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Carlos Navarro

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# Study Shows Mexico Lacks Infrastructure to Provide Broad Cellphone Coverage

by Carlos Navarro

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In 2013, the Mexican Congress overhauled Mexico's telecommunications law to create more competition in the telephone and broadcast sectors. The move was intended to promote greater investment, which theoretically would provide more options to consumers and reduce prices for telephone service (May 8, 2013, and June 12, 2013).

A major purpose of the law was to reduce the market dominance of the broadcast and telephone corporations, including a provision for companies like Grupo Telmex to share infrastructure with competitors ([SourceMex, July 9, 2014](#)).

The advent of the cellular telephone was an apparent solution to a problem that Mexico has had for decades, which is the lack of infrastructure in isolated rural areas ([SourceMex, Jan. 16, 1991](#), and [Oct. 28, 1992](#)). A major problem was the high cost and difficulty of extending telephone lines to isolated areas, particularly if this involved expansion across difficult terrain.

## *Cell towers cover one-third of Mexico's needs*

While cellphones have improved communications access to many areas of Mexico, insufficient infrastructure remains a problem. One study, conducted by the semi-autonomous telecommunications institute (Instituto Federal de Telecomunicaciones, IFT) said Mexico only has about one-third of the 80,000 cellphone towers to meet the needs of the country. This problem remains despite the arrival of new companies to the Mexican market.

According to Efrén Páez, analyst for Media Telecom Policy & Law, coverage in Mexico has not increased even though the number of users has grown significantly over the past three years.

According to Páez, regulators need to create incentives for telecommunications companies to expand infrastructure, including measures that would force Telmex to relinquish its dominant position in the market. He said companies like AT&T need to be able to reach more areas of Mexico to remain competitive.

Some analysts believe that increased competition is inevitable, even though it is coming at a slower-than-expected pace. A report published by the Organization for Economic Development and Cooperation (OECD) in 2017 credited the telecommunications reforms for helping reduce costs for consumers and increase quality of service. The report, "Telecommunication and Broadcasting Review of Mexico 2017," said costs for mobile broadband packages have come down as much as 75%.

Furthermore, said the OECD, 50 million mobile broadband subscriptions have been added since 2013. The increased access has reduced mobile internet costs in Mexico from among the highest in the world to among the lowest.

The OECD report, released simultaneously in Mexico and Paris, said regulators need to take further steps to create competition, as the market share of dominant operators like Telcel (a unit of the Telmex subsidiary América Móvil) remains high.

The telecommunications consumer rights institute (Instituto del Derecho de las Telecomunicaciones, IDET) is among those pushing for telecommunications companies to increase investments in Mexico, particularly for the construction of cell towers. In a report published in mid-February, the institute said that 557 communities in Mexico with populations ranging between 1,000 and 5,000 residents lack cellular phone coverage. Two-thirds of these communities are located in remote areas of the poor southern states of Chiapas, Guerrero, and Oaxaca. The other one-third are located in states that have regions of low population density, including Baja California Sur, Campeche, Chihuahua, Coahuila, Durango, Jalisco, Tabasco, Zacatecas, and México state.

“The large companies like AT&T, Movistar, and Telcel have not brought their signals to these communities,” said IDET.

Many of the communities that lack cellular services are primarily indigenous. This, said some observers, represents a violation of the spirit of the reform law. “One of the achievements of the telecommunications reforms was the recognition of the right to universal access to technologies of information and communication and the right of indigenous communities to operate telecommunications concessions,” columnist Aleida Calleja wrote in the online news site La Silla Rota.

### *A push to reach indigenous communities*

According to Calleja, access to telecommunications was one of the demands that the Ejército Zapatista de Liberación Nacional (EZLN) made during negotiations with the government on indigenous rights in 1996 ([SourceMex, Feb. 21, 1996](#)). The government refuses to enact the agreements ([SourceMex, March 12, 1997](#)), and Congress eventually approved a watered-down version of the initiative ([SourceMex, May 2, 2001](#)).

“Nevertheless, this ‘achievement’ [of universal access] has not translated to practice in the administrative and legal functions of the IFT,” Calleja wrote.

At least one community in Oaxaca took matters into its own hands. After repeated requests to authorities to bring cellular and internet service to their area were ignored, residents of the remote Zapotec community of Villa Talea de Castro in Oaxaca forged a partnership with several universities to install a simple mechanism to connect the village to the outside world. Under the project launched in 2013, residents simply set up an antenna on the rooftop of a building in the village and installed radio and computer equipment. The system, which uses a private bandwidth that does not require permits or concessions, communicates through a computer connection offering Voice over Internet Protocol (VoIP) ([SourceMex, Aug. 28, 2013](#)).

The efforts in Villa Talea de Castro have not been replicated in other areas, and many rural communities still lack access to cellular and internet service. This has prompted the IDET to push to make the problem a major issue in the presidential campaigns ahead of the July 1 election.

According to IDET, the telecommunications and broadcast sectors should be of interest to the candidates because they represent about 3.5% of Mexico’s economic activity, with annual earnings of 515 billion pesos (US\$27.8 billion)

## *An electoral issue*

According to IDET, the center-left coalition formed by the Movimiento Regeneración Nacional (Morena), the Partido Encuentro Social (PES), and the Partido del Trabajo (PT) appears to ignore the issue. “The coalition, known as Juntos Haremos Historia, led by Andrés Manuel López Obrador, has left the issue of telecommunications out of its platform,” said the daily newspaper El Economista.

The coalition, however, does touch on the issue on a document about its policies entitled “Proyecto Nación 2018–2024 (Project for Our Country, 2018-2014),” which establishes as a strategic policy to award “social concessions utilizing different bands of the spectrum to offer mobile telecommunications for voice and data.” The proposal would use the existing networks of companies that have received concessions in the central and southern states of Veracruz, Puebla, Oaxaca, Guerrero, Tlaxcala, Chiapas, Tabasco, Yucatán, Quintana Roo, and Campeche to promote community initiatives.

The platform of the Por México coalition—which includes the Partido Acción Nacional (PAN), the Partido de la Revolución Democrática (PRD), and the Movimiento Ciudadano (MC)—contains a single mention of a goal to “establish a broad digital agenda to promote economic development ... that would contribute to growth of the digital economy.” The presidential candidate for this coalition is Ricardo Anaya, who was until recently the president of the PAN.

The third major coalition—which includes the governing Partido Revolucionario Institucional (PRI), the Partido Verde Ecologista de México (PVEM), and the Partido Nueva Alianza (PANAL)—proposes to stay the course with the vision and the policies enacted during President Enrique Peña Nieto’s government. José Antonio Meade, who recently served as finance secretary, is the presidential candidate for the coalition. Its platform mentions the positive effects of the telecommunications reform enacted during the current administration.

“The reform of the telecommunications sector has introduced greater competition, which has translated to benefits for the population, in terms of greater access to the internet and mobile telephone service, as well as a reduction in the cost of these services,” it said.

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