September 19th, 2016

**Theme: Open Consultation on “Building an enabling environment for access to the Internet”**

**Overall:** The Federal Telecommunications Institute (IFT) is an autonomous body, which aims to the efficient development of telecommunications and broadcasting, it is thus, be responsible for regulating, promoting, and supervising the use, enjoyment and exploitation of the radio spectrum, the infrastructure, the networks and the provision of such services.

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

Considering the aforementioned, the Federal Telecommunications Institute presents the following contribution for its consideration in the Open Consultation “Building an enabling environment for access to the Internet”.

1. What are the elements of an enabling environment to promote Internet connectivity?

Today, Internet is the fundamental pillar for the growth and development of the societies. The impact of this network extends to different aspects of daily life as well as to diverse economic sectors, which brings countless benefits.

There are significant challenges that must be consider by the different stakeholder that work together in order to implement measures that could deal with them.

At this point, it is important to highlight the recommendations made by the OECD through the Report *Broadband Policies for Latin America and the Caribbean. A Digital Economy Toolkit,* in order to stand out the elements that are necessary to increase in order to get more access to broadband, as well as the elements that have to be consider in the implementation of an enabling environment for connectivity:

* Establish digital strategies and broadband plans in order to increase the access to broadband using a multistakeholder approach.
* Define a stable and predictable regulatory framework that allows to foster and encourage the investment, especially in broadband infrastructure.
* Increase the competition in order to lower prices, promote the innovation and reduce the barriers to new entrants.
* Establish measures and strategies that promote a more accessible and affordable broadband for disadvantaged groups and people living in rural and remote areas;
* Promote regional cooperation arrangements as the regulatory experiences information exchange, the deployment of regional infrastructure, the cross-border data flows and the lowering of prices, among others.
* Enhance the reliable in digital services and ensure the privacy protection and digital security.

Also, it is important to highlight the Resolution 70/125 document that had outcome during the high-level meeting of the General Assembly on the overall review of the implementation of the outcomes of the World Summit on the Information Society, which stipulates, in its paragraph 12, the commitment to “harnessing the potential of information and communication technologies to achieve the 2030 Agenda for Sustainable Development and other internationally agreed development goals”. Moreover, this paragraph call on all “governments, the private sector, civil society, international organizations, the technical and academic communities and all other relevant stakeholders to integrate information and communication technologies into their approaches to implementing the Goals”.

Considering the above, it highlights the effort that has been undertaken in Mexico in order to create a more enabling environment to increase and promote the connectivity in the country, especially through the use of information and communication technologies as was established in the United Nations Resolution 70/125.

In June 2013, Mexico held a constitutional reform related to telecommunications with the aim to develop different constitutional and legal changes to create a new legal, institutional, regulatory architecture for the telecommunications and broadcasting sectors. To accomplish this, the constitutional reform adopted six guiding principles:

1. Emission of a new legal framework
2. Specific rules for economic competition
3. Strengthening of institutions involve in telecommunications and broadcasting sectors
4. Specific objectives for universal service coverage
5. Infrastructure deployment;
6. Extension of fundamental rights of freedom of expression, and access to information and communications technologies

In this way, the Reform stipulated the State’s obligation to guarantee the right of access to communication and information technologies, as well as broadcasting and telecommunication services, including broadband and Internet, and created a legal framework to encourage and promote conditions of effective competition in the services provision.

In addition, the constitutional reform created the Federal Telecommunications Institute (IFT) as an autonomous agency focused on the efficient development of broadcasting and telecommunications and is responsible for regulating, promoting and supervising the use, development and operation of the radio spectrum, networks and the provision of broadcasting and telecommunications services, as well as the access to active, passive and other essential infrastructure.

Likewise, the reform establishes that the IFT is the authority on economic competition in the broadcasting and telecommunications sectors, so it shall asymmetrically regulate those involved in these markets in order to effectively remove barriers to free competition, impose limits on national and regional concentration of frequencies, the concession and cross-ownership that controls various broadcasting and telecommunications concessionaires that serve the same market or geographic area, and order the divestiture of assets, rights and shares needed to ensure compliance with these limits.

Considering the guiding principles, the constitutional reform established a series of commitments that the Institute had to comply in the first 180 days of its existence, among them we find the following:

* Publication of the terms, conditions and the request for proposals for new frequency concessions for open broadcast television, which must be grouped in order to form at least two new television channels to offer national coverage under the principles of efficient market operations, maximum national coverage of services, the right to information and the social role played by the communication media;
* Identification of dominant operators in the fields of broadcasting and telecommunications, and the enforcement of measures needed to keep from affecting free competition and participation, an thus, end users;
* Establishment of measures that make local telecommunications network dominant operator’s allow that other telecommunications operator can access to the physical, technical and logical connection, among others, between any endpoint of the public telecommunications network and the access point to the local network belonging to that operator;
* Review of the existing concession agreements to verify compliance with their terms, conditions and procedures;
* Creation of the Public Registry of Concessions.

Also, the new Federal Telecommunications and Broadcasting Law stipulated a number of obligations that the Institute had to accomplish in the first 180 days after its publication.

Between this obligations, it highlights the following:

* Release the work program to reorganize the radio spectrum for radio and television seeking, 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 of services;
* End of the transmission of analog television broadcast signals across the country, once it is reached a penetration level of ninety percent of households with limited resources defined by the Ministry of Social Development;
* Definition of the points of interconnection into the public telecommunications network of the preponderant economic agent or the agent with substantial power;
* Start the investigation procedures to determine the existence of economic agents with substantial power in any of the relevant markets for telecommunications and broadcasting sector, among which the domestic market of audio and video associated through public telecommunications networks shall be included and, if applicable, impose appropriate measures.

1. What are the necessary elements to enable environment to promote an affordable Internet?

It is considered that one of the key points to achieve an enabling environment to an affordable Internet is done by increasing the economic competition. As was mentioned before, it is necessary to establish measures that allow the increase of the competition between different economic agents.

As mentioned above, the Federal Telecommunications Institute is the authority on economic competition in the broadcasting and telecommunications sectors, so it has the faculties to promote and encourage better options of public services at affordable prices.

In order to accomplish with its mandate, the IFT established two strategies: (1) promote the development of free competition in telecommunications and broadcasting sectors, eliminating the barriers to competition and (2) encourage the entrance of new competitors and the plurality in telecommunication sectors.

After three years of the constitutional reform, its implementation has already brought significant results as more competition, significant price reduction, a broader offer of services , more investment in infrastructure, more foreign direct investment, technological improvements and better quality of service. These advances are shown in the statistical analysis “Telecommunications in Mexico. Three years after the constitutional reform”[[1]](#footnote-1), that contain the following data:

* From June 2013 to December 2015, the telecommunications prices fell 23.2%;
* Since 2013, the Pay TV services have grown more than 30%, consequently, nearly 60% of households and companies in Mexico have cable or satellite pay TV services;
* Between the fourth quarter of 2013 and the end of 2015, household internet service experienced a growth of 12.5% and by March 2016 the fixed broadband penetration rate had climbed to 47 subscriptions per 100 households;
* As of early 2015, 85% of households had an internet speed between 2 and 9.9 Mbps. By late 2015, more than 75% of households had an internet speed of between 10 and 99.9 Mbps;
* By mid-2013, 23 per 100 inhabitants could surf the web through their mobile handsets. Two and a half years, more than half of the population in Mexico could make use of this service, and by March 2016, 54% of the population had mobile internet services;
* During 2015, private investment in infrastructure grew by 34.8%, while telecommunications GDP increased by 11% over the same period, and
* During 2015, the Foreign Direct Investment represent almost 10% of the total foreign direct investment, making it the third most attractive FDI proposition.

1. What are the elements of an enabling environment to promote the quality of access to the Internet?

One of the key points to promote a better quality of access to Internet is the infrastructure, therefore it is considered important to promote public-private initiatives in order to continue with the deployment of infrastructure in telecommunications and ICT to reduce the digital divide

Due to the importance of this topic, the IFT has established as one of its institutional objectives the following ones: “guarantee that the provision of telecommunications and broadcasting services that receives the population is in line with the quality levels of international parameters”.

In order to accomplish the aforementioned, the Institute stipulated two strategies: 1) ensure the compliance of the quality levels defined by the IFT for the provision of telecommunications and broadcasting services; and 2) enhance the experience of the user on the quality of this services.

Also, the Institute defined in its Annual Work Program 2016, the following projects in order to reach this objectives:

* Guidelines that set the rates and quality parameters that must be complied by the mobile service providers;
* Guidelines that set the rates and quality parameters that must be complied by the fixed service providers; and
* Guidelines that stipulated the physical presence of the Preponderant Economic Agent in the IXP of internet in the country.

1. What are the elements to enable proper environment to build confidence and security in the use of the Internet?

In order to promote more confidence and security in the use of Internet, it is necessary to create a culture in consumers regarding the preventive measures that must be consider to generate a safer environment.

To achieve this, the IFT established as one of its institutional objectives the following one: to promote the respect of final users rights in the telecommunications and broadcasting services, and define strategies that will guide its activities: 1) encourage the protection to users, and 2) empower the users with information and education about their rights in telecommunications and broadcasting sectors.

According with its objectives and strategies, the IFT established, in its Annual Work Program 2016, the following projects in order to promote the confidence and security of users:

* Guidelines for Emergency Communications;
* Provisions for operators to publish transparent, comparable, adequate and updated information; and
* Development of online courses on telecommunications for users.

Furthermore, and considering its role in the development of ICT, the IFT has worked in the institutional strengthening in order to generate more confidence in the users, for that reason, the Institute stipulated the strategy of enhancing and systematizing the management and transparency of its procedures and activities.

To achieve this, the IFT defined the following projects in the Annual Work Program 2016:

* Guidelines for the analysis of the regulatory impact and the process of public consultations,
* Consultation system for statistical information,
* System of information security Management;
* System of radio spectrum Management;
* System of electronic file;
* Guidelines on transparency

1. What is the role of Governments in building an enable a proper environment?

Considering the 70/125 Resolution that is an Outcome document from the high-level meeting of the General Assembly on the overall review on the implementation of the outcomes of the World Summit on the Information Society, the role of governments in building an enabling environment shall include the following actions:

* Establishment of policies that contribute to bridging digital divides and the value of information and communications technologies;
* Identify and implement best and emerging practices for the establishment and functioning of education, innovation and investment structures for ICT;
* Promote the incorporation of ICT in school curricula, open access to data and the creation of transparent, predictable, independent and non-discriminatory regulatory and legal systems;
* Facilitate the public-private partnerships, multistakeholder cooperation, national and regional broadband strategies, efficient allocation of the radio spectrum, infrastructure sharing models, among others;
* Manage the radio spectrum in the public interest and in accordance with legal principles, and
* Adopt measures that enhance the enable of the environment for the ICT.

1. El análisis estadístico puede ser consultado en el siguiente enlace: <https://goo.gl/iTHKIL> [↑](#footnote-ref-1)