Abstract

Model and use of the 700 MHz band

The Ministry of Communications and Transportation is responsible for the fulfillment of transitory article 16 of the Constitutional Reform in telecommunications which establishes that the State, through the Executive Branch, and in coordination with the Federal Telecommunications Institute, shall ensure the installation of a shared public telecommunication network to promote the population’s effective access to broadband communication and telecommunication services with the following characteristics:

- It shall begin the installation before the end of 2014, which must be commissioned and operating before the end of 2018.
- It shall include the use of at least 90 MHz of the spectrum released by the transition to digital terrestrial television (700 MHz band), the fiber optic backbone infrastructure resources of the Federal Electricity Commission and any other State asset that can be used to install and operate the shared network.
- These could include public or private investments, identifying budget need and the provisions to be adopted by the Lowe House, where appropriate.
- Make sure that no telecommunications service provider influences the network’s operation.
- Guarantee access to the assets needed to install and operate the network, and fulfill its purpose and obligations to provide coverage, quality and non-discriminatory services.
- It shall operate under the principles of sharing its entire infrastructure and the unbundled sale of services and capacities, and shall provide services exclusively to marketers and telecommunications network operators under conditions of non-discrimination and competitive prices. Operators that use such unbundled sharing and sale services shall be bound to offer other operators and advertisers the same conditions as those they receive from the share network, and
- Strive to make sure the shared network’s pricing policy encourages competition and ensures the reinvestment of profits for growth, modernization and universal coverage.

Therefore it is important to highlight that:

- It shall begin the installation before the end of 2014.
- It implicates private investment and in any case public investment for about 10 billion dollars.
- Secondary legislation in telecommunications will be enacted no longer 180 days following the entry into force of the Constitutional Reform.
- The executive branch through the Ministry of Communications and Transportation and in coordination with the Federal Telecommunications Institute will define model and use of the 700 MHz Band which will determine the use, enjoyment and exploitation.
The project will be executed through a public-private partnership (PPP) with two main goals and objectives:

- To promote a major coverage and penetration services.
- To increase the competition of telecomm sector, having as a result lower prices and major quality services.

The main benefits once the project is implemented are the following:

- Efficient use and enjoyment of the 700 MHz band.
- 98% population coverage.
- Penetration of mobile wide band of at least 45% of the population.
- Offer of services to mobile networks operators, such as fixed network operator, multiple-system operator, among others.
- To increase supply on specializing services. (Public safety, national security).
- To offer next generation telecommunication services.
- To increase the investment in telecommunication sector.
- Position Mexico as world leader on mobile communications.

The shared public telecommunication network is an answer to Mexico’s future needs in the telecommunications era. The shared public telecommunication network is a project that:

- Will fulfill article 6 of the Constitution of the United Mexican States.
- Will be attractive to capital investment.
- Will generate income to the Government through collection mechanisms that will promote a social vision to the project.
- Will be measure through social profitability criteria.
- Will boost Mexico’s telecommunication Sector.
- Will promote the participation and attendance of bidders to bidding process.
- Will be finance through private investment and public assets in kind, so it guarantee the project’s deployment thorough efficient use of public resources.