

Mexico TV network seen winning in telecom dispute

August 10 2012, by MARK STEVENSON

(AP) — The administration of outgoing President Felipe Calderon is canceling telecom frequency concessions belonging to a potential rival of Mexican broadcasting giant Televisa, something analysts said Thursday appears to favor the television company.

The dispute is the latest round of a long-running battle between Mexican [telecom](#) magnates, including the world's richest man, Carlos Slim, to dominate integrated Internet, cellphone and television services.

The issue is a touchy one in Mexico, where broadband prices remain high and about three-quarters of the mobile phone market is in the hands of Slim's companies — about the same level of dominance held by Televisa in broadcast television.

The idea that either of those behemoths could take control of integrated communications services worries many Mexicans, and some have questions about this week's move by the government to take back a broad set of bandwidth known as 2.5 gigahertz.

Ramiro Tovar, a telecommunications analyst at Mexico's ITAM university, said the seizing of the frequencies "was a discretionary decision lacking in transparency" that would work to Televisa's favor.

"Televisa's goal, and it appears to have achieved this, was to overcome its own lack of frequencies," Tovar said.

A Televisa executive who was not authorized to be quoted by name said the company currently doesn't use WiMax and other technologies needed to operate in the 2.5 GHz band, but wouldn't rule out the possibility Televisa might bid for the bandwidth when it is auctioned.

Another winner may be incoming President Enrique Pena Nieto. Long accused of being in debt to Televisa for help in image consulting and advertising, Pena Nieto can now sidestep the issue of frequencies because Calderon has taken the step for him in the closing months of his administration.

"For Pena Nieto, Televisa is one of his biggest drawbacks and most uncomfortable allies, and so here he has an opportunity to demonstrate that he is a president independent of power like Televisa," perhaps by retaining some of the frequency blocks for public use, said Raul Trejo, an expert on media and violence at the National Autonomous University of Mexico.

Dionisio Perez Jacome, the secretary of communications and transport, said Tuesday that the government was taking back the frequency concession because its holder, MVS Comunicaciones, was not using it. He said the move would increase competition and offer Mexicans the previously unused bandwidth, while getting the government the highest concessionary payments possible.

Perez Jacome said five years of talks had failed to reach an agreement on what price MVS should pay for using the frequencies, and in the meantime the frequencies had sat unused even as smartphone use began crowding existing bandwidth.

There was a clear loser and it was Carlos Slim, who for years didn't have to worry about low-price competition in the cellphone business that might be sparked by full use of the 2.5 GHz frequencies.

"It is no secret that Televisa and (cellphone ally and fellow broadcaster) TV Azteca had demanded the government take this concession away from MVS," said Trejo, the media analyst.

"It is also no secret that the person who benefited the most from having this bandwidth sit unused was Mr. Slim, because Slim continues to dominate cellphone service in Mexico ... charging whatever he likes," Trejo added.

Perez Jacome vowed that everybody will have a shot at the bandwidth when it is auctioned off again. "All concessionary users will get the same treatment, with no discrimination or exclusion," he said.

Tovar, the ITAM analyst, said consumers are unlikely to see any immediate benefit, given that MVS could file legal appeals "that could take years."

MVS did not respond to requests for comment.

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Citation: Mexico TV network seen winning in telecom dispute (2012, August 10) retrieved 27 April 2024 from <https://phys.org/news/2012-08-mexico-tv-network-telecom-dispute.html>

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