Statute. The positions in the Government Board shall be honorary.

Article 14. The Government Board shall comprise:

- a) The President of the System;
- b) A representative of the Ministry of the Interior;
- c) A representative of the Ministry of Public Education;
- d) A representative of the Ministry of Health;
- e) Three representatives of the Citizen Council.

The representatives of the Federal Executive shall have a minimum level of General Director and their respective deputies the next lower hierarchical level; they shall have the same powers as the owners in their absence.

The members appointed by the Citizen Council shall hold office for four years and may be ratified for another equal period.

The Chair of the Government Board shall be the President of the System.

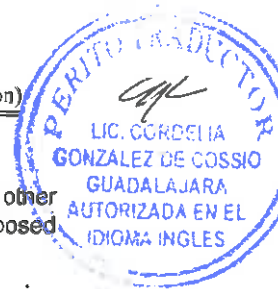
The Government Board shall take its decisions by the majority of vote of the members present. The President of the Board shall have a casting vote in case of tie.

The members of the Government Board shall recuse themselves from participating in the care, handling or resolution of any matter within the jurisdiction of such body, if there is any personal, family or business interest, including those that may result in a benefit for themselves, their spouse or blood or affinity relative to the fourth degree, or civil relatives, or other third parties with whom they have professional, work or business relationships, or partners or companies in which the public servant or people referred to above are or were part of.

Article 15. The Government Board is the supreme authority of the System and shall have the following powers that cannot be delegated:

- I. Establish general policies and set priorities to be fulfilled by the System regarding the compliance with its purpose, as well as in finance, research, technological development and general administration;
- II. Approve when proposed by the President, the annual program of activities providing proposals and meeting specific goals for improvement in the provision of broadcasting services, in coordination with the public broadcast medias through basic principles of production and programming;
- III. Encourage among public broadcast medias the full compliance with the rules regulating their activities, as well as the acts and resolutions issued by the competent administrative authorities;
- IV. Assess and, if necessary, submit to the Ministry and the Ministry of the Interior proposals of legal and regulatory modifications in terms of regulation of public broadcast media considering the draft submitted by the President;
- V. Approve programs and draft annual revenues and expenditures budget of the System, and any amendments thereto, pursuant to the applicable law taking into consideration the proposals submitted by the President;
- VI. Approve the session regulation, considering the proposal made by the President;
- VII. Send the draft budgets to the relevant agency for inclusion in the draft Federal Expenditures Budget for each fiscal year;





- VIII. Examine and approve reports on budget execution authorized submitted by the President;
- IX. Review and, if appropriate, approve the annual activity report of the System as well as other general or special reports required by the Government Board, as part of the obligations imposed by this Law to the President;
- X. Approve the basic organizational structure of the System and its changes, as well as approving the Organic Statute, considering the proposal of the President;
- XI. Approve policies to implement the System indicators and assessment of employees performance based on the proposal submitted the President;
- XII. Appoint and remove, at the proposal of the President, the Secretary of the Government Board and the Assistant Secretary, who shall stand in for the Secretary in his/her absence;
- XIII. Appoint and remove at the proposal of the President, public servants of the System holding positions within the two lower administrative hierarchies in accordance with the provisions the Organic Statute;
- XIV. Establish the circumstances in which the legal representation granted to the President may be replaced or limited, as well as cases where special and prior approval to carry out acts of ownership, administration or disputes and collections shall be required;
- XV. Establish, within the legal provisions, rules and bases for the acquisition, leasing and disposition of properties that the system requires for the fulfillment of its purposes;
- XVI. Annually approve after receiving the report of the competent official of the Ministry of Public Function and opinion of the independent auditors, the financial statements of the System and authorize the publication thereof;
- XVII. Issue rules or general bases under which, where necessary, the President may dispose of the fixed assets of the System that do not correspond to the specific operations of the object thereof;
- XVIII. Form committees for specific purposes based on budget availability;
- XIX. Authorize loans to finance the System, in accordance with the applicable provisions in terms of public debt, and observe the guidelines dictated by the competent authorities in terms of financial resources management;
- XX. Annually approve at the proposal of the President, the System Activity Report to be submitted to the Executive and Legislative Powers of the Union;
- XXI. Consider and decide on proposals, projects and recommendations submitted by the Citizen Council;
- XXII. Resolve other matters that the President of the Government Board, any of the members or the President shall submit for its consideration, and
- XXIII. All other powers conferred by this Law, its Organic Statute and other applicable legal and administrative legislation.

Article 16. The organization, operation and frequency of meetings of the Government Board shall be established in the System Organic Statute as well as the functions of the Secretary of the Board.

Article 17. The President of the System shall be appointed at the proposal of the Federal Executive, with the vote of two thirds of the members present in the Senate or, when not in session in the Permanent Commission.

Article 18. In order to be President of the System one needs to:

- I. be a Mexican citizen and in full enjoyment and exercise of his/her civil and political rights;
- II. Have a bachelor degree level and five years minimum experience in the subject matter of the System;
- III. Be at least thirty-five years old at the date of the designation;
- IV. Not hold or have held positions of national or state leadership in some political party or group, in the two years prior to the appointment;
- V. Never have been convicted of property offenses or disqualified to carry out commercial activity or to hold any public employment, position or commission;

- VI. Not hold or have held the position of Secretary of State, Attorney General of the Republic, Governor, Head of the Government of the Federal District, Deputy or Senator in the year prior to the appointment, and
- VII. Not have been convicted of an intentional crime carrying a corporal punishment of more than one year of imprisonment and

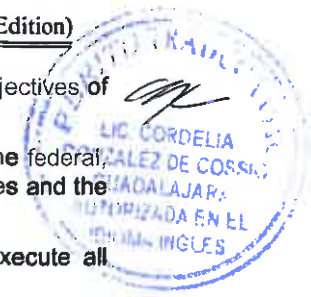
Article 19. The President of the system shall hold office for five years; he/she may be reappointed for a further term only once and may be removed by a vote of two-thirds of the members present in the Senate.

Article 20. The President shall not hold any other paid employment, position or commission, except academic or scientific ones.

Article 21. The President of the System shall have the following powers and duties:

- I. Manage and legally represent the system in accordance with the general objectives and guidelines established by the Government Board;
- II. Implement, execute and monitor the implementation of the general policies of the System and implement the resolutions issued by the Government Board, overseeing appropriate compliance in the System;
- III. Direct and coordinate the activities of the administrative units of the System, in accordance with provisions in the Organic Statute;
- IV. Coordinate the development of technical and administrative activities of the system and dictate the agreements to this end;
- V. Take appropriate measures to ensure that the functions of the system are carried out in an articulated, consistent and effective manner through the establishment, coordination and updating of procedures, systems and applications to be implemented in the System;
- VI. Perform legal acts of ownership, administration and dispute and collections necessary for the operation of the system, enjoying all the powers that require a special clause in accordance with the Law, except in cases where the Government Board determines its special and prior approval is necessary;
- VII. Grant general and special powers to be exercised individually or jointly as well as replacing and revoking the proxies;
- VIII. Prepare and submit for the approval of the Government Board, the annual program of activities providing proposals and meeting specific goals for improvement in the provision of broadcasting services, in coordination with the public broadcast medias through basic principles of production and programming;
- IX. Draw up drafts of legal and regulatory amendments in the regulation of public broadcast medias and submit them to the Government Board for assessment;
- X. Organize and take charge of the national register of public broadcast medias;
- XI. Develop program proposals and annual revenues and expenditures budget draft of the System, and any amendments thereto, and submit them to the approval of the Government Board;
- XII. Prepare the draft regulations of sessions that shall be approved by the Government Board;
- XIII. Develop the proposed basic organizational structure of the System and its amendments as well as the Organic Statute draft, which shall be approved by the Government Board;
- XIV. Draft annual reports on the implementation of authorized budget and submit them to the knowledge and approval of the Government Board;
- XV. Submit to the Government Board for approval, the annual report of activities of the System;
- XVI. Produce before the Government Board all general or special reports required as part of the obligations imposed by this Law;
- XVII. Establish methods allowing the optimal use of movable and immovable property of the System;
- XVIII. Gather information and statistical data reflecting the status of the functions of the system, in order to improve the management;
- XIX. Submit to the Government Board at least twice a year, management assessments, with details previously agreed on with the Government Board and after hearing the Commissioner;



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- XX. Establish monitoring systems and mechanisms for the assessment of the goals and objectives of the System;
- XXI. Sign agreements, conventions, coordination bases and other legal instruments, with the federal, state and municipal public broadcast medias to assist in the development of its activities and the fulfillment of its purposes;
- XXII. Carry out within the framework of the powers of the system, all legal acts and execute all documents necessary for the fulfillment of the purposes and objectives of the System;
- XXIII. Draw up organizational programs;
- XXIV. Draw up and submit to the Government Board the short, medium and long term institutional programs for approval;
- XXV. Develop and submit for consideration of the Government Board, policies to implement the indicators and performance assessments of employees of the System, and the corresponding stimuli, in compliance with the regulations issued for that purpose within the scope of its powers by the Secretaries of Public Administration and Treasury and Public Credit;
- XXVI. Appoint and remove public servants of the System, except those holding positions within the two lower administrative hierarchies, in which case they will be limited to make appropriate proposals to the Government Board, which shall make the appointments or removals ;
- XXVII. Propose to the Government Board the appointment or removal of the Secretary and Assistant Secretary;
- XXVIII. Subscribe general working conditions regulating labor relations of the System with its base employees;
- XXIX. Submit annually to the Executive and Legislative Powers of the Union a report on the activities of the System; that shall appear before the Congress in accordance with the provisions of law;
- XXX. All system powers granted that were not expressly conferred to the Government Board, and
- XXXI. Others that this Law, the Organic Statute or other legislation conferred.

Chapter VI

The Citizen Council

Article 22. The system shall have a Citizen Council in order to ensure its independence and unbiased and objective editorial policy in its administration, said Council shall have the powers of opinion and advice of the actions, policies, programs and projects developed by the system.

Article 23. The Citizen Council shall be composed of nine members who shall be elected by a wide public consultation with the vote of two thirds of the members present in the Senate or, when not in session in the Permanent Commission. The members shall hold an honorary position.

The members' office shall be for five years

Members shall hold staggered positions, so annually the two senior in office shall be replaced, unless they were ratified by the Senate for a second term.

Article 24. In order to be a member of the Citizen Council one needs to:

- I. Be a Mexican citizen in full enjoyment of his/her rights;
- II. Be at least thirty-five years old;
- III. Have proven experience of at least five years on public medias;
- IV. Preferably have a profession or degree related with the communication media;
- V. Not hold or have held positions of national or state leadership in some political party or group, in the two years prior to the appointment;
- VI. Not hold or have held the position of Secretary of State, Attorney General of the Republic, Governor, Head of the Government of the Federal District, Deputy or Senator in the year prior to the appointment, and
- VII. Not have been convicted of an intentional crime carrying a corporal punishment of more than one year of imprisonment and

Article 25. The functions of the Citizen Council are the following:

- I. propose the criteria that the Government Board shall follow to ensure the independence and unbiased and objective editorial policy of the System;
- II. Develop projects that will strengthen the purpose of the System;
- III. Evaluate programs and projects proposals covering the creation objectives of the System;
- IV. Participate in meetings and events called by the System, to carry out exchanges of experience and information, both nationally and internationally on topics related to the purpose of the System;
- V. Give an opinion and advise on actions, policies, programs and projects developed by the System;
- VI. Submit to the Government Board an annual report of its activities;
- VII. Propose to the Government Board the rules for the expression of ideological, ethnic and cultural diversity;
- VIII. Develop mechanisms for citizen participation in order to address the concerns and proposals of listeners and viewers;
- IX. Monitor and issue public reports on the compliance of the Government Board with the criteria established in order to ensure the independence and an unbiased and objective editorial policy of the system and
- X. Other provisions applicable.

Article 26. Members may be replaced from office before the end of the term, in the following cases:

- I. Failure to attend unjustifiably three consecutive meetings or six isolated ones in a period of two years;
- II. Failure to comply with or violation of the purpose of the System, or
- III. Expressly resign.

Article 27. The rules of operation and organization of the Citizen Council shall be established in the Organic Statute.

Article 28. The President of the System shall have all the facilities and essential elements for the development of Citizen Council meetings.

Chapter VII

Supervision and Control Bodies

Article 29. The system shall have an Internal Auditor appointed by the Head of the Ministry of Public Function, who he/she shall depend from hierarchically and functionally, and whose jurisdiction and powers shall be those established in the applicable provisions of the Organic Law of the Federal Public Administration and other applicable legal and administrative provisions.

Article 30. In order to attend the issues and the pursuit of the proceedings of his/her office, the Internal Auditor and the relevant areas, shall be supported by the personnel of the Internal Control Body.

Article 31. In accordance with the relevant provisions of the Organic Law of the Federal Public Administration, the Ministry of Public Function shall appoint a Commissioner to the Government Board of the system, which shall attend its meetings with voice but without vote, to intervene in matters within its competence.

Chapter VIII

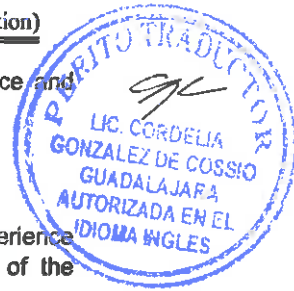
Labor Regulation

Article 32. The System labor relationships with its staff shall be regulated by the Federal Labor Law, the regulation of Paragraph B of article 123 of the Political Constitution of the United Mexican States.

TRANSITORY

FIRST. This Decree shall enter into force thirty calendar days after its publication in the Official Gazette, without prejudice to the provisions of the following Transitory.

SECOND. The Federal Telecommunications law and the Federal Radio and Television Law are abrogated. The provisions of the Law on General Communications Means which conflict with the provisions of the Federal Telecommunications and Broadcasting Law which is issued by virtue of this Decree are left with no effects.



THIRD. The regulations and administrative provisions and official Mexican standards shall continue to apply until they are replaced by the new legislation unless they conflict with the Federal Telecommunications and Broadcasting Law which is issued by virtue of this Decree.

FOURTH. The Federal Telecommunications Institute shall amend its organic statute in compliance with the Federal Telecommunications and Broadcasting Law within sixty calendar days of the entry into force of this Decree.

FIFTH. The Federal Executive shall issue, within one hundred eighty calendar days of the issuance of this decree, the regulations and guidelines in terms of content set forth in the Federal Telecommunications and Broadcasting Law which is issued by virtue of this Decree.

Broadcasting and Restricted television and audio concessionaires may not promote video games that have not been classified according to the applicable regulations to be issued by the Federal Executive within the period referred to in the preceding paragraph.

SIXTH. The attention to, processing and resolution of the issues and procedures initiated before the entry into force of this Decree shall be carried out in accordance with the Seventh Transitory Article of the Decree amending and supplementing various provisions of articles 6, 7, 27, 28, 73, 78, 94 and 105 of the Political Constitution of the United Mexican States in telecommunications published in the Official Gazette on June 11, 2013. The foregoing is without prejudice to the provisions of the Twentieth Transitory Article of this Decree.

SEVENTH. Without prejudice to the provisions of the Federal Telecommunications and Broadcasting Law which is issued by virtue of this Decree, in the Law and the regulations that the Federal Telecommunications Institute issued to that effect, concessions and authorizations issued prior to the entry into force of this Decree, shall continue under the terms and conditions set forth in the respective concessions or authorization until their completion, unless an authorization is obtained to provide additional services to those granted or it moves to the sole concession in accordance with the provisions of Federal Telecommunications and Broadcasting Law, in which case the terms and conditions set by the Federal Telecommunications Institute shall apply.

In the case of concessions of radio spectrum, the term of the concession, the authorized coverage and the number of Megahertz granted may not be amended nor the conditions of do and don't provided in the original concession which have been decisive for the granting of the concession.

EIGHT. Except as provided in the Tenth and Eleventh Transitory Articles of this Decree, the current concessionaires may obtain authorization from the Federal Telecommunications Institute to provide additional services to the ones of their concession or move to a sole concession provided they are in compliance with the obligations provided in the laws and in their concessions. Concessionaires with spectrum concessions shall pay the relevant consideration corresponding to the provisions of the Federal Telecommunications and Broadcasting Law.

Concessionaires that have several concessions, besides being entitled to move to the sole concession may consolidate their concessions into a single concession.

NINTH. For as long as there is a preponderant economic agent in the telecommunications and broadcasting sectors, in order to promote competition and develop viable competitors in the long run, approval from the Federal Telecommunications Institute shall not be required for the concentrations between economic agents holders of concessions or concession assignments and control changes derived from these, which meet the following requirements:

- a. Generate a sectorial reduction of Dominance Index "ID", provided the Hirschman-Herfindahl "IHH" index does not increase of more than two hundred points;
- b. Result in the economic agent having a percentage of sectorial participation under twenty percent;
- c. That the preponderant economic agent in the sector in which the concentration is carried out does not participate in such concentration and
- d. Do not have the effect of reducing, damaging or preventing free competition in the corresponding sector.

Herfindahl-Hirschman Index "IHH" is the sum of the squares of the participations of each economic agent ($IHH = \sum_i q_i^2$), in the relevant sector, as in the case of telecommunications it is based on the indicator of the number of subscribers and users of telecommunications services, and for the broadcasting sector it is based on audience. This index can take values from zero to ten thousand.

In order to calculate the Index of Dominance "ID", first the percentage of contribution h_i of each economic agent to the IHH index defined the previous paragraph ($h_i = 100 \times q_i^2 / IHH$) shall be determined. After the ID shall be calculated using the Herfindahl-Hirschman formula, but using h_i contributions instead of q_i participations (i.e., $ID = \sum_i h_i^2$). This index also varies from zero and ten thousand.

The economic agents shall submit to the Federal Telecommunications Institute, within 10 days following the concentration, a written notice containing the information referred to in article 89 of the Federal Economic



Competition Law relating to the corresponding sector as well as evidence that would demonstrate that the concentration is in compliance with the above paragraphs.

The Institute shall investigate the concentrations within no more than ninety calendar days and in case it establishes that there is substantial power in the market of telecommunications networks providing voice, data or video or radio and television services according to the relevant sector, it may impose the necessary measures to protect and promote in said market free competition in accordance with the provisions of the Federal Telecommunications and Broadcasting Law and the Federal Economic Competition Law without prejudice to the concentrations referred to in this article.

The measures imposed by the Institute shall extinguish once the preponderant economic agent is authorized to provide additional services.

TENTH. The preponderant economic agents and concessionaires whose concession contain any express prohibition or restriction to provide certain services determined prior to the start of processing the authorization for additional services, shall certify their concession contracts and applicable administrative provisions before the Federal Telecommunications Institute and this shall monitor the effective implementation of obligations provided in the Decree amending and supplementing various provisions of articles 6, 7, 27, 28, 73, 78, 94 and 105 of the Political Constitution of the United Mexican States, in telecommunications, published in the Official Gazette on June 11, 2013, the Telecommunications and Broadcasting Law and the Federal Economic Competition Law, their concessions and applicable administrative provisions as follows:

- I. The preponderant economic agents shall certify before the Federal Telecommunications Institute that they are effectively complying with the foregoing and the expeditious measures issued by the Federal Telecommunications Institute referred to in sections III and IV of the Eighth Transitory Article of the referred Decree. To this end, the Federal Telecommunications Institute shall establish the form and terms to present respective information and documentation;
- II. The preponderant economic agents shall be effectively complying with the measures referred to in the preceding Section I at least continuously for eighteen months;
- III. At the end of the period referred to in the paragraph above and provided that it continues to comply with the provisions of the preceding section I, the Federal Telecommunications Institute shall resolve and issue an opinion stating the effective compliance with the referred obligations, and
- IV. Once the Concessionaire has obtained the compliance certification, it may apply for the Federal Telecommunications Institute additional service authorization.

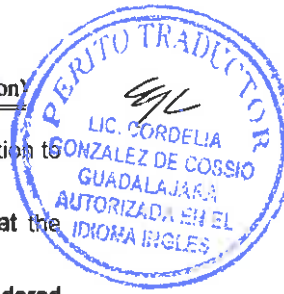
The provisions of this article shall also apply if the respective agents and concessionaires choose to move to the sole concession.

The provisions of this article shall not apply after five years from the entry into force of the Federal Telecommunications and Broadcasting Law, provided that the preponderant economic agent in the telecommunications sector is in compliance with the Eighth Transitory Article of this Decree, of the measures which have been imposed as provided in Sections III and IV of the Eighth Transitory Article of the Decree amending and supplementing a number of provisions of articles 6., 7., 27, 28, 73, 78, 94 and 105 of the Political Constitution of the United Mexican States, in telecommunications, published in the Official Gazette on June 11, 2013, and those who were imposed by the Federal Telecommunications Institute in accordance with the Federal Telecommunications and Broadcasting Law.

ELEVENTH. The processing of the application referred to in the preceding article shall be subjected to the following:

- I. The preponderant economic agents and concessionaires whose concession contains any express prohibition or restriction to provide certain services shall comply with the provisions of the guidelines of the Federal Telecommunications Institute in accordance with the Fourth Transitory Article of the Decree amending and supplementing various provisions of articles 6, 7, 27, 28, 73, 78, 94 and 105 of the Political Constitution in telecommunications, published in the Official Gazette on June 11, 2013;
- II. When applying, such agents and concessionaires shall join the report of compliance referred to in Section III of the previous article, submit the information as determined by the Federal Telecommunications Institute regarding the services they plan on providing;
- III. The Federal Telecommunications Institute shall decide whether the application is receivable within sixty calendar days of its submission, based on the general guidelines issued to that effect and shall determine the considerations that apply.





If after the period prescribed in the preceding paragraph the Institute has not given a resolution to the corresponding request, it shall be considered negative, and

- IV. In processing the application, the Federal Telecommunications Institute shall ensure that the granting of the authorization does not create adverse effects to free competition.

It is understood that adverse effects to the free competition are generated, among other factors considered by the Federal Telecommunications Institute, when:

a. Such authorization may have the effect of increasing participation in the relevant sector of the preponderant economic agent or economic interest group to which the concessionaires whose concessions contain any prohibition or restriction to provide certain services with respect to the determined participation by Federal Telecommunications Institute in the resolution which declared the agent as preponderant economic agent in the corresponding sector.

b. The authorization of additional services have the effect of conferring substantial power in the relevant market to the concessionaires or member of the preponderant economic agent or the concessionaires whose concessions contain any prohibition or restriction to provide certain services in the corresponding sector.

The provisions of this article shall apply in the event that the respective agents and concessionaires choose to move to the sole concession, and shall be independent of the economic sanctions pursuant to the Federal Telecommunications and Broadcasting Law.

TWELFTH. The preponderant economic agent in the telecommunications sector may choose at any time the model referred to in article 276 of the Federal Telecommunications and Broadcasting Law or exercise the right established in this article.

The preponderant economic agent in the telecommunications industry may submit to the Federal Telecommunications Institute a plan based on a real, concrete situation with determined people including as applicable, structural separation, the total or partial divestiture of assets, rights, social parts or shares or any combination of these options in order to reduce its national participation below fifty percent of the telecommunications sector as specified in section III of the Eighth Transitory Article of the Decree amending and supplementing various provisions of articles 6., 7, 27, 28, 73, 78, 94 and 105 of the Political Constitution of the United Mexican States, in telecommunications, published in the Official Gazette on 11 June 2013, in accordance with the measurement variables and parameters used by the Federal Telecommunications Institute in the corresponding declaration of preponderance, and provided that the implementation of this plan generates effective competition conditions in the markets that comprise the sector in accordance with the Federal Economic Competition law. If the preponderant economic agent exercises this option, the following shall apply:

I. When presenting the plan that the preceding paragraph refers to, the preponderant economic agent shall state in writing that it adheres to the provisions of this article and accepts its terms and conditions; also it shall join the necessary information and documentation to enable the Federal Telecommunications Institute to learn about and analyze the proposed plan;

II. If the Federal Telecommunications Institute considers that the information submitted is insufficient, within 20 business days following the submission of the plan, it shall inform the preponderant economic agent in order to submit the missing information within 20 business days. If the preponderant economic agent does not submit the additional information requested or if the Institute considers that the documentation or information presented is not sufficient or suitable a second information request shall be issued in the terms identified above and in case the second request is not complied with, the plan shall be considered as not presented without prejudice to the economic agent presenting a new proposed plan in accordance with this article.

III. Once the additional information is received in the conditions stated, the Federal Telecommunications Institute shall analyze, assess and, if appropriate, approve the proposed plan within one hundred twenty calendar days. If the Institute deems it necessary it may extend this period twice and up to ninety calendar days in each instance.

In order to approve this plan the Federal Telecommunications Institute shall determine that it effectively reduces the national participation of preponderant economic agent below fifty percent in the telecommunications sector as specified in Section III of the Eight Transitory Article of the Decree generating conditions of effective competition in the markets of the sector in accordance with the Federal Economic Competition Law and that it does not have the purpose or effect of affecting or reducing the existing social coverage.



The plan should result in the decrease of the participation of the preponderant economic agent in the sector whether transferring it to one or more economic agents separate and independent from the preponderant economic agent. When approving the plan, the Federal Telecommunications Institute shall ensure the effective separation and independence of these agents and set the terms and conditions for this situation to be duly safeguarded;

IV. In the event that the Federal Telecommunications Institute approves the plan, the preponderant economic agent shall have a term of up to ten business days to state its acceptance of the plan and expressly consent to the rates resulting from the application of paragraphs a) and b) of the second paragraph of article 131 of the Federal Telecommunications and Broadcasting Law, and sections VI to VIII of this article.

Once the plan is accepted by the preponderant economic agent, it may not be amended and shall be implemented in these terms, and the agent may not exercise again the benefits granted by this article and without prejudice to the agent to opt for the provisions of article 276 of the Federal Telecommunications and Broadcasting Law;

V. The plan shall be implemented during the 365 calendar days following the acceptance of the provisions of section IV. The economic agents involved in the plan shall inform about the process of implementation of the plan with the periodicity set by the Federal Telecommunications Institute. If the predominant economic agent proves that the noncompliance with the plan within that period is due to causes not attributable to it, it may request a renewal to the Federal Telecommunications Institute which may be granted for a period of up to 120 calendar days, only once and as long as those reasons are justified;

VI. From the date on which the preponderant economic agent in the telecommunications sector has accepted the plan and during the period referred to in the preceding section, the reciprocal traffic compensation agreements referred to in the first paragraph of article 131 of the Federal Telecommunications and Broadcasting Law shall apply provisionally between the preponderant economic agent in the telecommunications sector and other concessionaires, and the rates resulting from the application of paragraphs a) and b) of the second paragraph of said article shall be suspended ;

VII. The Federal Telecommunications Institute shall certify that the plan has been effectively implemented within the period prescribed in section V of this article. To this end, within 5 business days of the closing date of execution or, where appropriate, at the end of the corresponding renewal, the Federal Telecommunications Institute shall initiate studies showing that its implementation generated the conditions of effective competition in the markets of the telecommunications sector in accordance with the Federal Economic Competition Law.

Once the certification referred to in the preceding paragraph is granted, the traffic compensation agreements referred to in the first paragraph of article 131 of the said Law shall apply generally to all concessionaires.

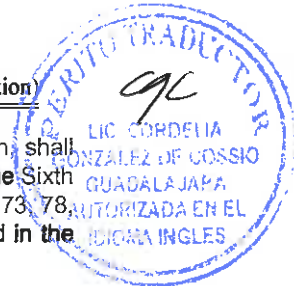
VIII. If the plan is not implemented within the time specified in section V or, if applicable at the end of the corresponding renewal, or the Federal Telecommunications Institute denies the certification referred to in the preceding section or determines that the plan was not fully implemented according to the conditions approved, the reciprocal compensation traffic agreements and the suspension of rates referred to in paragraphs a) and b) of article 131 of the Federal Telecommunications and Broadcasting Law shall lose effect between the predominant economic agent and the other concessionaires, and the application shall be retroactive to the date the suspension began, the agent shall return to the other concessionaires the amounts corresponding to the application of the above rates. In this case, concessionaires said may offset the amounts to be repaid against other amounts owed to the preponderant economic agent;

IX. The Federal Telecommunications Institute shall authorize the economic agents who proposed the plan and the resulting economic agents or the ones that took part in the plan the provision of additional services to their concession or the possibility to move to the sole concession model once it certifies that the plan was effectively implemented and that said plan generated the conditions of effective competition in the markets of the telecommunications sector in accordance with the Federal Economic Competition Law.

X. Once the Federal Telecommunications Institute certifies that the approved plan has been effectively implemented, it shall terminate:

a. The resolutions by which it has declared the economic agent as preponderant in the telecommunications sector as well as the asymmetric measures imposed upon it in accordance with the provisions of section III and IV of article eight of the aforementioned Decree, and

b. The resolution by which the economic agent was declared with substantial power in a market and the specific measures imposed upon it.



THIRTEENTH. The Federal Executive through the Ministry of Communications and Transportation shall carry out the actions in order to establish the shared public telecommunications network referred to in the Sixth Transitory Article of the Decree amending and supplementing various provisions of Articles 6, 7, 27, 28, 73, 78, 94 and 105 of the Political Constitution of the United Mexican States in telecommunications, published in the Official Gazette on June 11, 2013.

If the Federal Executive requires frequency bands of the spectrum released by the transition to Digital Terrestrial Television (700 MHz band) to increase and strengthen the shared network referred to in the preceding paragraph, the Federal Telecommunications Institute shall grant them directly provided that the network remains under the control of a public agency or entity or under a public-private partnership scheme.

FOURTEENTH. The Federal Telecommunications Institute shall implement a system of professional service within one hundred eighty calendar days following the entry into force of this Decree, which shall contain, among other things, the recognition of the rights of the employees of the Federal Telecommunications Commission who are certified as professional service workers.

FIFTEENTH. The Federal Telecommunications Institute shall establish its Advisory Council within one hundred eighty calendar day following the entry into force of this Decree.

SIXTEENTH. The Ministry of Communications and Transportation shall establish mechanisms to carry out the coordination referred to in Article 9, Section V of the Federal Telecommunications and Broadcasting Law, within one hundred and eighty calendar days of the entry into force of this Decree.

SEVENTEENTH Broadcasting permits that are in force or in the process of authorization at the entry into force of this Decree shall move to the corresponding concession scheme within the year following the entry into force of the Federal Telecommunications and Broadcasting Law, in terms established by the Institute. Permits that have been granted to the powers of the Union, the states, the organs of the Federal District Government, municipalities, autonomous constitutional bodies and public institutions of higher education shall move to the concession for public use regime, while the rest of the permits shall move to the regime of concession for social use.

In order to move to the relevant concession regime, the permit holders shall submit the application to the Federal Telecommunications Institute, who shall resolve the matter within a period of ninety business days.

Once the transition is carried out, the permits shall be regulated by the provisions of the Federal Telecommunications and Broadcasting Law or concessions of public or social use, as applicable.

In case of failure to comply with this article, the permits shall lose its validity.

EIGHTEENTH. The Federal Telecommunications Institute shall issue within one hundred and eighty days following the entry into force of the Federal Telecommunications and Broadcasting Law, the work program to reorganize the radio spectrum for radio and television referred to in paragraph b) of section V of the Seventeenth Transitory Article of the Decree amending and supplementing various provisions of articles 6, 7, 27, 28, 73, 78, 94 and 105 of the Political Constitution of the United Mexican States, in telecommunications, published in the Official Gazette on June 11, 2013. In determining the work program, the Institute shall seek the development of relevant radio market, the migration of as many concessionaire stations from AM band to FM as possible, strengthening the competitive conditions and the continued provision services.

NINETEENTH. Digital terrestrial transition shall end on December 31, 2015.

The Federal Executive through the Ministry of Communications and Transportation shall implement programs and actions linked to political transition to digital terrestrial television, for delivery or distribution of receivers or decoders equipment referred to in the third paragraph of the Fifth Transitory Article of the Decree amending and supplementing various provisions of Articles 6, 7, 27, 28, 73, 78, 94 and 105 of the Political Constitution of the United Mexican States in telecommunications, published in the Official Gazette on June 11, 2013.

The Federal Telecommunications Institute shall end the transmission of analog television broadcast signals across the country, no later than December 31, 2015, after a penetration level of ninety percent of households with limited resources as defined by the Ministry of Social Development, with receivers or decoders able to receive digital signals of broadcast television is reached.

In order to comply with the above, the Federal Telecommunications Institute shall end analog television broadcast signals before December 31, 2015, for the coverage area of said signals, once they reach in the appropriate area, the penetration level referred in the preceding paragraph.

The Ministry of Communications and Transportation and the Federal Telecommunications Institute shall carry out campaigns for the delivery or distribution of equipment and for the closing of the transmission of analog television signals, respectively.

Concessionaires and permit holders of TV broadcast shall be required to carry out all the required investments and installations and to move to digital terrestrial television at the latest on December 31, 2015. The Federal Telecommunications Institute shall monitor the proper compliance with the obligation mentioned.

If on the dates of early termination of analog television signals broadcast by coverage area or on December 31, 2015, the current permit holders who operate broadcast television stations with a radiated power less than or equal to 1 kW for VHF and 10 kW for UHF channels, are not transmitting terrestrial digital television signals, and/or the penetration levels provided in the third and fourth paragraphs of this article are not reached, either in some regions, towns or across the country; the Federal Telecommunications Institute shall establish a program for people to continue receiving this public service of general interest, while permit holders start digital transmissions and/or penetration levels indicated in this article are reached.

Legal, administrative or regulatory provisions which conflict with the Transitory shall be abrogated.

TWENTIETH. The Federal Telecommunications Institute shall apply article 131 of the Federal Telecommunications and Broadcasting Law and others that may be applicable to interconnection, and shall guarantee the due compliance of the obligations under these provisions, these shall be payable without prejudice to and independently from the entry into force of the Law, if the existence of a preponderant economic agents have already been determined and the necessary measures to avoid affecting free competition were already imposed in accordance with Section III of the Eighth Transitory Article of the Decree amending and supplementing various provisions of articles 6, 7, 27, 28, 73, 78, 94 and 105 of the Political Constitution in telecommunications, published in the Official Gazette on June 11, 2013;

For purposes of paragraph b) of article 131 of the Federal Telecommunications and Broadcasting Law, and until the concessionaires referred to in that paragraph have not agreed on the appropriate interconnection rates or, where appropriate, the Institute does not resolve any dispute regarding such rates, the current ones shall remain in force except in the case of the economic agent referred to in the second paragraph of Article 131 of said Law, in which case paragraph a) of that article shall be applicable.

TWENTY-FIRST. For the attention to, promotion and monitoring of user rights under the Federal Telecommunications and Broadcasting Law, and the Federal Consumer Protection Law, the PROFECO shall create a specialized area with a level not lower than an Agency, as well as the structure it requires in accordance with the budget approved for this purpose by Deputy Chamber.

TWENTY-SECOND. The Federal Telecommunications Institute shall issue the general administrative regulations referred to in Title Eighth of the Federal Telecommunications and Broadcasting Law within a maximum period of ninety calendar days from the entry into force of this Decree.

TWENTY-THIRD. The budgetary impact generated by the entry into force of this Decree in terms of personnel services, and the establishment of new powers and activities of the Federal Telecommunications Institute, shall be covered by the budget approved annually by the Deputy Chamber for said body.

TWENTY-FOURTH. In accordance with the Fifteenth, Sixteenth and Seventeenth Transitory Articles of the Decree amending and supplementing various provisions of articles 6, 7, 27, 28, 73, 78, 94 and 105 of the Political Constitution in telecommunications, published in the Official Gazette on June 11, 2013, the last paragraph of Article 14 of the Law of Federal Revenue for Fiscal Year 2014 is abrogated.

TWENTY-FIFTH. The provisions of section V of article 118 of the Federal Telecommunications and Broadcasting Law shall take effect on January 1, 2015, so that from that date the public telecommunications network concessionaires providing fixed, mobile or both services may not charge national long distance to users for calls made to any National destination.

Without prejudice to the foregoing, concessionaires shall carry out the consolidation of all existing local service areas in the country in accordance with the guidelines issued by the Federal Telecommunications Institute to that effect. Each concessionaire shall bear the costs arising from such consolidation.

Also, the Federal Telecommunications Institute, within one hundred eighty days following the entry into force of this Decree, shall define the points of interconnection to the public telecommunications network of the preponderant economic agent or agent with substantial power.

Administrative decisions that were issued shall remain without effect when conflicting with the provisions of this Transitory.

Concessionaires shall maintain the numbering that they were assigned in order to use it for intelligent network services in its modality of collected calls charges and other special services such as 900 numbers.

TWENTY SIXTH. The Federal Executive shall submit to the Senate or, if applicable, to the Permanent Committee, the proposed appointment of the President of the Public Broadcasting System of the Mexican State, within thirty calendar days of the entry into force of this Decree.





The Senate or, if applicable, the Permanent Committee, shall appoint the President of the System within thirty calendar days of receipt of the proposal of the Federal Executive.

TWENTY SEVENTH. Representatives of the Secretaries of State who will be part of the Government Board of the Public System of the Mexican State shall be appointed within sixty calendar days following the entry into force of this Decree.

TWENTY EIGHT. The appointment of members of the Citizen Council of the Public Broadcasting System of the Mexican State shall be made within sixty calendar days following the entry into force of this Decree.

TWENTY NINTH. The President of the Public Broadcasting System of the Mexican State shall submit to the Government Board for approval, the draft Organic Statute, within ninety-day following its appointment

THIRTIETH. As of the entry into force of this Decree the decentralized body named Audiovisual Media Promoting Agency shall become the Public Broadcasting System of the Mexican State, which shall have the human, budgetary, financial and material resources of said body.

Until the Organic Statute of the Public Broadcasting System of the Mexican State is issued the Organic Statute of Audiovisual Media Promoting Agency shall continue to apply, as long as it does not conflict with the Law of the Public Broadcasting System of the Mexican state.

Labor rights of the personnel of the Audiovisual Media Promoting Agency shall be respected according to the law.

THIRTY FIRST. Human, budgetary, financial and material resources of the Audiovisual Media Promoting Agency shall become part of the Public Broadcasting System of the Mexican State once the President is appointed without undermining the labor rights of their workers.

THIRTY SECOND. The Ministry of the Interior shall coordinate with the appropriate authorities for the exercise of the monitoring powers in accordance with the provisions of the Federal Telecommunications and Broadcasting Law.

The Deputy Chamber shall allocate the necessary resources to ensure the proper exercise of the powers referred to in this Transitory.

THIRTY THIRD. The Federal Telecommunications Institute shall issue the guidelines referred to in section III of article 158 of the Federal Telecommunications and Broadcasting Law, within no more than 180 calendar days from the day following the entry into force of this Decree.

THIRTY FOURTH. The Deputy Chamber shall allocate the Public Broadcasting System of the Mexican state financial resources in accordance with its objectives and functions, for which the following shall be considered:

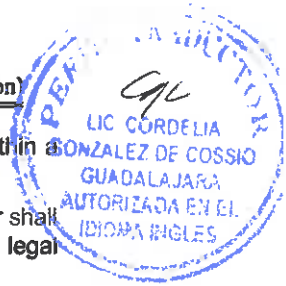
- I. Expansion plans;
- II. Operating expenses, and
- III. Financial balance.

THIRTY FIFTH. Except as provided in the Twentieth Transitory Article, by which the Federal Telecommunications Institute is required to implement article 131 of the Federal Telecommunications and Broadcasting Law which is issued by virtue of this Decree and other that are applicable to interconnection in the provisions thereof, the administrative resolutions of the Federal Telecommunications Institute has issued before the entry into force of this Decree on preponderance shall continue to have their full effect.

THIRTY SIXTH. The Federal Telecommunications Institute within 180 days after the entry into force of this Decree shall carry out the necessary studies to analyze whether it is necessary to establish mechanisms that promote and encourage concessionaires to include programming aimed at children promoting culture, sports, environmental conservation, and respect for human rights, the best interests of the child, gender equality and non-discrimination.

THIRTY SEVENTH. For purposes of the law enforcement authorities referred to in section I of article 190 of the Federal Telecommunications and Broadcasting Law, the provisions of the Federal Telecommunications Law on geographical location in real time shall remain valid until the entry into force of the National Code of Criminal Procedure.

THIRTY EIGHT. The Federal Telecommunications Institute shall issue within sixty business days of the entry into force of the Federal Telecommunications and Broadcasting Law, administrative regulations necessary to eliminate requirements that may delay or prevent number portability and, if applicable, promote the portability through electronic means.



The regulations, to which the preceding paragraph is referring to, shall ensure effective portability within a period not exceeding 24 hours from the request is made by the owner of the corresponding number.

In order to carry out the portability only the owner's identification and the expression of will of the user shall be required. In the case of legal entities the proceedings shall be completed by the representative or legal proxy who shall confirm his/her identity in accordance with applicable regulations.

THIRTY NINTH. For purposes of article 264 of the Federal Telecommunications and Broadcasting Law, the Federal Telecommunications Institute shall start, without prejudice to the Ninth Transitory Article of this Decree, within thirty calendar days after its entry into force, investigation procedures that apply in terms of the Federal Economic Competition Law, to determine the existence of economic agents with substantial power in any of the relevant markets for telecommunications and broadcasting sectors, among which the domestic market of audio and video associated through public telecommunications networks shall be included and, if applicable, impose appropriate measures.

FORTIETH. The preponderant economic agent in the telecommunications or agent with substantial power in the relevant market, have to comply with the provisions of article 138, Section VIII, article 208 and sections V and VI of Article 267 of Federal Telecommunications and Broadcasting Law as of its entry into force.

FORTY FIRST. Public institutions of higher education, that at the date of the entry into force of this Decree, have broadcasting means according to the provisions of articles 67 section II and 76 section II of the Federal Telecommunications and Broadcasting Law, shall not receive additional budget for this purpose.

FORTY SECOND. A concession to install, operate and exploit a public telecommunications network, in accordance with the Fifteenth Transitory Article of the Decree amending and supplementing various provisions of articles 6, 7, 27, 28, 73, 78, 94 and 105 of the Political Constitution of the United Mexican States in telecommunications, shall be assigned by the Federal Commission of Electricity to Telecommunications Mexico, the provisions of articles 140 and 144 of the Federal telecommunications and Broadcasting Law shall not be applicable, exclusively for those contracts in force at the date of publication of this decree that were signed between the Federal Commission of Electricity and those individuals or legal entities who, under the provisions of said law, shall be considered as end users.

These contracts shall be assigned by the Federal Commission of Electricity to Telecommunications Mexico, together with the corresponding concession. Telecommunications Mexico shall assign the contracts to other concessionaires authorized to provide services to end users, within six months from the date they were assigned.

In case there are technical, legal or economic impediments for Telecommunications Mexico to assign such contracts, these will remain in effect until up to the termination date indicated on them and they may not be renewed or extended for further periods.

FORTY THIRD. Within a period not exceeding 36 months from the entry into force of this Decree, the concessionaires of commercial use signals transmitting television broadcast and that cover more than fifty percent of the country shall have Mexican sign language or hidden captioning in national language in the programming transmitted from 06:00 to 24:00, excluding advertising and other cases established by the Federal Telecommunications Institute, based on international best practices. Federal public entities that are concessionaires of broadcast television for public use shall be subjected to the same obligation.

FORTY FOURTH. Regarding the obligations in terms of accessibility for people with disabilities provided in the Federal Telecommunications and Broadcasting Law for the defenders of the audiences, the concessionaires will have a period of up to ninety calendar days from the entry into force of this Decree to start the corresponding adaptations and mechanisms.

FORTY FIFTH. Restricting access to shared infrastructure of the preponderant economic agent in broadcasting, provided in section VII of article 266 of the Federal Telecommunications and Broadcasting Law, is not applicable to concessionaires resulting from the tendering of the new digital channels of broadcasting television as specified in section II of the Eighth Transitory Article of the Decree amending and supplementing various provisions of articles 6, 7, 27, 28, 73, 78, 94 and 105 of the Political Constitution of the United Mexican States, in telecommunications.

Mexico City, Federal District on Tuesday, July 8th, 2014. Raúl Cervantes Andrade, President.- Dip. José González Morfín, President.- Sen. María Elena Barrera Tapia, Secretary- Dip. Angelina Carreño Mijares, Secretary.- "Signature."

In compliance with the provisions of section I of article 89 of the Political Constitution of the United Mexican States, and for its due publication and observance, I issue this Decree at the residence of the Federal Executive Power in Mexico City, Federal District, this July 14th of two thousand and fourteen - Enrique Peña Nieto - Signature - Ministry of the Interior, Miguel Angel Osorio Chong - Signature.

The undersigned, CORDELIA GONZALEZ DE COSSIO GUADALAJARA, authorized certified public translator for the English language by the H. *Consejo de la Judicatura Federal* through General Agreement, published in the Official Gazette of the Federation, CERTIFIES that the foregoing text is a faithful and exact translation of the document attached that I had in front of me.

Mexico, Federal District, August 19, 2014

CORDELIA GONZALEZ DE COSSIO
GUADALAJARA

CORDELIA GONZALEZ DE COSSIO GUADALAJARA, perito traductor autorizada para el idioma ingles por el H. Consejo de la Judicatura Federal mediante Acuerdo General, publicado en el Diario Oficial de la Federación, certifica que la anterior es una traducción fiel y exacta del documento adjunto que tuvo a la vista

México .D.F. a. 19 de Agosto 2014

DR. CORDELIA GONZALEZ DE COSSIO
GUADALAJARA