

# WORLD TRADE ORGANIZATION

RESTRICTED

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**Group on Basic Telecommunications**

Original: Spanish

## COMMUNICATION FROM MEXICO

### Draft Schedule on Basic Telecommunications Services

#### Revision

The attached communication is circulated at the request of Mexico to members of the Group on Basic Telecommunications.

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In conformity with the decisions of the Group on Basic Telecommunications, Mexico's draft schedule in this sector is attached. This draft is contingent upon a satisfactory outcome to the negotiations.

Mexico reserves the right to make technical changes, modify or reduce its offer, depending on the commitments offered by other participants.

The commitments of this offer take account of the Note of the Chairman of the Group on Basic Telecommunications (S/GBT/W/2/Rev.1).

Mexico endorses the Chairman's Note (S/GBT/W/3) on spectrum availability.

The horizontal commitments in Mexico's Schedule of Concessions, in force since 1 January 1995, apply to this conditional offer in the Basic Telecommunications sector.

**MEXICO - SCHEDULE OF COMMITMENTS - REVISION**

Modes of supply: (1) Cross-border supply		(2)	(3)	(4)	Presence of natural persons	
Sector or subsector		Limitations on market access	Limitations on national treatment	Additional commitments		
2.C. TELECOMMUNICATIONS SERVICES						
Telecommunications services supplied by a public telecommunications network and based on the use of facilities (wire-based and radioelectric) through any existing technological medium, included in subparagraphs (a), (b), (c), (f), (g) and (o).		(1) None, except the following:  International traffic must be routed through the facilities of an enterprise that has a licence granted by the Ministry of Communications and Transport (SCT).	(1) None		Mexico undertakes the obligations contained in the reference paper attached hereto.	
		(2) None	(2) None			
Radio broadcasting, cable television, satellite transmissions of DTH and DBS services and of audio digital services are excluded.		(3) A licence <sup>1</sup> from the SCT is required. Only enterprises established in conformity with Mexican law may obtain such a licence.  Licences for spectrum frequency bands for specific uses will be granted by public invitation to tender.  Foreign governments may not participate in an enterprise set up in accordance with Mexican law nor obtain any authorization to provide telecommunications services.	(3) None			

<sup>1</sup>Licence: The granting of title to install, operate or use a facilities-based public telecommunications network.

Modes of supply: (1) Cross-border supply		(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments	
(a) Voice telephony (CPC 75211, 75212)	Direct foreign investment up to 49 per cent is permitted in an enterprise set up in accordance with Mexican law.			
	Telecomunicaciones de Mexico (Telecomm) has exclusive rights to links with Intelsat and Inmarsat.			
	Services other than international long-distance services which require use of satellites must use Mexican satellite infrastructure until the year 2002.			
	(4) Unbound, except as indicated in the horizontal section.	(4) Unbound, except as indicated in the horizontal section.		
(b) Packet-switched data transmission services (CPC 7523**)	(1) None, except as indicated in 2.C.1.	(1) None		
	(2) None	(2) None		
	(3) As indicated in 2.C.3.	(3) None		
(c) Circuit-switched data transmission services (CPC 7523**)	(4) Unbound, except as indicated in the horizontal section.	(4) Unbound, except as indicated in the horizontal section.		

Modes of supply: (1) Cross-border supply		(2)	(3)	(4)	Presence of natural persons
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments		
(f) Facsimile services (CPC 7521** + 7529**)	(1) None, except as indicated in 2.C.1.	(1) None			
	(2) None	(2) None			
	(3) As indicated in 2.C.3.	(3) None			
	A permit issued by the SCT is required in order to provide a public facsimile service. Only enterprises set up in accordance with Mexican law may obtain such a permit.				
(g) Private leased circuit services (CPC 7522** + 7523**)	(4) Unbound, except as indicated in the horizontal section.	(4) Unbound, except as indicated in the horizontal section.			
	(1) None, except as indicated in 2.C.1.	(1) None			
	(2) None	(2) None			
	(3) As indicated in 2.C.3.	(3) None			
	Operators of private networks wishing to exploit services commercially must obtain a licence from the SCT, whereupon such networks assume the character of public networks.				
	(4) Unbound, except as indicated in the horizontal section.	(4) Unbound, except as indicated in the horizontal section.			

Modes of supply: (1) Cross-border supply		(2)	Consumption abroad	(3)	Commercial presence	(4)	Presence of natural persons
Sector or subsector		Limitations on market access		Limitations on national treatment		Additional commitments	
(o) Other	- Paging services (PC 75291)	(1)	None, except as indicated in 2.C.1.	(1)	None		
		(2)	None	(2)	None		
		(3)	As indicated in 2.C.3.	(3)	None		
		(4)	Unbound, except as indicated in the horizontal section.	(4)	Unbound, except as indicated in the horizontal section.		
-	Cellular telephone services (75213**) on the "A" and "B" bands <sup>2</sup>	(1)	None, except as indicated in 2.C.1.	(1)	None		
		(2)	None	(2)	None		
		(3)	As indicated in 2.C.3.	(3)	None		
			Foreign investment in excess of 49 per cent of an enterprise's capital will be permitted following a favourable decision by the Foreign Investment Commission				
		(4)	Unbound, except as indicated in the horizontal section.	(4)	Unbound, except as indicated in the horizontal section.		

<sup>2</sup>Frequencies 825-835/870-880 and 835-845/880-890 Mhz.

Modes of supply: (1)		Cross-border supply	(2)	Consumption abroad	(3)	Commercial presence	(4)	Presence of natural persons
Sector or subsector		Limitations on market access			Limitations on national treatment			Additional commitments
- Commercial agencies <sup>3</sup>		(1)	None, except as indicated in 2.C.1.			(1)	None	
		(2)	None			(2)	None	
		(3)	None, except:			(3)	None	
		A permit issued by the SCT is required. Only enterprises set up in accordance with Mexican law may obtain such a permit.						
		Foreign governments may not participate in an enterprise set up in accordance with Mexican law nor obtain any authorization to provide telecommunications services.						
		Except where specifically approved by the SCT, public telecommunications network licensees may not participate, directly or indirectly, in the capital of a commercial agency.						
		The establishment and operation of commercial agencies is invariably subject to the relevant regulations. The SCT will not issue permits for the establishment of a commercial agency until the corresponding						

<sup>3</sup>Agencies which, without owning transmission means, provide third parties with telecommunications services by using capacity leased from a public network licensee.

## REFERENCE PAPER

### Scope

The following are principles and definitions on the regulatory framework for the basic telecommunications services.

### Definitions

Users mean service consumers and service suppliers.

Essential facilities mean facilities of a public telecommunications network of service that:

- (a) Are exclusively or predominantly provided by a single or limited number of suppliers; and
- (b) cannot feasibly be economically or technically substituted in order to provide a service.

A major supplier is a supplier which has the ability to materially affect the terms of participation (having regard to price and supply) in the relevant market for basic telecommunications services as a result of:

- (a) Control over essential facilities; or
- (b) use of its position in the market.

#### 1. Competitive safeguards

##### 1.1 Prevention of anti-competitive practices in telecommunications

Appropriate measures shall be maintained for the purpose of preventing suppliers who, alone or together, are a major supplier from engaging in or continuing anti-competitive practices.

##### 1.2 Safeguards

The anti-competitive practices referred to in the above paragraph shall include in particular:

- (a) Engaging in anti-competitive cross-subsidization;
- (b) using information obtained from competitors with anti-competitive results; and
- (c) not making available to other services suppliers on a timely basis technical information about essential facilities and commercially relevant information which are necessary for them to provide services.

#### 2. Interconnection

2.1 This section applies, on the basis of the specific commitments undertaken, to linking with suppliers providing public telecommunications transport networks or services in order to allow the users of one supplier to communicate with users of another supplier and to access services provided by another supplier.

## 2.2 Interconnection to be ensured

Interconnection with a major supplier will be ensured at any technically feasible point in the network. Such interconnection is provided:

- (a) Under non-discriminatory terms, conditions (including technical standards and specifications) and rates and of a quality no less favourable than that provided for its own like services or for like services of non-affiliated service suppliers or for its subsidiaries or other affiliates;
- (b) in a timely fashion, on terms, conditions (including technical standards and specifications) and cost-oriented rates that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled so that the supplier need not pay for network components or facilities that it does not require for the service to be provided; and
- (c) upon request, at points in addition to the network termination points offered to the majority of users, subject to charges that reflect the cost of construction of necessary additional facilities.

## 2.3 Public availability of the procedures for interconnection negotiations

The procedures applicable for interconnection to a major supplier will be made publicly available.

## 2.4 Transparency of interconnection arrangements

It is ensured that a major supplier will make publicly available either its interconnection agreements or a reference interconnection offer.

## 2.5 Interconnection: dispute settlement

A service supplier requesting interconnection with a major supplier will have recourse, either:

- (a) At any time; or
- (b) after a reasonable period of time which has been made publicly known

to an independent domestic body, which may be a regulatory body as referred to in paragraph 5, to resolve disputes regarding appropriate terms, conditions and rates for interconnection within a reasonable period of time, to the extent that these have not been established previously.

## 3. Universal service

Any Member has the right to define the kind of universal service obligation it wishes to maintain. Such obligations will not be regarded as anti-competitive *per se*, provided they are administered in a transparent, non-discriminatory and competitively neutral manner and are not more burdensome than necessary for the kind of universal service defined by the Member.

## 4. Public availability of licensing criteria

Where a licence is required, the following will be made publicly available:



- (a) All the licensing criteria and the period of time normally required to reach a decision concerning an application for a licence; and
- (b) the terms and conditions of individual licences.

The reasons for the denial of a licence will be made known to the applicant upon request.

5. Independent regulators

The regulatory body is separate from, and not accountable to, any supplier of basic telecommunications services. The decisions of and the procedures used by regulators shall be impartial with respect to all market participants.

6. Allocation and use of scarce resources

Any procedures for the allocation and use of scarce resources, including frequencies, numbers and rights of way, will be carried out in an objective, timely, transparent and non-discriminatory manner. The current state of allocated frequency bands will be made publicly available, but detailed identification of frequencies allocated for specific government uses is not required.