TELMEX appears to be ready to allow additional companies to provide long distance carrier service from Mexico. Also, to improve communications with the United States, it is considering opening five "gateways" to the U.S. using R-1 signals instead of the currently used European R-2 signals.

A few months ago, TELMEX announced plans to modernize its home and commercial service, to increase telephone networks for banks and hotels, and to develop value added services, such as call waiting, speed dialing, touchtone dialing, call forwarding, automatic redialing, triplex system, automatic reminders and consulting calls, toll free service and Ladatel (long distance public telephones and credit card telephones).

The firm has also increased local tariffs and reduced international long distance tariffs in order to assure international competitiveness and adequate financial resources, since tariffs applicable on local calls used to cover only about 40% of the cost, while charges on long distance calls were up to three times higher than those applicable in other countries.

Another priority for network expansion is providing service to the more than 1,500 maquiladora (in-bond) industry facilities in Mexico, by making long distance and data communications services more accessible. There is a large and growing need for advanced communications services between the U.S. and other foreign based parent companies and the assembly plants in Mexico. Many of these plants have had to resort to private communications channels.

TELMEX has created the Service Plan to supply the maquiladora industry with necessary telephone and telecommunications services through border crossing installations. An investment of $350,000 was made to install five centers in Tijuana to service 15 maquiladora companies in that city. Other targeted cities under this program are Agua Prieta, Hermosillo, Nogales (Sonora), Cd. Acuña, Torreón (Coahuila), Cd. Juárez, Chihuahua (Chihuahua), Durango (Dgo), Matamoros, Reynosa, Nuevo Laredo (Tamps), Guadalajara (Jalisco), Mérida (Yucatán), Mexicali (BC). This is one of the areas which is expected to grow significantly in the future, representing major opportunities for foreign companies.

TELMEX and Fonatur, the National Fund for Tourism Development, have agreed to develop telecommunications infrastructure in Mexico's major tourism centers. The emphasis on developing the tourism industry in the National Development Plan and the attendant demand for access to internationally competitive telecommunications services should result in growing opportunities for sales of products aimed at this market segment.

SCT received 106 requests for concessions to operate cellular networks in Mexico's eight regions: I-Baja California (8), the II-Northwest (10), III-North (12), IV-Northeast (17), V-West (17), VI-Center (16), VII-Gulf and South (15) and VIII-Southeast (12). In March 1990, SCT announced the business groups awarded the cellular service franchises, which will involve a combined total of over $250 million in addition to the $55 million concession fee payable to the federal government. Foreign participation in these companies ranges from 40% to the maximum 49%.