

IN ACCORDANCE TO ARTICLE 4.12 OF THE RULES OF THE TENDER "LANGUAGE OF THE COMPETITIVE TENDER, OF PROPOSALS AND DOCUMENTS TO BE SUBMITTED BY THE BIDDERS" THE LANGUAGE IN WHICH THE COMPETITIVE TENDER WILL BE CARRIED OUT IS SPANISH. THE INVITING ENTITY MAKES AVAILABLE TO BIDDERS, AS A COURTESY, THE ENGLISH TRANSLATION OF THE DOCUMENTS THAT MAKE UP THE RED COMPARTIDA TENDER RULES. BIDDERS ACKNOWLEDGE AND ACCEPT THAT THIS TRANSLATION IS A COURTESY, IT IS NON-OFFICIAL AND NON-BINDING, AND IS NOT PART OF THE RULES OF THE TENDER. THIS ENGLISH TRANSLATION HAS NO VALIDITY AND THEREFORE THIS COMPETITIVE TENDER SHALL ONLY BE GOVERNED BY AND BE CARRIED OUT IN ACCORDANCE WITH THE SPANISH VERSION OF THE RULES AND IN SPANISH LANGUAGE.

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INVITATION

The General Office of Telecommunications and Broadcasting assigned to the Ministry of Communications and Transportation (*Secretaría de Comunicaciones y Transportes*), pursuant to articles 6 and 134 of the Political Constitution of the United Mexican States; sixteenth transitory of the Executive Order that amends and supplements several provisions of articles 6th, 7th, 27th, 28th, 73rd, 78th, 94th and 105th of the Political Constitution of the United Mexican States on matters concerning telecommunications, published in the Federal Official Gazette on June 11th, 2013; 1st, 2nd, 4th, 5th, 9th, section XVI, 140th to 144th of the Federal Telecommunications and Broadcasting Act (*Ley Federal de Telecomunicaciones y Radiodifusión*); thirteenth transitory of the Executive Order that enacted the Federal Telecommunications and Broadcasting Act, and the Broadcasting System Act of the Mexican State (*Ley del Sistema de Radiodifusión del Estado Mexicano*), and which amends, supplements and repeals several provisions in telecommunications and broadcasting matters, published in the Federal Official Gazette on July 14, 2014; 1st, 2nd, 4th, section I, 38th, 45th of the Public-Private Partnership Act; 67th through 69th of the Regulations of the Public-Private Partnership Act; and 1st, 2nd, section XX, 3rd, 9th, 10th, sections XVI, XVIII and XXIV and 25th of the Interior Regulations and other legal regulatory and administrative applicable provisions, ISSUES AN **INVITATION:**

TO ALL INDIVIDUALS OR ENTITIES, BOTH MEXICAN AND FOREIGN, TO PARTICIPATE IN THE INTERNATIONAL COMPETITIVE TENDER NUMBER APP-009000896-E1-2016 FOR THE AWARD OF A PUBLIC-PRIVATE PARTNERSHIP PROJECT PURSUANT TO THE PUBLIC-PRIVATE PARTNERSHIP ACT (*LEY DE ASOCIACIONES PÚBLICO PRIVADAS*), FOR THE DEPLOYMENT AND OPERATION OF THE PUBLIC TELECOMMUNICATIONS SHARED NETWORK REFERENCED IN ARTICLE SIXTEENTH TRANSITORY OF THE EXECUTIVE ORDER THAT AMENDS AND SUPPLEMENTS SEVERAL PROVISIONS OF ARTICLES 6th, 7th, 27th, 28th, 73rd, 78th 94th AND 105th OF THE POLITICAL CONSTITUTION OF THE UNITED MEXICAN STATES ON MATTERS CONCERNING TELECOMMUNICATIONS, PUBLISHED IN THE FEDERAL OFFICIAL GAZETTE (*DIARIO OFICIAL DE LA FEDERACIÓN*) ON JUNE 11TH, 2013, CONTEMPLATING THE USE OF THE BROADBAND SPECTRUM COMPRISED OF THE SEGMENTS BETWEEN 703 AND 748 MHZ AND BETWEEN 758 AND 803 MHZ, WITH A TOTAL OF 90 MHZ NATIONWIDE UNDER A LEASE STRUCTURE, AS WELL AS OF A PAIR OF FIBER OPTIC STRANDS OF THE BACKBONE NETWORK REFERENCED IN ARTICLE FIFTEENTH TRANSITORY OF THE SAME EXECUTIVE ORDER.

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I. Name of the Summoning Entity and additional considerations:

The General Office of Telecommunications and Broadcasting is the Administrative Unit of SCT responsible for executing the Tender in accordance with the terms set forth herein, and it will therefore act as Summoning Entity for any purposes.

As part of the conditions of the Tender, the spectrum concession will be granted to the Agency for the Development of Investments in Telecommunications (the "Agency"), who will in turn enter into a Public Private Partnership Contract (PPP contract) with the Developer, to be awarded under the terms of the Tender.

The International Competitive Tender No. APP-009000896-E1-2016 relates to a public-private partnership project, governed by the Public-Private Partnerships Act.

Capitalized words and terms in all documents comprising these Bidding Rules shall have the meaning ascribed to them in the Glossary of the Rules of the International Competitive Tender, included as Appendix 1 of these Bidding Rules.

II. General Description of the Project:

The Project consists of the design, installation, deployment, operation, maintenance and updating of the *Red Compartida*, and of the marketing of Wholesale Telecommunication Services through said network, in accordance with the specifications, timetable, requirements and obligations provided in these Rules, as well as in the Spectrum Concession, in the Wholesale Concession and in the PPP Contract, whose models are attached to these Rules as Appendices 2, 3 and 4, respectively.

The Agency, along with Telecomunicaciones de Mexico (Telecomm), shall enter into the PPP Contract with the Developer, where the Agency will contribute the rights of use, profit and exploitation, under a lease structure, of the radioelectric spectrum frequency band, which includes the segments from 703 to 748 MHz and from 758 to 803 MHz, with a total of ninety (90) MHz nationwide, while Telecomm will contribute the right of use, profit and exploitation of one (1) pair of dark fiber optic strands of the Backbone Network, whose length, features and access conditions are set out in the appendices of the Rules of the International Competitive Tender, in order to be used by the Developer for the design, installation, deployment, operation, maintenance and updating of the *Red Compartida*, and for the commercialization of the Wholesale Telecommunications Service through said network, without the foregoing being construed as conferring or transferring ownership rights over the Spectrum Concession, the Concession of Telecomm (or the obligations arising therefrom), or the aforementioned fiber optic network. The Developer may not sublease the aforementioned frequency spectrum.

The Developer, at its own discretion, may choose whether or not to use the Backbone Network's two strands of fiber optic. Telecomm will contribute to the Developer through partial concession the rights

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over the maintenance contract entered into with CFE, corresponding to the pair of fiber optic strands of the Backbone Network mentioned above.

The Developer, as lessee of the rights to use, profit and exploit the radioelectric spectrum frequency bands shall be subject to the ongoing compliance with the terms and conditions set forth herein, in the PPP Contract, in the Spectrum Concession title, in the Wholesale Concession title, as well as with the provisions in the LFTR and any other provisions set forth by the IFT.

The Developer shall pay to the Agency on an annual basis, starting on the date of execution of the PPP Contract, as consideration for the lease of the spectrum in question, an amount equivalent to the total rights payable for the use, profit and exploitation of the frequency spectrum bands as set forth in Article 244-A, or in any article that may supersede it in the future, of the Federal Duties Law effective at the time of payment, in addition to any the contributions that may arise under the applicable laws.

For its part, the Developer shall cover all costs and contribute all financial resources required for the design, installation, deployment, operation, maintenance and updating of the *Red Compartida*, and for the commercialization of the Wholesale Telecommunication Services through said network.

Furthermore, the Developer shall contribute the real and personal property, rights, infrastructure, equipment, authorizations, licenses, permits, payments and other physical, human or any other resources required to design, install, deploy, operate, maintain and update the *Red Compartida* and to provide the Wholesale Telecommunication Services through it, other than the right to use the radio spectrum to be contributed by the Agency and the right to use on the pair of fiber optic strands, which will be contributed by Telecommm.

The Developer shall obtain from the IFT the Wholesale Concession in order to be able to provide the Wholesale Telecommunications Service, in accordance with these Rules and with the provisions set forth in the "General Guidelines for Awarding of Concessions, referred to in the Fourth Title of the Federal Telecommunications and Broadcasting Law", published in the Federal Official Gazette (DOF) on July 24, 2015.

The Developer shall also, among other tasks and/or obligations:

- Apply for and obtain any permit, authorization, right of way or right of use of passive infrastructure, environmental impact assessment, among others, as required for the design, installation, deployment, operation, maintenance and updating of the *Red Compartida*, and for the commercialization of the Wholesale Telecommunications Services through the same.

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- Pay for the maintenance of the pair of fiber optic strands, whose rights of use shall be contributed by Telecomm under the terms of the contract included in these Rules as Appendix 5, and to comply with other obligations derived from the use of the strands of dark fiber optic in accordance with provisions in the PPP Contract.
- Comply with the other contributions and obligations set forth in the Rules and in the APP Contract (including its appendices) and,
- Share with the Agency the percentage of revenues in accordance with the mechanisms detailed in the PPP Contract.

The Developer shall create a Trust under the terms and pursuant to the objectives set forth in the PPP Contract, whereby it shall include the Reserve Fund to support the coverage commitments.

The Agency shall oversee the compliance with the obligations assumed by the Developer under the PPP Contract, enforcing any applicable penalties. For its part, the IFT shall monitor and enforce compliance with the obligations set forth in the Spectrum Concession and Wholesale Concession titles, and with applicable regulation.

III. Key dates and deadlines :

Activity	Date	Schedule	Place
Acquisition of Bidding Rules and registration of Bidders	From January 29, 2016	From 8:00 to 18:00 hrs	Inviting Entity Domicile
Registration of observers	As of the publishing of the Rules and up to one day prior to the ruling act	From 8:00 to 18:00 hrs	Inviting Entity Domicile
Deadline for the reception of inquiries and clarifications	February 26, 2016	Until 18:00 hrs	CompraNet
Response to inquiries and clarifications	March 4, 2016	18:00 hrs	CompraNet
Deadline for the reception of follow-up inquiries and clarifications on responses issued by the Inviting Entity	March 11, 2016	Until 18:00 hrs	CompraNet

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Response to follow-up inquiries and clarifications responses issued by the Inviting Entity	March 18, 2016	18:00 hrs	CompraNet
Dates for submission to IFT of requests for opinion/authorization on matters concerning Antitrust and Influence	May 3 and 4, 2016	In accordance with official IFT schedule	IFT Domicile
Deadline for notifications on Antitrust and Influence resolutions	August 4, 2016	In accordance with official IFT schedule	IFT Domicile
Presentation of Proposals and opening of Technical Bids	August 8, 2016	10:00 hrs	Ministry of Communications and Transportation Auditorium, located in at SCT, Body C at University Avenue and Xola S/N, Colonia Narvarte, Benito Juárez, Distrito Federal, Zip Code 03020
Results of the Technical Bid evaluation	August 16, 2016	10:00 hrs	Ministry of Communications and Transportation Auditorium, located at SCT, Body C at University Avenue and Xola S/N, Colonia Narvarte, Benito Juárez, Distrito Federal, Zip Code 03020
Awarding of the Competitive Tender	August 24, 2016	10:00 hrs	Ministry of Communications and Transportation Auditorium, located at SCT, Body C at University Avenue and Xola S/N, Colonia Narvarte, Benito Juárez, Distrito Federal, Zip Code 03020

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<p>Conferring of the Wholesaler Concession title, of the Spectrum Concession title and execution of the PPP Contract</p>	<p>November 7, 2016</p>	<p>10:00 hrs</p>	<p>Ministry of Communications and Transportation Auditorium, located in the National Center SCT, Body C at University Avenue and Xola S/N, Colonia Narvarte, Benito Juárez, Distrito Federal, Zip Code 03020</p>
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The provision of services related to this Tender must begin no later than March 31, 2018, under the terms of the Tender. The PPP contract to be entered into with the Winning Bidder, will have a term of twenty (20) years, extendable for another equal term.

IV. Places, dates and times in which interested parties may acquire the Tender Rules:

The Tender Rules shall be published on January 29, 2016 in the Inviting Entity Website and CompraNet.

The Inviting Entity address is: Avenida Xola y Universidad s/n, Centro Nacional SCT, Cuerpo "C", piso 1, Office C-110, Colonia Narvarte, Delegación Benito Juarez, Zip Code 03020, in Mexico City.

Other data of the Competitive Tender may be consulted at www.compranet.gob.mx, as well as www.sct.gob.mx/red-compartida/index.html.

The Bidding Rules will have a cost of \$21,700.00 (twenty one thousand seven hundred Mexican pesos) and can be purchased at the Inviting Entity Domicile, starting on January 29, 2016 and until August 7, 2016, between the hours of 8:00 to 18:00 from Monday to Friday on business days.

The payment for the Bidding Rules shall be made through a local banking institution. To purchase the Bidding Rules, the applicant should consult the instructions provided on the following website: www.sct.gob.mx/red-compartida/index.html.

Having received payment, the Inviting Entity shall deliver a copy of the Bidding Rules and provide stamped invoice as proof of acquisition thereof.

Mexico City, Mexico as of January 29, 2016.

THE GENERAL DIRECTOR OF TELECOMMUNICATIONS AND BROADCASTING

EZEQUIEL GIL HUERTA