

EVALUATION OF THE ECONOMIC IMPACT OF THE FEDERAL TRANSPARENCY AND ACCESS TO PUBLIC GOVERNMENTAL INFORMATION ACT

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Executive Summary

- With the aim of including an element of added value that serves the interests of the IFAI in this paper, we decided to develop a conceptual framework that directly addresses the uses and effects of information in the context formed by the potential applicants and the public sector in Mexico.
- The analysis adopts elements of public economics theory in order to construct a typology of the information –released by the public departments identified in the Act as disclosing parties– on the basis of whether this qualifies as a private good or some kind of public good. The scope of this information is also analyzed according to the route chosen for its diffusion, and a distinction is made between the different levels of public benefit reached.
- A gradient of governmental information as a public good is defined in terms of the mode to access; that is, a way of representing the observable variation of the social benefits expected from the use of the information, as a function of the mode of release and dissemination of this information. As the public dissemination of the information grows and certain conditions of equality of access for the entire universe of potential interested parties are complied with, the expected positive effects on the economy and consequently the quantity of attainable social benefits increase.
- Two representative samples of the information requests were analyzed, one of the total of requests received by the public administration departments and another corresponding directly to the Federal Telecommunications Commission, Cofetel. In terms of the writs of review, an analysis was made of the total of those directly or indirectly related to the above-mentioned organization.
- It was established that the object of the requests can be basically classified in 12 categories or sections that form a platform from which the interpretation of the economic impact of these was carried out, and which serves as a structure for the typological matrix that classifies the sample requests. The categories defined by the general sample are: bid or tender, contracts and suppliers, investment

projects, salaries and prices, taxes and tariffs, economic data or series, support and subsidies, regulation, questioning of the implementation of the effective regulations, labor and flowchart, investigative motivation and various issues.

- Once the 12 categories were defined, the next step was to classify these according to the type of impact they may have on the economic activity of the requesting agents and consequently on society. The type of impact is understood to be whether this occurs directly or indirectly, or whether, when applicable, there is no evident economic impact.
- Two new categories were introduced into the analysis of the requests made to the Federal Telecommunications Commission: concessions and permits, and interconnection prices and rates.
- In order to comment on the transformation of the regulator-regulated party relationship from the effective date of the LFTyAI in the telecommunications sector, an analysis was made of three specific cases of writs of review resulting from the dissemination of information that was particularly valuable for its economic impact. These cases are as follows: i) Request of local interconnection agreements; ii) Request to Banobras (National Bank for Public Works and Services) on its valid contract of local telephone services and iii) Request from Telmex on the Megacable concession certificates.

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I. Introduction

In Mexico the Federal Transparency and Access to Public Governmental Information Act (hereinafter LFTyAI) was passed in 2002 and came into force in June, 2003 as part of the democratization process in Mexican society and as an achievement of citizen pressure towards greater transparency and better governance accountability.

By May 2006 there were more than 130,000¹ requests for information in different departments and agencies of the Federal Public Administration, of which around 5,130² finished as writs of review in the Federal Institute of Access to Public Governmental Information (IFAI). The subjects in the requests, the writs of review, and the user's profiles cover a very wide range.

In this context, at three years from the effective date of the LFTyAI, the advisability of commencing the study of the subjects—from all of those that have prompted most interest among the applicants for governmental information—that could have the clearest effect on economic performance. With this in mind, it was agreed with the IFAI authorities that—on the understanding that the period of validity of the LFTyAI is too short to observe empirically whether this has had some measurable impact on the performance of some economic sector—this study will be made through a diagnosis of the economic use of the LFTyAI, to serve as a framework for a first evaluation of the possible economic impacts that its application may have in a specific sector. This was suggested by the IFAI with reference to the telecommunications sector.

To this end, first a sample selection was made, and two statistically representative samples were obtained from this. The first was obtained from a total population of 123,741 requests for public information made between June, 2003 and May, 2006 and the second from a sub-population of 1,057 units of these requests, including only those addressed specifically to the Federal Telecommunications Commission (Cofetel). It is worth mentioning that both populations exclude the requests for personal data or correction of this data, because these are considered – as will be explained later – to

¹ This work covers the requests received by the public sector between June, 2003 and May 31st, 2006

² SISI statistics, "Evolución Semanal de Indicadores de Solicitudes de Información".

make an imperceptible economic impact and their range remains limited to the private domain.³

Next, an exploratory analysis was made of the possible economic uses and effects of the writs of review directed to the Cofetel, as well as other motions referring to the same disclosing parties.

Finally, a brief chapter is presented where the transformation of the regulator-regulated party relationship is evaluated from the effective date of the LFTyAI in the telecommunications sector. Some interviews with important participants in the sector were made.

The document ends with a chapter of conclusions.

³The first sample is formed of 150 requests representative of the total population and second by 97. A technique of simple random sampling without replacement with a significance of $\alpha=10\%$, equivalent to a 90% level of reliability. The method applied is described in detail in Appendix 1 of this document.

II. Conceptual Framework: The Use and Economic Effects of Governmental information.

This chapter introduces the conceptual framework of the use and economic effects of the information in two parts. First, there is a brief review of what is mentioned on this subject in specialized literature where, as we will observe, much is said on the subjects that do not specifically touch on the case of access to governmental information. It is for this reason that, in the second part, a more specific analysis is developed and centered on the context that prevails in Mexico in terms of access to public governmental information.

Information Economy in Modern Literature: A Brief Review

The Swedish Royal Academy of Science awarded the Nobel Prize for Economy 2001 to George A. Akerlof, Michael Spence and Joseph E. Stiglitz for their contributions to the understanding of the role of information in economy. The Swedish Academy stated that the analysis developed by the prize-winners favored a deeper understanding of how markets function when there is asymmetric information.⁴ The Academy mentioned of Akerlof that his contribution, among others, has enabled him to explain the reason why, when the producers have more information than the consumers, the market can maintain the existence of low quality products; why asymmetric information between the bank and the aspiring creditors can cause the interest rates to rise drastically; and why the insurance companies are unwilling to give medical insurance to older persons.

In the case of Michael Spence, the Academy referred to his studies on information indications on aspects such as education in the labor markets or the utilities of companies in the capital markets. In mention of Joseph Stiglitz, it was said that his analyses of different markets have demonstrated that asymmetric information can provide the explanations for situations of unemployment and credit rationing.⁵

⁴ It is not too much to say that this is in fact what occurs in practically all of the cases in real life.

⁵ Joseph E. Stiglitz, The Contributions of the Economics of Information to Twentieth Century Economics, The Quarterly Journal of Economics, November, 2000.

However, in conceptual terms, it is possible to identify two facets of the relationship between information and economics. A first concept places information as a system of market indicators; a second, as an input in any type of production process, which places it at the same level as traditional factors: labor, land and capital. The 2001 Nobel Prize was awarded for contributions made in the first of these fields, that is, in information as market indicator, which has generated a large number of academic articles on the subject. It is possible that production on another facet is not so well developed and that the margin for understanding clearly how information enters and modifies the processes of production of goods and services, may still be very broad⁶.

In general, for a long period the development of economic science took into consideration the information that flows between the economic agents as a kind of exogenous factor, that is, an element that, although it could influence the behavior of consumers or producers of goods or services, did not itself form part of the internal or endogenous process of decision-making. As part of this long process, where important advances have been made in research on the microeconomic phenomena, a theoretical body has emerged that is identified as the economics of information and knowledge where it has shown that the adequate use of information reduces uncertainty and promotes efficiency in economic decisions.⁷.

Parallel to the development of the above-mentioned analytical body the advances in technology of information and telecommunications have complicated the subject of information for the decision makers. Previously, access to information was very limited and the problem faced by the economic agents was precisely that of finding some information of use. Now, with the development of the afore-mentioned aspects one of the greatest complications is discerning from the information what is useful and what is not, and then how to obtain it.

⁶ For a report on the developments in this aspect see J.Potts, The Prometheus School of Information Economics. Prometheus, vol. 21 December, 2003.

⁷ See Arrow K.J. The Economics of Information. Collected Papers, vol. 4. Blackwell, Oxford, 1984.

The issue of pursuing and profiting from information has also generated a large number of studies. For example, Coloma⁸ presents a classification of costs associated with information, and itemizes this in costs of usage, de-codification and added value. The cost of usage refers to the number of labor hours needed to process the information, which can be used in decisions on final consumption or decision-making on production. The cost of de-codification refers to the time, knowledge and capacities that a person must have to distinguish between useful and useless information. The third cost normally found in published literature is that of the information's added value. This is closely associated with the cost of de-codification. In effect, on occasions it is not sufficient that the decision-maker identifies what information can be useful to him and for what periods he requires it, since in many cases this requires the additional work of analysis and construction of a certain valued added. Besides this, the relative value of information varies according to the usage and the type of sector using it. There are markets, such as the financial, electronic products and telecommunications, which are highly dynamic and tend to place a higher value on timely information.

The quality of the information is another important aspect, among other reasons because it is one of the factors determining its price. For this reason, the quality of information is usually measured in function of aspects such as the reputation of the person generating it. All these costs and the different capacities of the economic agents to detect useful information favor the occurrence of asymmetry in information and competitive advantages that favor the economically stronger agents. In general the large companies, handling greater resources, are better equipped to acquire useful information, which can give them a competitive advance over the smaller companies. In reality, privileged access to information can be considered a source of market power.⁹.

Another of the current issues is that relating transparency to the concepts of uncertainty and risk in economic activities. Finally transparency can be interpreted as a measure of the information flow of any given organization. Besides this, transparency maintains an inversely proportionate ratio with the concepts of uncertainty and risk, of which it could be said that with less transparency comes greater uncertainty, greater risk and consequently higher

⁸ The classification costs of access to information that are used here were presented by Coloma, R.M. Prometheus, Vol. 19. No.1, 2001

⁹ Article 13 of the Federal Act on Economic Competition establishes the factors determining that an economic agent has substantial market power. Sections II & IV indicate respectively "The existence of barriers to entrance and the elements that can predictably alter both these barriers and the supply of other competitors" and "The possibilities of access of the economic agent and his competitors to input sources."

levels of corruption, discretionary behavior and instability of public decision policies. All of this can damage fundamental aspects of economic performance, such as property rights and the efficiency of public institutions.

A Conceptual Framework of the Economic Use of Governmental information in Mexico

Almost all of the literature consulted on the economic uses and effects of information is still at the level of very general analysis and application, sometimes too theoretical, which does not help to follow the route or the individual mechanisms of information among the different participants involved. It is for this reason that, with the purpose of including a value added that serves the IFAI's interests better in this conceptual framework, it was decided to develop a section where analysis directly tackles the uses and effects of information in the framework of the relationship between the universe of the potential solicitants and the public sector in Mexico.

The analysis that follows uses elements of Public Economics theory in order to construct a typology of information—released by the public departments identified in the Act as disclosing parties—in terms of whether this qualifies as a private good or some kind of public good. There is also an analysis of the ranges of information according to the route chosen for its diffusion, with a distinction between the different degrees of public benefit achieved.

Representation of the General Process of Request for Information

The first part of the process refers to the initial state of activity of any potential information user, which can range from a physical self-employed person to a multinational company. In any of the cases, the event that prompts the process is the detection of the existence of certain information that could be potentially useful for any of the productive activities of the user. From this first event on, something becomes evident that will be repeated in several of the subsequent steps: the users with greater human capital and greater management capacities will be in the best position to detect, search for, interpret and benefit from the information available.

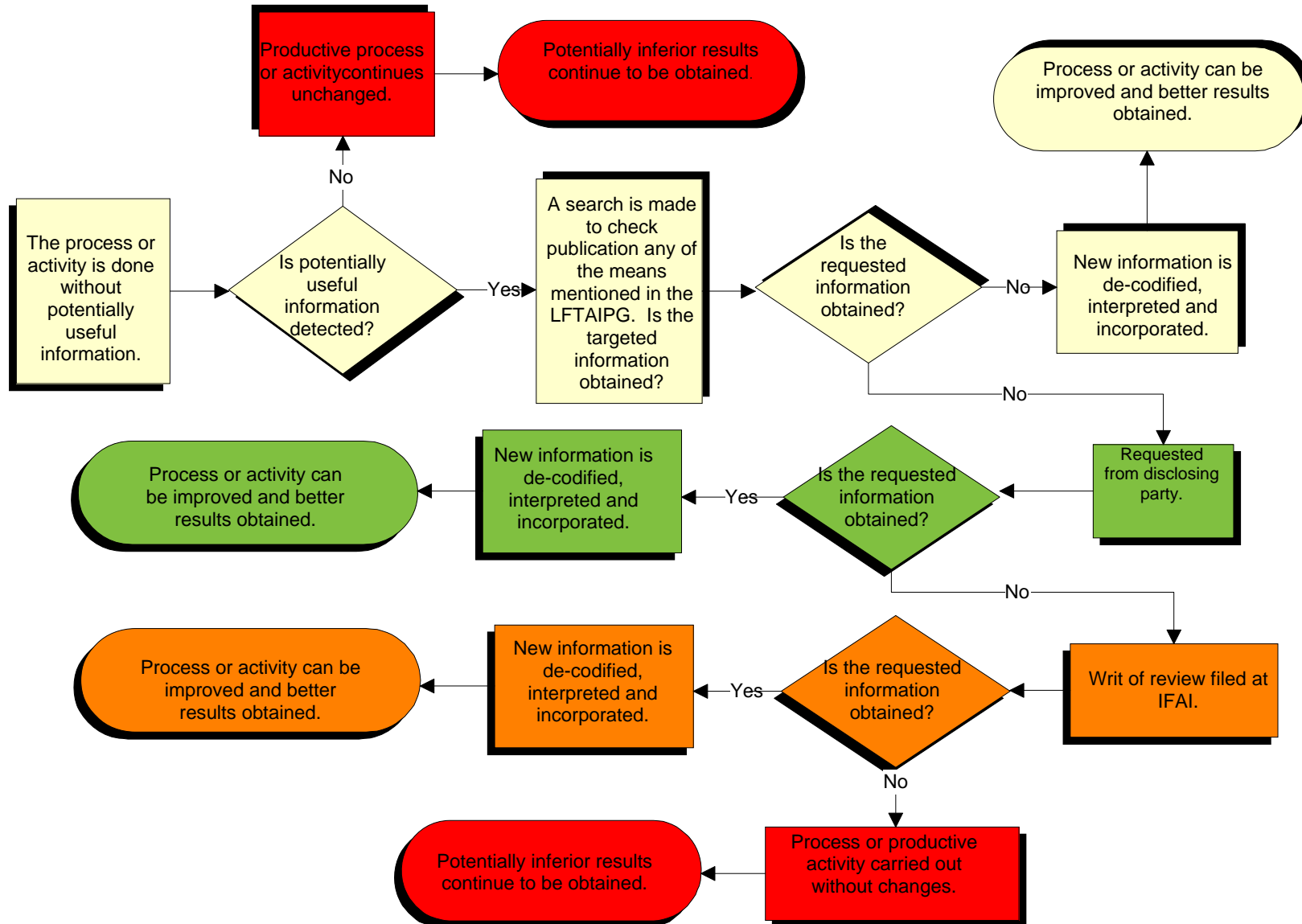
Once the user is aware that there is governmental information that can be useful to him he has a natural path to begin the search process, which consists of discovering if the information is published in one of the means considered in the Federal Transparency and Access to Public Governmental Information Act.

In the case of this study, it is worthwhile noting that from this point on some differences in the potential benefits of the use of the governmental information begin to appear. If a user does not detect the existence of certain information that is potentially useful for the improvement of his activity he will continue to perform in the same way and without the information input that would have allowed him to improve performance or increase the future benefits of his activity. A plausible scenario for this case is to suppose that the user will continue to obtain potentially inferior results and that, either he or she as well as the society in general, will be losing some kind of future benefits.

It can also happen that the probability of detection of this potentially useful information depends on the visibility of information as well as the factors mentioned as human capital and managerial capacity, In other words, if the information is in a state of greater visibility there will be users that, independent of the influence of the capital and the above-mentioned capacities, will become aware of their existence and form part of the group to finally detect this. On the other hand, if the information is not visible fewer users will detect it. This observation leads us to suggest that in practice there is a kind of "store window effect" in the detection of potentially useful information.

If it happens that the user does not find the published information he may avail himself of what is provided by the Act and request it from the disclosing department. This department begins the internal proceedings for the release of the requested information and if this is released in the form required by the user he begins a process of de-codification, interpretation and use of the information, which plausibly will finish by generating better results in his productive activity. This can generate greater benefits to the user and to society in general.

If the applicant does not obtain the desired information from the disclosing party, he then faces the option established by the Act of making use of the IFAI benefits, which is that he can present a writ of review, demanding the release of the requested information. The options faced by the applicant are the same as in the previous step. That is, if he obtains the information he will process this and eventually use it for his own benefit. On the other hand, if he does not obtain it, in spite of giving writ of review, he will continue to operate in conditions that can be assumed to be potentially inferior to what he could obtain with the required information.



The preceding flow chart is a simplification of the tree of possibilities that can continue to be generated in the applicant's search for information, given the present institutional legal context. The next step in this construction of the analysis of the uses and effects of information is to discuss the costs and benefits that every one of the stages represented in the afore-mentioned tree of possibilities. The intention is to identify what are the private and social costs derived from various activities as, for example, operating without useful information, searching for and requesting the information or operating with the use of acquired information.

Let us remember that a private cost is that incurred and completely absorbed by a disclosing party while performing an activity. That is, the total cost is paid only by this subject without any other member of society having to cover any of the cost. On the contrary, a social cost refers to the cost paid involuntarily by one or more subjects of society apart from the activity performed by a disclosing party.

A classic example of both costs is given when a vehicle travels through the streets. Independent of whether the vehicle's owner is an individual or an entity, the vehicle incurs several private expenses: fuel, maintenance, depreciation, permits, mandatory revision and the cost of the driver's time, among other possible expenses. However, moving the vehicle also generates social costs, which are those that must be paid by other persons and that have nothing to do with the car's ownership or the operation. Examples of this are traffic congestion (the vehicle contributes to this congestion by occupying physical space on the road, and lowering the average speed of all the other vehicles); the increase in consumption of fuel derived from heavy congestion; the ill effects on health through an increase in the pollution associated with the effect described above and the waste of time also derived from the same phenomenon.

In the case of the information, the criteria of cost classification are maintained although the concepts are related to the effects expected from the use of information.

For example in the case of the users that work without detecting the existence of information that could be potentially useful to them, the private costs refer to the loss of potential benefits that could be obtained if they were aware of and benefited from this information. The social costs generated are of the same type and refer to the loss of benefits that society could obtain, for example, better quality and lower prices of

some goods or services, if the user of the information were to capitalize on this to improve his performance. The types of costs referred to in this paragraph are fundamental in economic theory and are known as the opportunity cost, which is in fact the true economic cost.

The concepts related to the private and social costs and benefits of the activities represented in the flow chart appear in Table 1 below:

TABLE 1. CLASSIFICATION OF COSTS AND BENEFITS DERIVED FROM THE SEARCH AND USE OF INFORMATION

Activity	Costs		Benefits	
	Private	Social	Private	Social
Work is done without using potentially useful information.	Of opportunity (lost potential benefits).	Of opportunity (opportunities to improve well-being are lost, for example, by having better quality products and lower prices.	None.	None
Existence of potentially useful information is detected	Those related to training of human capital and to the activities of supervision and analysis to detect information.	None	Those that may be received in future due to reduction in costs, larger incomes or better image.	Those obtainable in future by the consumers as consequence of de-codification and appropriate application of information.
Search process	Those connected with the necessary resources to find required information: work hours used, cost of equipment and office materials, cost of electric power, cost of physical movement etc.	Environmental and social generated from physical displacement (occupation of roads and contribution to congestion, fuel consumption, pollutant emissions, contributing to slower average speeds and longer travel times).	None	None
De-codification and application of the information obtained	Those connected with human and material resources to use the information.	None	None	None
Productive process using de-codified information.	Those corresponding to the process but with the probability of being less than those existing before the incorporation of information.	Those corresponding to the process but with the probability of being less than those existing before incorporation of information.	Those corresponding to the process but with probability of being greater than those existing before incorporation of information.	Those proper to the process but with probability of being greater than those existing before incorporation of information.
Distribution and availability of goods or services for the final consumer.	Those corresponding to the process but with the probability of being less than those existing before the incorporation of information.	Those corresponding to the process but with probability of being less than those existing before incorporation of information.	Those corresponding to the process but with probability of being greater than those existing before incorporation of information.	Those proper to the process but with probability of being less than those existing before incorporation of information.

On the Advisability of Visualizing the Information as Private or Public Goods

In the theory of Public Economics there is an important differentiation made between the different types of goods and services that are supplied and demanded in an economy, in terms of whether these can or cannot be exchanged in a conventional way in a market. In general, the aspects that normally determine whether goods or services can be offered or acquired in a conventional market are mainly the following: the degree of observance and respect of property rights of the goods or services acquired; the existence or not of a system of prices where the wishes of the producers and consumers converge; and the real possibilities of avoiding fixed goods or services being used or consumed by someone who does not pay the consumption.

The two types of goods conventionally accepted in the above-mentioned framework are private goods and public goods.

A private or market good is one where at least the following conditions are satisfied:

1. The acquisition or purchase of the good, and consequently its usage authorize clear property rights to the acquirer, or consumer, which allows him to exclude its usage or consumption by other potential interested parties.
2. There is a known system of prices, coordinated by an institution that we call market that aligns the wishes and preferences of the producers of the goods or services with those of the consumers. The functioning of the market determines a price that the consumer should pay in order to consume the goods, which allows the supplier to identify or register this to each one of his consumers and receive the payment corresponding to his work.

On the other hand goods are declared public when the following conditions are satisfied:

From the production point of view:

Goods are considered public if:

1. Once produced, the marginal cost of supplying the goods to an additional consumer is zero.

2. There is no way of controlling or charging the consumption of the goods. That is, the producer has no possibility of identifying and therefore charging the consumption of each one of the consumers of the goods.

From the consumption point of view:

Goods are considered public if their use or consumption by a consumer does not impede another from consuming it. Consequently, it is said that the goods fulfill the non-exclusion premise in consumption.

The framework limiting the previous premises offers the possibility that governmental information be classified as a public or private good although some particular considerations have to be made since this is normally used as input of the activity or of the productive processes of the affected applicant.

The following table presents the arguments defining when the governmental information becomes a private good and when it can be considered a public good. In fact, a sub-classification arises for this type of goods, which, one has to admit, is not completely refined in specialized literature. This deals with the distinction between pure and impure public goods, for which one has to consider aspects such as equity in consumption conditions and the quality of a disposition to saturation of the goods or services.

The first point refers to the equity conditions faced by the total universe of potential users, and from this we detach the fact that if at least one of the interested consumers or users interested in making use of the public goods or services encounters some difficulty in consumption or higher transaction costs than other users then the good in question should be viewed as impure, or semi-public. As an example of this we have two of the classic cases mentioned in literature: national defense and a public park.

When it is necessary to refer to the definition of public goods, the authors specializing in this issue usually refer to a small group of examples among which one invariably finds national defense. The argument put forward states that the system of defense is a pure public good since all the inhabitants of a country are equally protected and because the fact that an inhabitant uses or 'consumes' the good does not preclude another from doing so.

However, the problem with this example is that the authors, being economists, involuntarily base the validity of their definition on a legal argument since effectively all the inhabitants of a country have the right to be protected by the national defense system. The point is that in practice, once the geographic factor has been taken into account, it becomes evident that the capacity of the national defense system to protect every inhabitant in exactly the same way depends critically on variables such as the pattern of spatial distribution of the population and the lineal or topographical distances that separate the nodes of the system (e.g. barracks, airfields and weapon bases) of each one of the inhabitants. These differences also imply different reaction times and a cost gradient that is a growing function of distance.

In short, the variables mentioned imply that the possibilities of access to the national defense system and therefore the opportunity of making use of this is not equal for all the inhabitants. The conclusion is that this cannot be a pure public good in spite of its recurrent use as an example of this. It is an impure public good.

The other case is that of a park with free access the administration of which is dependent on public funds. Again, although many authors normally include this type of case as a public good, in reality this has to be qualified by the previously mentioned criteria. In fact, the enjoyment of a public park in a city or national park in some region of the country is not offered equally to all the inhabitants of the country. In the first place, the distance between the user's place of residence and the park generates access costs that can be very different among different consumers, so much so that for a sub-set of these the access costs can be so high that the consumption of the good simply disappears from his range of possibilities. Secondly, the park's installations can become congested as, for example, at the weekend. The congestion means that the users cannot enjoy the features of the good in the same way, which is sufficient to qualify it as an impure public good, or in this case it can also be identified as a good prone to saturation.

The examples given are justified in this text since the next step in the construction of the analysis attempts to demonstrate that the governmental information can have both qualities: that of public good and that of private good, according to the opportunities of access and use given in different circumstances. The previous examples can, therefore, be useful to understand the focus that economics theory employs to classify this type of good.

We begin by remembering two of the criteria that will allow us to establish the difference between public and private goods: the prevalence of property rights and the control over its use or consumption. Although later it will be explained in greater detail in what circumstances these variants arise, at this point it is appropriate to clarify that there are several paths that governmental information can follow once the disclosing party releases it to the applicant. In fact, the information can be used or consumed exclusively or privately by the applicant, or it can be visible and available to other potential users. In the first of these cases the information is used as a private good. When the conditions of release and publication of information on the part of the disclosing party favor this to be, de facto, partially restricted or non-effective for its use by other potential interested parties, this enters into the category of an impure public good.

Even more, if certain ideal conditions, such as those mentioned above, could be achieved, for example: that the marginal cost of production of information were zero; that there is no possibility of a scenario of exclusion of other potential interested parties in the consumption of the information (which would implicate zero costs of transaction, access, congestion of consultation sites, etc); and there is no possibility of restricting or rendering ineffective the access to information to other interested parties (which would imply offering the same opportunities and possibilities of access to each one of the members of the complete universe of potential interested parties); then we would find ourselves in the case of visualizing governmental information as a public good. However, it simply does not happen in practice.

The following table completes the arguments summarizing the suggested classification.

ECONOMIC CLASSIFICATION OF GOVERNMENTAL INFORMATION ACCORDING TO THE PREVALENCE OF PROPERTY RIGHTS AND CONTROL OF ITS USAGE OR CONSUMPTION		
INFORMATION IS A PRIVATE GOOD	INFORMATION IS A PUBLIC GOOD	
	IMPURE OR SEMIPUBLIC	PURE
<p>When it is used or consumed solely by the applicant.</p> <p>In this case the information is consumed as if it were a market good, that is, as if it were a property whose property rights are acquired explicitly or tacitly at the moment of paying the established price.</p> <p>In practice, this case occurs when:</p> <p>The release conditions of the information on the part of disclosing party allow this to be restricted or non-effective, either voluntarily or involuntarily, for other potential interested parties.</p> <p>If the cost to exclude other potential interested parties from the use or consumption of the information are low, and therefore to be borne by the applicant he can be seen to be encouraged to do so if this is in any way convenient for him.</p>	<p>When the conditions of release and publication of the information on the part of the disclosing party to the applicant favor this to be, de facto, partially restricted or non-effective to be used by other potential non requesting interested parties.</p> <p>When the conditions of release and publication of the information generates costs that affect the conditions of equity in the access or the possibilities of use or consumption of information for other potential non-requesting interested parties.</p> <p>This is in fact the type of public property that, to differing degrees or nuances, characterizes governmental information in a good portion of the cases.</p>	<p>If certain ideal conditions mentioned in the theory of Public Economics could be met, but that do not do so in practice. For example, that the marginal cost of production of the information is zero; that there is no possibility of there being presented a scenario of exclusion of other potential interested parties in the consumption of the information (which would imply zero costs of transaction, access, congestion en the consultation sites, etc); and that there is no possibility of restricting or rendering non-effective the access to information to other interested parties(which would imply offering the same opportunities and possibilities of access to every one of the members of the universe of potential interested parties).</p>

Now we go on to identify the way in which the criteria permitting classification of the information as public or private goods occur in practice through access to governmental information. As has already been stated, there are occasions when the information received by an applicant can be used as a private good, which is what happens when this information is released directly to the interested party and neither he nor the public department delivering the information attempts to offer it to other potentially interested parties. From the point of view of the effects that the use of governmental information can have on the performance of productive activities and particularly when confronted with the question as to what can be the impact of this on the economy,

the case mentioned is the one that has the least effects and that assures the lowest level of future benefits for society.

It is very probable that this kind of situation occurs frequently in spite of the repeated indications mentioned in the Transparency Act of the efforts that a disclosing party should make to publish and disseminate widely the information released to the interested parties making the application. In effect, the Transparency Act mentions at various parts of its terms and in different ways that the disclosing party should favor the principle of maximum publicity and availability of information that avoids the privileged or confidential category.

Article 7 indicates that the information must be published in such a form that it may be easily handled and understood by the individuals, ensuring its quality, truthfulness, opportunity and reliability. Article 9 establishes that the information referred to in article 7 shall be made available to the public through remote or local electronic communication means. It also states that the disclosing party should have computer equipment available for the interested parties so that they can obtain the information directly or through hard copies. Finally it makes a recommendation for all the public departments and agencies to prepare the automation, presentation and content of its information and also on-line presentation.

Article 40 specifies the modes of release of the information and these modes, according to subsection number four, can be either verbal, through direct consultation, photocopies and certified copies, and through other means.

Article 42 establishes that the public departments and agencies will only be required to deliver documents that are in their archives and that the obligation to provide access to information will be considered fulfilled when the documents are made available to the requesting party for consultation in situ; or through the issue of photocopies or certified copies, or any other means.

Finally Article 47 states literally that the requests for access to information and the answers to these, including, where relevant, the released information, will be public. It also indicates that the departments and agencies should make this information available to the public, when possible, through remote or local means of electronic communications.

In turn, Article 27 refers to the costs for having access to information. These may not be higher than the sum of the cost of materials used in the reproduction of the information plus the mailing charges. The same

article urges the disclosing party to make an effort to reduce the information delivery charges.

As can be verified from a reading of the content of the articles, the menu of possibilities of release and dissemination of governmental information includes remote or local means of electronic communication. It states that it can be verbal, through direct consultation, through simple or certified copies or any other mode to access (not specifying which). There are comments below on why the medium, through which the information is released and disseminated, is not trivial but that in the end is crucial for the effects of classification of the information as economic property and consequently to estimate the range and potential social benefits of the information.

The following table summarizes what we have called the gradient of governmental information as public good in function of the mode of publication, that is, a way of representing the observable variation of expected social benefits of the information use in terms of the mode of release and dissemination of this. As public dissemination of the information grows and certain conditions of equity of access for all the universe of potential interested parties are fulfilled, the expected positive effects on the economy, and consequently the amount of attainable social benefits, are increased.

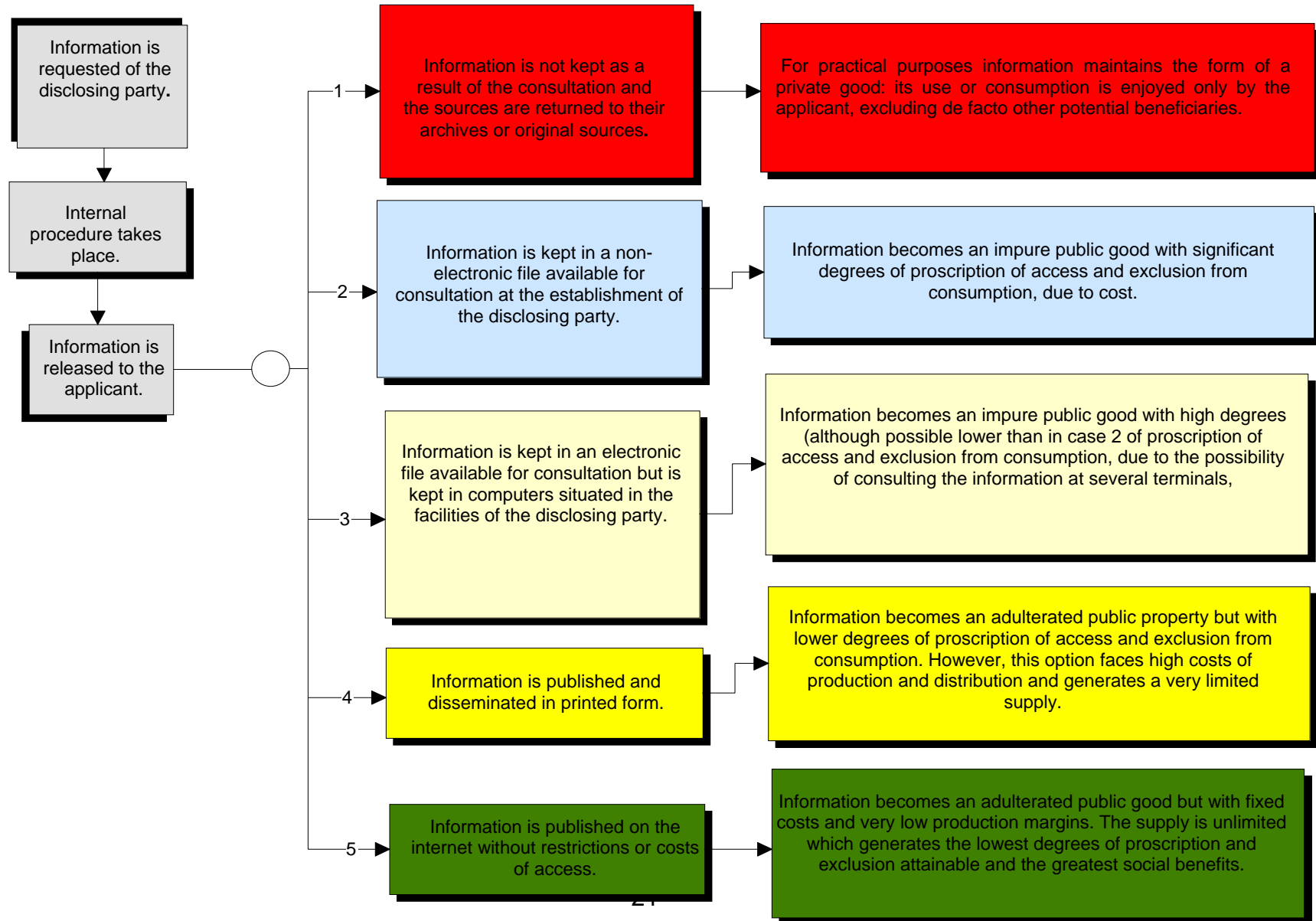
GRADIENT OF GOVERNMENTAL INFORMATION AS PUBLIC PROPERTY ACCORDING TO THE MODE OF ACCESS					
References in the LFTAIPG	Mode or means where the information is kept or published	Degree of proscription or restriction of the potential and free use of the information by non-applicant interested parties.	Degree of exclusion in the use and consumption of information by non-requesting interested parties.	Marginal cost of providing the information to an additional applicant	Social Benefits Generated
Article 9 Article 40 Article 42 Article 47	Original archives	High Access is difficult due to costs of detection and search for the information, as well as the costs associated with physical displacement. In all cases the associated opportunity costs must be considered.	High Accessibility to information is affected by the congestion of interested parties in the consultation site and for excess of work for the personnel responsible for the original archives.	Greater than zero. The marginal cost depends on the conditions (and the characteristics) of the particular processes of reception of requests, search and lending of files, as well as inventory costs in each case.	Highly restricted
Article 9 Article 40 Article 42 Article 47	Non-electronic file for <i>in situ</i> consultation	High	High	High	Very restricted
Article 9 Article 40 Article 42 Article 47	Electronic file for <i>in situ</i> consultation	High	High	High	Very restricted
Article 9 Article 40 Article 42 Article 47	Distribution in printed matter	From high to low (depending on the number of prints and the characteristics of its distribution).	From high to low (depending on the number of prints and the characteristics of their distribution).	High	Very restricted
Article 9	Internet with non-restricted access	Very low.	Very low (assuming that the majority of those interested in consulting information are able to use the internet).	Practically nil	Very high

The interpretation of the previous table leads the analysis towards what generates the largest social benefits, which is the publication of the information on internet. The advantages of using this medium are evident and are sufficiently clear from the concepts in the table.

For example, the marginal cost of supplying the information to an additional applicant is practically zero since, once the information is loaded on to the internet, consultation does not generate any additional cost to the public department.

There is an additional advantage when the information is uploaded on to the internet. This is the permanence of the information in form and content that was used by the public department when the information was released. When this is communicated verbally or photocopies are made of some of the documents consulted, there is a probability that the content changes if more than one consultation is made.

Below we present a flow chart whose purpose is to facilitate the understanding of the tree of possibilities facing the dissemination of information by a disclosing party.



One Way of Measuring the Benefits for Information Users

In this last section of the chapter an argumentative scheme is presented that returns to and exploits the concepts used in the welfare economy to make a comparative analysis of the concept called consumer surplus. The idea is to demonstrate the advantages of the publication of governmental information on internet over the other forms of diffusion, in terms of social benefits.

The consumer surplus is a concept that is used to measure the benefit obtained when the price paid for a good or service is lower than the consumer would be willing to pay. The information, or the amount, of what the consumer would be willing to pay is obtained from the demand function of the good or service. If this function is put in graph form on the conventional plane with the dimensions of price and the quantity of the good, the graph will then show the price that the consumer is willing to pay for each quantity of the good.

When the supply of good function is put in graph form on the same plane and its graph crosses the demand function, the cross point defines what is called an equilibrium price. This reference is important since it serves to measure the consumer surplus, which corresponds to the value of demand that the consumers would have been willing to pay but did not, since the price they faced (equilibrium) was lower.

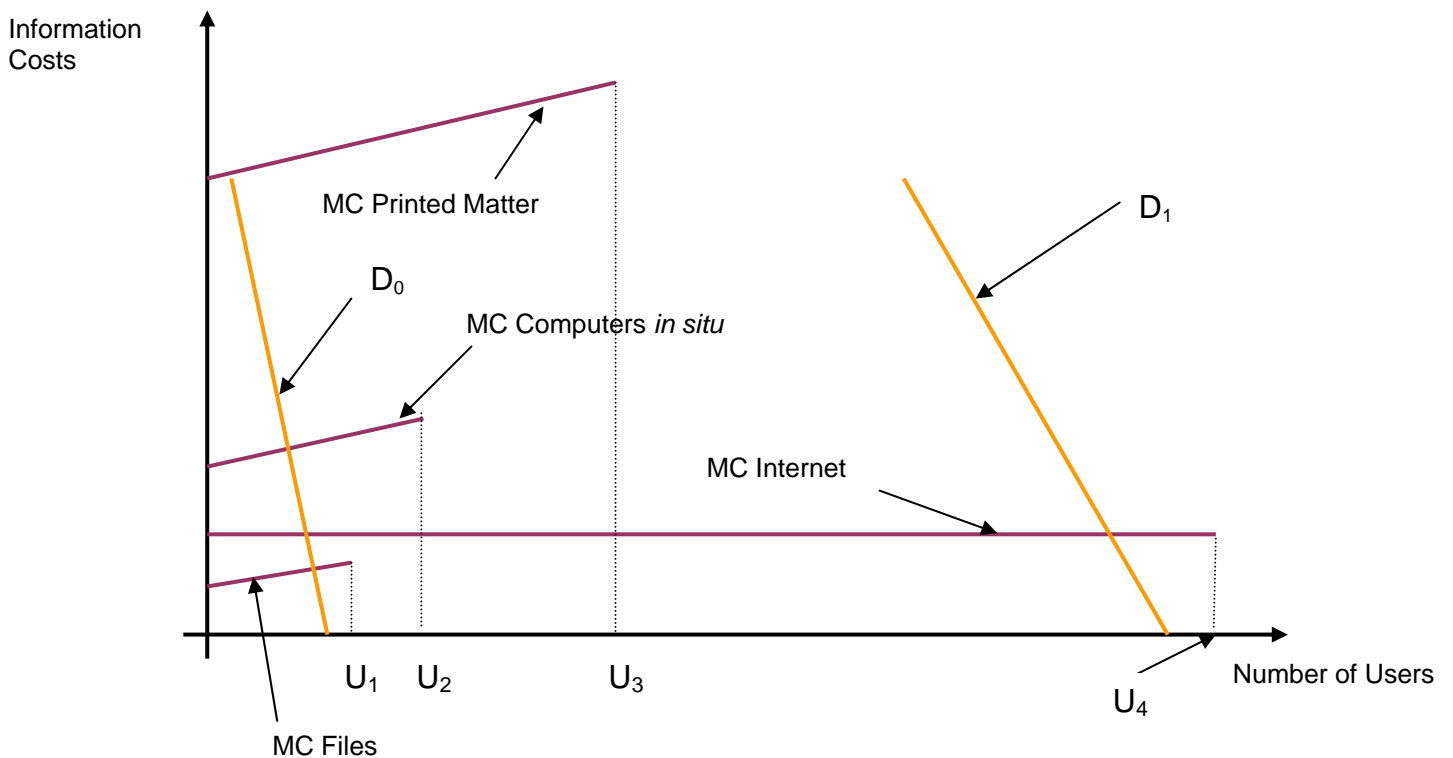
The following graph attempts to illustrate the previous arguments in the case of the information diffusion possibilities of the disclosing party. The graphs indicated with the letters MC (marginal cost) represent the functions of supply of the information that, according to the theory of Neoclassical Microeconomics, can be interpreted as the graphs of the marginal cost of supplying the good or service. It should be noted that the marginal costs of diffusing the information are very different depending on the medium chosen by the disclosing party in this hypothetical example¹⁰: if they are classified only in function of the height with which they appear on the plane, the result is that maintaining the information in their original files or archives is the cheapest medium, followed by their diffusion by internet, then by having it on non-remote computer access and finally, the most expensive is to publish in several printed forms.

But there is a crucial difference from the point of view of the expected social benefits. The number of users that can access the information depends critically on the medium used for its dissemination. From this point of view, and as explained in the previous pages, the best option is dissemination by internet.

In the graph the variables U_1 , U_2 , U_3 y U_4 represent the number of users that can access the information for each one of the diffusion modes of presented.

¹⁰ The estimation of marginal cost functions for disseminating the governmental information is outside the scope of this study

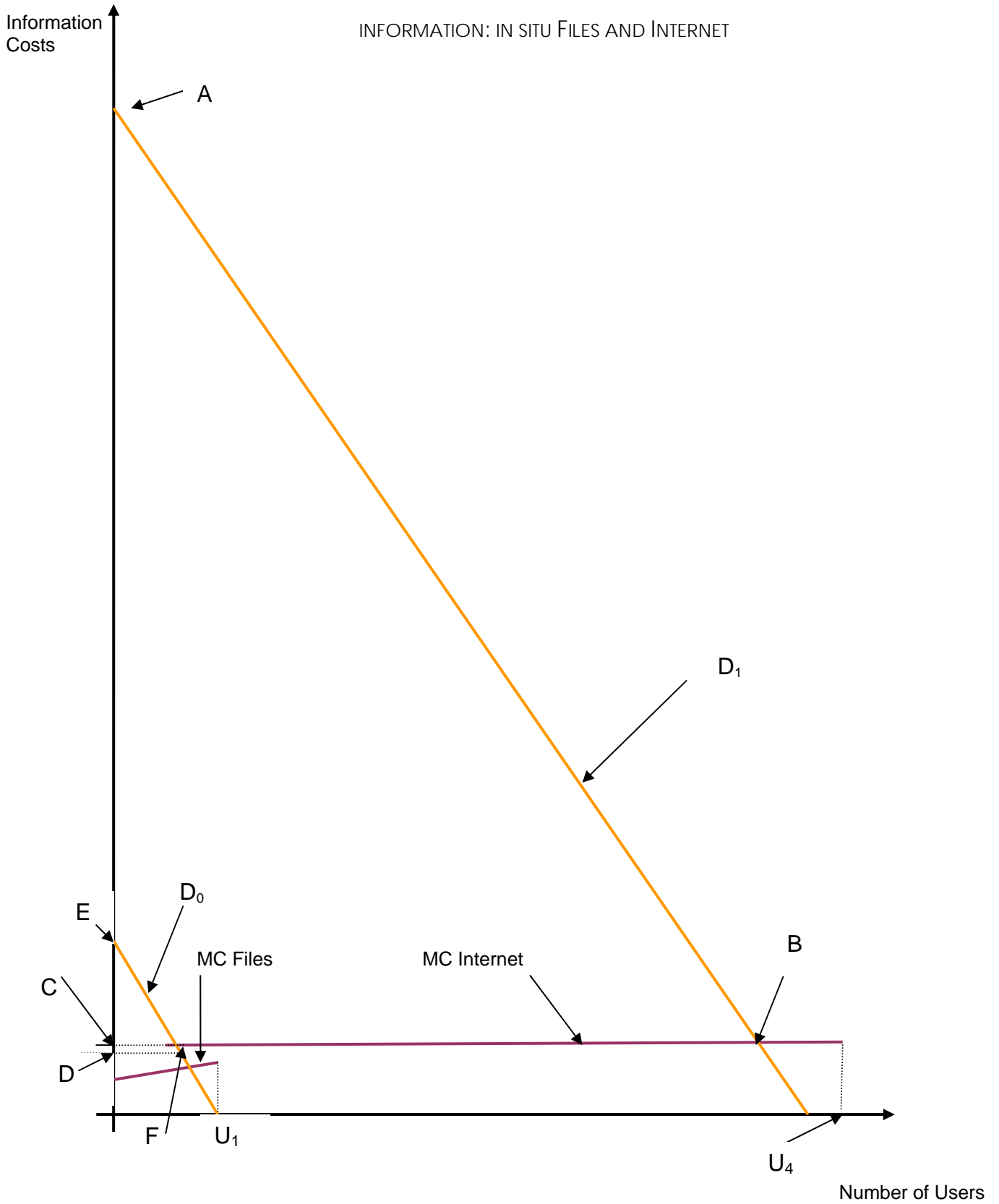
SUPPLY FUNCTIONS OF GOVERNMENTAL INFORMATION ACCORDING TO DIFFUSION MODE TO THE PUBLIC



Two graphs of information demand have been drawn for merely illustrative effect. The demand D_0 could be expected for any of the diffusion modes but the demand D_1 that represents a significantly higher number of interested users could only be satisfied through internet dissemination.

Returning to the consumer surplus issue, its graphic expression is that of the area formed between the demand graph, the linear (horizontal) projection that goes from the cross point of marginal cost and demand to the vertical axis, and the same vertical axis. Observing the next graph, one can see the consumer surpluses for the two indicated cases—diffusion through *in situ* files and internet publication—correspond to the areas formed by the segments of the edges EDFE and ABCA.

COMPARISON OF THE CONSUMER SURPLUSES FOR TWO CASES OF DIFFUSION OF GOVERNMENTAL INFORMATION: IN SITU FILES AND INTERNET



If we interpret consumer excess as a measure of social benefit achieved by each one of the cases, it becomes clear that the benefits offered by internet use to diffuse governmental information are much larger than those obtained by, for example, delivering certified copies of the documents in files within the public departments referred to. This is observed graphically by the difference between the corresponding areas, the area ABCA being much larger than the area EDFE.

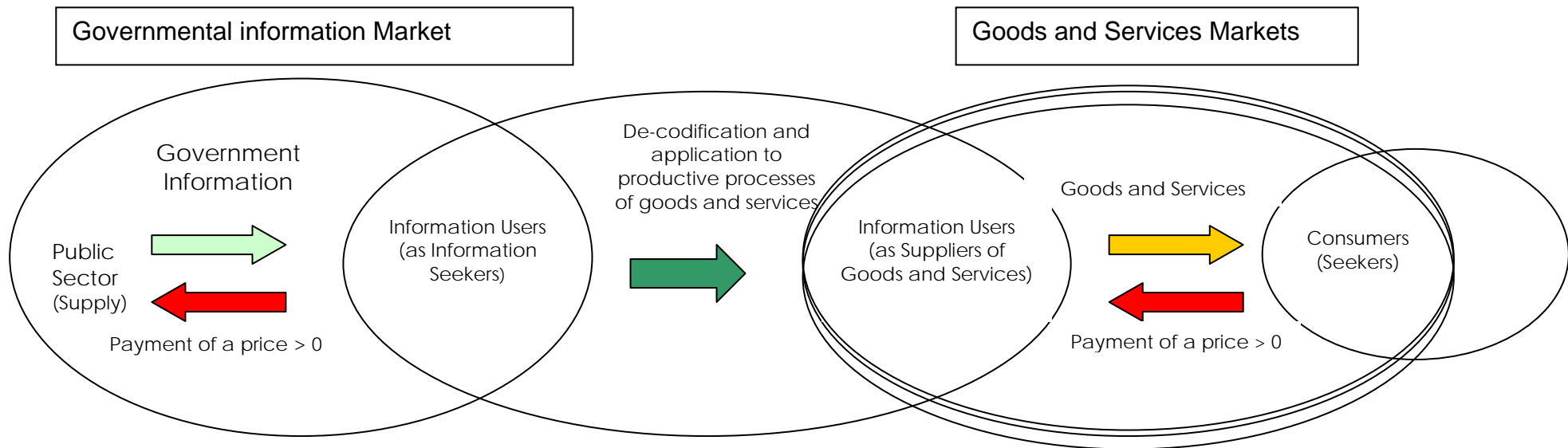
But the calculation of the potential benefits of the different modes of diffusion of governmental information goes beyond measuring the wellbeing that we call consumer surplus. This estimation includes the opportunity cost that characterizes each one of the forms of diffusion, that is, the size of lost benefits that are directly chargeable to each one of the diffusion modes.

In the previous graphs, the number of users attended by each diffusion mode has been identified with the letter U: U1 for the photocopies of files kept in departments, U2 for when in situ computers are offered, U3 for the dissemination of prints and U4 for internet use. Although it is true, as has already been mentioned, that the comparisons used do not correspond to real measurements but that they are presented for illustrative purposes, what is very clear is that the number of potential users attended by each one of the three modes is significantly less than the number corresponding to internet use. Each one of these differences can be used as a contributing factor in the representation of the opportunity costs of each one of the diffusion modes.

A way of interpreting the concept of opportunity cost is the following: for each potential user of governmental information left without service (read as without access to the knowledge and use of information) society loses a certain amount of possible economic or social benefits derived from the use that this user could have made of the information, in the case of having had access to it. From this point of view the analysis developed in these paragraphs serves to reinforce the ideas put forward in the previous sections. That is, although the Transparency Act offers various diffusion modes to the disclosing party—certainly with the spirit of facilitating the information release tasks—by not presenting internet diffusion as mandatory significantly reduces the potential range of use of governmental information.

The following diagram refers to the markets system through which governmental information flows from the generator to the consumer.

MARKET SYSTEM THAT CAPTURES USE AND FLOW OF GOVERNMENTAL INFORMATION AND THE GOODS AND SERVICES OFFERED TO CONSUMERS



III. A First Diagnosis of the Economic Use of the Federal Transparency and Access to Public Governmental Information Act

This first diagnosis of the economic use of the LFTyAI includes the analysis of information requests made both to public departments and agencies—disclosing institution, according to the definition in the Act—and the writs of review filed with the IFAI. In the case of the requests, the analysis was carried out on those obtained by the statistical sampling method that is detailed in the technical appendix –for two representative samples. The first of these was of the total of requests received by the public administration departments, and the second of those directly concern the Federal Telecommunications Commission, the Cofetel. The total of writs of review directly or indirectly concerned with the Cofetel were analyzed, due to the fact that the sector selected for the private analysis of economic use of the information was precisely that of telecommunications.

It should be emphasized that approximately 6,150, that is, about 5 percent of the total, requests were eliminated from the total population (of more than 130,000 units) for the elaboration of the first sample. The exclusion of this sub-set of requests was necessary in order to focus the study on the objective: to infer the possible uses and economic implications of the use that the productive sectors have made of the governmental information under the protection of the LFTyAI. To this end, it was determined that all the requests, that have been classified by respective applicants as being of a personal character, be excluded. In this category there are grouped basically information requests for private use, such as general data of the directors, curriculum vitae, account numbers, private telephone numbers, affiliation numbers or public office numbers, among others. The economic use of this kind of information is limited and in any case it is assumed that it remains restricted to the sphere that is private or particular to the applicant.

The inclusion of requests, catalogued as of a ‘personal’ character, to the study would not have added anything to the results and would have distracted attention from the analysis of economic impact that the governmental information has on the activity and decisions of the productive sectors, which is the center of interest of this study. Under this criterion the universe of requests to be analyzed is composed of 123,741 units.

With reference to the kind of agencies and public departments forming the body of public administration, the integration of the sample was carried out from the total of disclosing parties of the original population, without a priori exclusion of anyone. In fact, and in contrast with the requests that are catalogued ex ante for personal or private use, it was considered that none of the entities or organizations should be excluded since in principal all these can have a direct or indirect impact on economic activities. If some public departments had been excluded a priori, we would be assuming the contrary without having empirical bases for this. The final sample is composed of 150 requests.

By applying the same methodology of statistical sampling to a population of 1,071 requests received by the Cofetel in the period between May, 2003 and May 2006, the second sample of 97 requests was obtained. As in the general case, a statistical reliability of 90 percent was obtained.

Typological matrix paths were elaborated from these two samples and one of the purposes of these was to detect the most recurrent subjects in the requests, which explains the following section.

Definition of Categories and Typological Classification

In order for the most consulted subjects to be identified, the information in the requests was carefully analyzed. In general, it was determined that the object of these can be classified basically into 12 categories or articles, which form a platform, on which the interpretation of the economic impact that these could produce will be initiated, and serves as a structure to the typological matrix that classifies the sample requests. The defined categories are: auction or tender, contracts and suppliers, government expenditure, salaries and prices, taxes and tariffs, economic data or series, support and subsidies, regulation, questions on the implementation of valid regulation, labor conditions and flowchart, investigative motivation, and various subjects.

Table 1 Thematic Classification of Requests for Information

Category	Definition
<i>Auction or Tender</i>	Requests referring to the elaboration, terms, conditions or results of the present or future auctioning processes
<i>Contracts or Suppliers</i>	Information on agreements, contracts and legal agreements between companies, private citizens and different departments and agencies of the Federal Public Administration. This includes the request for copies of undersigned contracts. The duration of these, clauses, payment mechanisms, as well as amounts and suppliers, among other aspects
<i>Public Spending</i>	Public sector investment projects, assignment of budgetary resources, expansion of activities of departments and organizations, among others. This information allows the applicant to evaluate the potential of certain markets and anticipate and locate some multiplying effects on public expenses.
<i>Salaries and Prices</i>	Tabulators of salaries of public sector employees and prices of goods and services acquired by the public departments, agencies and organizations.
<i>Taxes and Tariffs</i>	Administrative activities, interpretation of the tax and commercial Laws.
<i>Economic data or series</i>	Data or series of data referring to different economic variables
<i>Regulation</i>	Information referring to the regulatory framework, including laws, regulations, standards, administrative provisions, official communications, circulars, or any other regulatory mechanism, on affairs other than fiscal or commercial. This category includes the requests on requirements for developing administrative processes with economically driven entities, Information about legal procedures, external procedures, and requirements to be completed to perform an economic activity.
<i>Supports and subsidies</i>	Amounts, planning or cases related to support, subsidies and programs directed to strengthening the developing sectors.
<i>Regulation's Implementation</i>	Requirements on criteria applied to a specific case by the authorities deciding or resolving this
<i>Labor Conditions and Flowchart</i>	Information on personal data of public employees, on the flowchart of the department and on its composition. Investigation on the competence, functions and the areas of responsibility of each officer, as well as his skills, academic history and his work experience. Data on loans authorized to certain officers, travel expenses, policies for authorizing internal loans, references, explanations on results in contests for work position, investigative motivation, and various subjects, etc.

Once the 12 categories are defined, they are then classified according to the type of impact they can generate on the economic activity of the requesting agents and therefore on society. By type of impact we refer to whether this occurs directly or indirectly or whether, where relevant, there is no evident economic impact.

The bases of this proposal come from the developments in Economic science in connection with the use of information in productive activities, aspects that have been commented in the chapter that defines the conceptual framework of this study.

This approach recognizes that information is a factor of production, as the labor force and the different types of capital have been traditionally, and that its adequate and appropriate use reduces uncertainty and promotes efficiency in decisions. It is also crucial for the analysis and construction of future scenarios, which can refer to the anticipated behavior of a variable, an economic agent or a whole industry or sector.¹¹

In this context economic theory establishes that, as it improves and amplifies access to information, where this is more complete, of better quality and more appropriate, the institutions—among which are the markets—will function better, more efficiently and in a more stable fashion. This is why it is very important and convenient to emphasize that the lack of transparency, that, among other things, implies denial of access to information, imposes economic and social costs which obstruct the appropriate functioning of the economy, maintaining high levels of uncertainty and risk that multiply the transaction cost. These reasons seem sufficient to justify the resources destined to continue to fight government opacity.

The empirical demonstrations of the previous concepts are demonstrated in a multitude of ways, some of which have been studied in other countries. For example, the World Trade Organization¹² and the OECD¹³ have published some empirical studies suggesting that the attractiveness of investment and the business climate improves with the degree of transparency in public policies.

11 See Arrow K.J. The Economics of Information: Collected Papers, Vol. 4. Blackwell Oxford., 1984

12 WTO. No. 1

13The WTO includes in its empirical study a total of 50 countries both developed and developing. Among the latter is included some in Latin America whose economic conditions are comparable to Mexico. The conclusions presented by the countries under study suggest that transparency in government operation strengthens the flow of direct foreign investment.

Returning to the topic of categorizing applications, it is worth remembering that we have classified the mechanisms through which information permeates the economic processes as direct effects, indirect effects and no relevant economic effect. Consequently, of the twelve categories proposed, nine belong to the first group, two to the second and one to the third.

The categories with direct economic impact (hereinafter DEI) include those requests where the required information forms part of some activity, process or decision making that generates a clear consequence of the economic type, either for the user of the information, for some participant or for both. In these cases the information can be used as a production input or as a signal that helps to improve the knowledge of the users on the markets of their interest, on some kind of behavior or strategy of their competitors, on the relevant regulatory framework, on specific rulings or even on diverse procedures and administrative formality to launch and/or expand their economic activities. It is considered that 9 out of the 12 categories present DEI.

Table 2
Classification of Requests according to
Type of Economic Impact

Direct Economic Impact
<ul style="list-style-type: none"> • Auctions and Tenders • Contracts and Suppliers • Public Spending • Salaries and Prices • Taxes and Tariffs • Economic Data and Series • Supports and Subsidies • Regulation • Regulation's Implementation
Indirect Economic Impact
<ul style="list-style-type: none"> • Labor Conditions and Flowchart • Investigative Motivation
No Economic Impact
<ul style="list-style-type: none"> • Various

Information, with indirect economic impact (IEI) that groups the categories that appear to have no direct economic use, is the one that is requested with apparent investigative purposes, and critical of the assignation of public resources, the performance and practices of the public sector. However, looking at this at greater range, these categories apply pressure for government efficiency through accountability and contribute to the increase in efficiency and professionalization of the public sector in the long term, since at least in the medium term accountability will have a favorable effect on public activities. This is deduced from the fact that discretionary behavior is inhibited, corruption is compromised, and the inefficiencies of the public sector are discovered, among other factors that at present diminish the effect of public action.

It was only in one of the cases analyzed that the economic effect from information requested could be ruled out, in virtue of the fact that, from the requests grouped in this category, information is not obtained that fortifies the company decisions, facilitates access to productive resources, gives data on markets or any other of an economic character. Nor do they contribute to transparency nor eliminate corruption. In this category there are included aspects such as: consultation for reference purposes, research, school aspects and academic works on specific subjects without measurable effects on economic activities.

Qualitative Analysis of the General Sample

One of the elemental data obtained from the analysis of the total population of requests, is the way in which these are distributed among the public departments and agencies. In the following graph the distribution of the requests are shown, although the name of only some public departments appears for informational purposes. In the table below there appear the twenty public departments that have received most requests for the period of analysis.

Distribution of Requests by Public Office (June, 2003 to May, 2006)

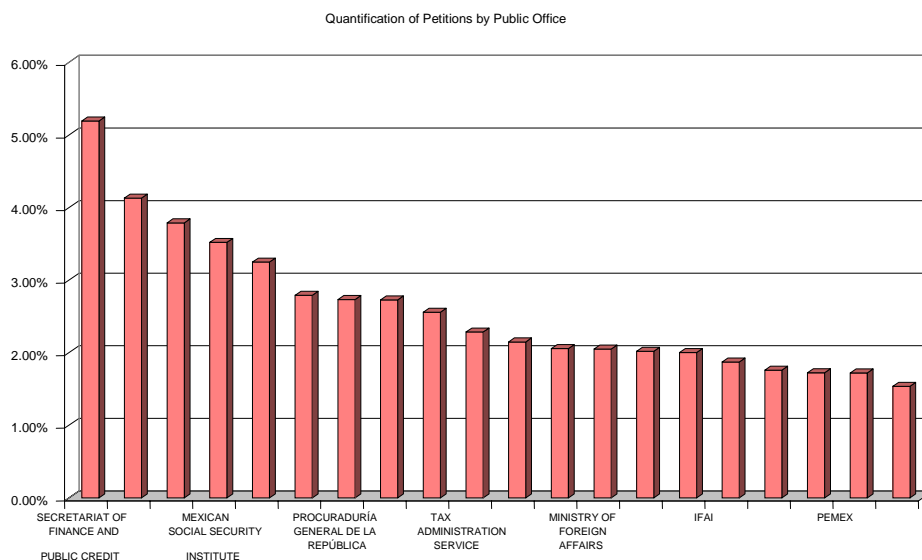


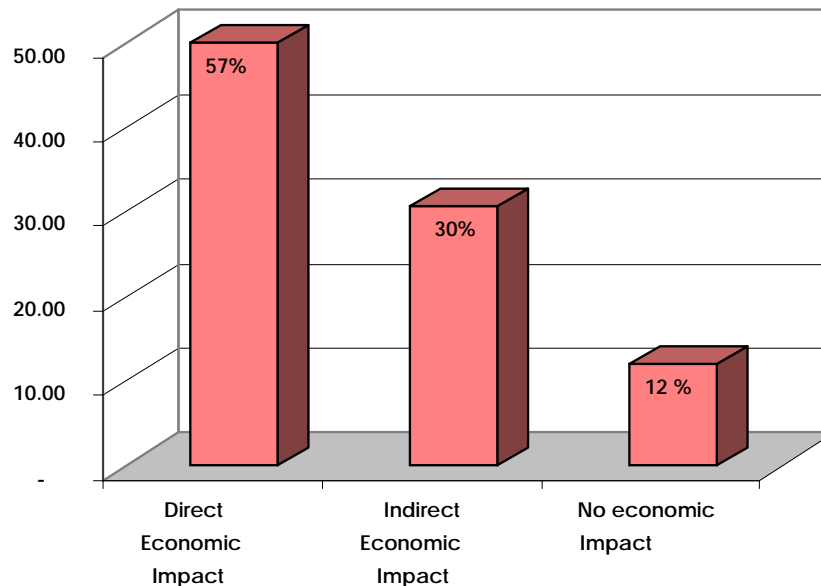
Table 1
Twenty Public Departments with the Greatest Number of Requests.
Total Requests: 123,741

Rank	Office	% from Total	# of Petitions
1	SECRETARIAT OF FINANCE AND PUBLIC CREDIT (SHyCP)	5.19%	6426
2	SECRETARIAT OF PUBLIC EDUCATION (SEP)	4.13%	5112
3	SECRETARIAT OF THE ENVIRONMENT AND NATURAL RESOURCES (SEMARNAT)	3.79%	4690
4	MEXICAN SOCIAL SECURITY INSTITUTE (IMSS)	3.52%	4357
5	MINISTRY OF PUBLIC ADMINISTRATION (SFP)	3.25%	4020
6	SECRETARIAT OF THE INTERIOR (SEGOB)	2.79%	3455
7	FEDERAL ATTORNEY GENERAL'S OFFICE (PGR)	2.73%	3381
8	SECRETARIAT OF COMMUNICATIONS AND TRANSPORT (SCT)	2.73%	3376
9	SECRETARIAT OF HEALTH (SSA)	2.56%	3166
10	TAX ADMINISTRATION SERVICE (SAT)	2.29%	2829
11	FEDERAL ELECTRICITY COMMISSION (CFE)	2.15%	2659
12	PRESIDENT'S OFFICE	2.06%	2546
13	MINISTRY OF FOREIGN AFFAIRS (SRE)	2.05%	2538
14	NATIONAL WATER COMMISSION (CONAGUA)	2.02%	2501
15	SECRETARIAT OF NATIONAL DEFENSE (SEDENA)	2.00%	2477
16	FEDERAL INSTITUTE FOR ACCESS TO PUBLIC GOVERNMENTAL INFORMATION (IFAI)	1.87%	2317
17	MINISTRY OF THE ECONOMY (SE)	1.76%	2177
18	MINISTRY OF AGRICULTURE, LIVESTOCK, RURAL DEVELOPMENT, FISHERIES AND FOOD (SAGARPA)	1.73%	2135
19	PEMEX	1.72%	2131
20	AIRPORTS AND ANCILLARY SERVICES (ASA)	1.54%	1901

According to the sample, the SHyCP, the SEP and the SEMARNAT receive the largest number of requests. The case of the IMSS should be emphasized since it is in fourth place although it is in fact the agency that receives the highest number of requests in every period. The reason is that in this case the amount of requests classified as personal is very significant and so, when these are subtracted from the total number of requests, the IMSS is in 4th place.

Consideration of the typology made by these requests and which were presented in Table 2 allow us to estimate that 57 percent of these have the clear purpose of obtaining data whose use makes a direct economic impact. On the other hand, 30 percent corresponds to the kind of request of which it can be expected that it does not make an immediate and direct impact on economic activity, for which reason it is considered that this sub-set will eventually and indirectly have an effect on productive activities. Finally, around 13 percent of the information is cataloged without economic impact since these are consultation requests with the aims of reference, research, school and academic works.

Percentage Share of Petitions
by Type of Economic Impact



	%	Number
Direct Economic Impact	57.33	86
Indirect Economic Impact	30.67	46
No Economic Impact	12.00	18
		150

By adding the two first categories a participation of around 88 percent of requests is obtained which certainly makes an economic impact. Analysis of the mechanisms through which the impact occurs in each type of category lies outside the range of this study. However, it should be emphasized that a plausible reading of the high number of requests with an expected economic impact is related to the pre-eminent role of the public sector in the functioning of the economy. Its influence permeates all the sectors through several spheres. It is the most important regulatory entity and the producer of a multitude of goods and services and also makes a heavy demand on an enormous amount of goods and services of all types. With this situation it is to be expected that the universe of economic relations that it maintains with the individuals, organizations and companies

will be vast and that this is reflected in the participation of requests with economic impact.

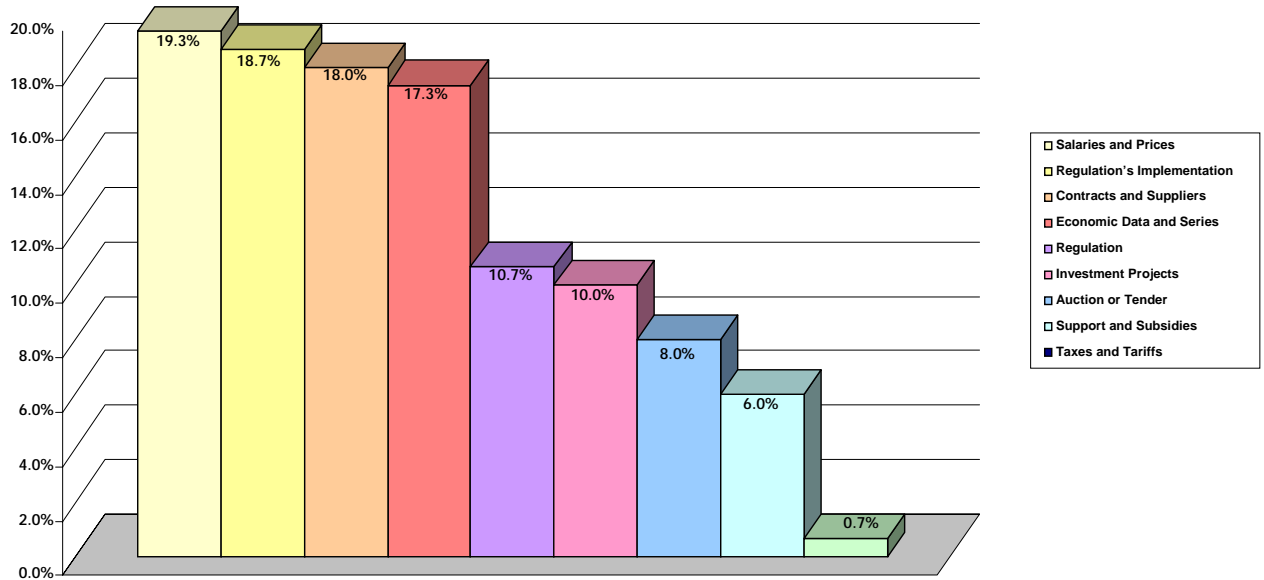
Although it has already been stated that the effective period of the LFTyAI is still too short for an estimation of the impact that this has had on the national economy, important growth in the number of requests has already been observed. Evidently, as individuals and companies become aware of the advantages offered by the present institutional legal framework in terms of transparency and access to governmental information, they are becoming aware of this mechanism and resort to it in increased numbers. Between 2003 and 2005 the number of requests presented practically doubled and in the first 5 months of this year, 2006, there is already a register of a larger number than for the whole of 2005.

Amount of Annual Requests				
	2003	2004	2005	2006*
Number	24,097	37,732	50,127	51,657
Growth	-	56.6%	32.9%	-

* In the first 5 months of the year

Within the category with DEI what stands out is the recurrence with which the agents request information on salaries and prices, on aspects of implementation of the regulatory framework, contracts and suppliers, and economic series.

Distribution of Economic Subjects of the Petitions



Economic Classification of Petitions	%	Number
Salaries and Prices	19.33	29
Regulation's Implementation	18.67	28
Contracts and Suppliers	18.00	27
Economic Data and Series	17.33	26
Regulation	10.67	16
Investment Projects	10.00	15
Auction or Tender	8.00	12
Support and Subsidies	6.00	9
Taxes and Tariffs	0.67	1

Nota bene: the sum of responses is larger than 150 since there are already requests with information inquiries that cover more than one subject.

Information with Direct Economic Impact

Salaries and Prices

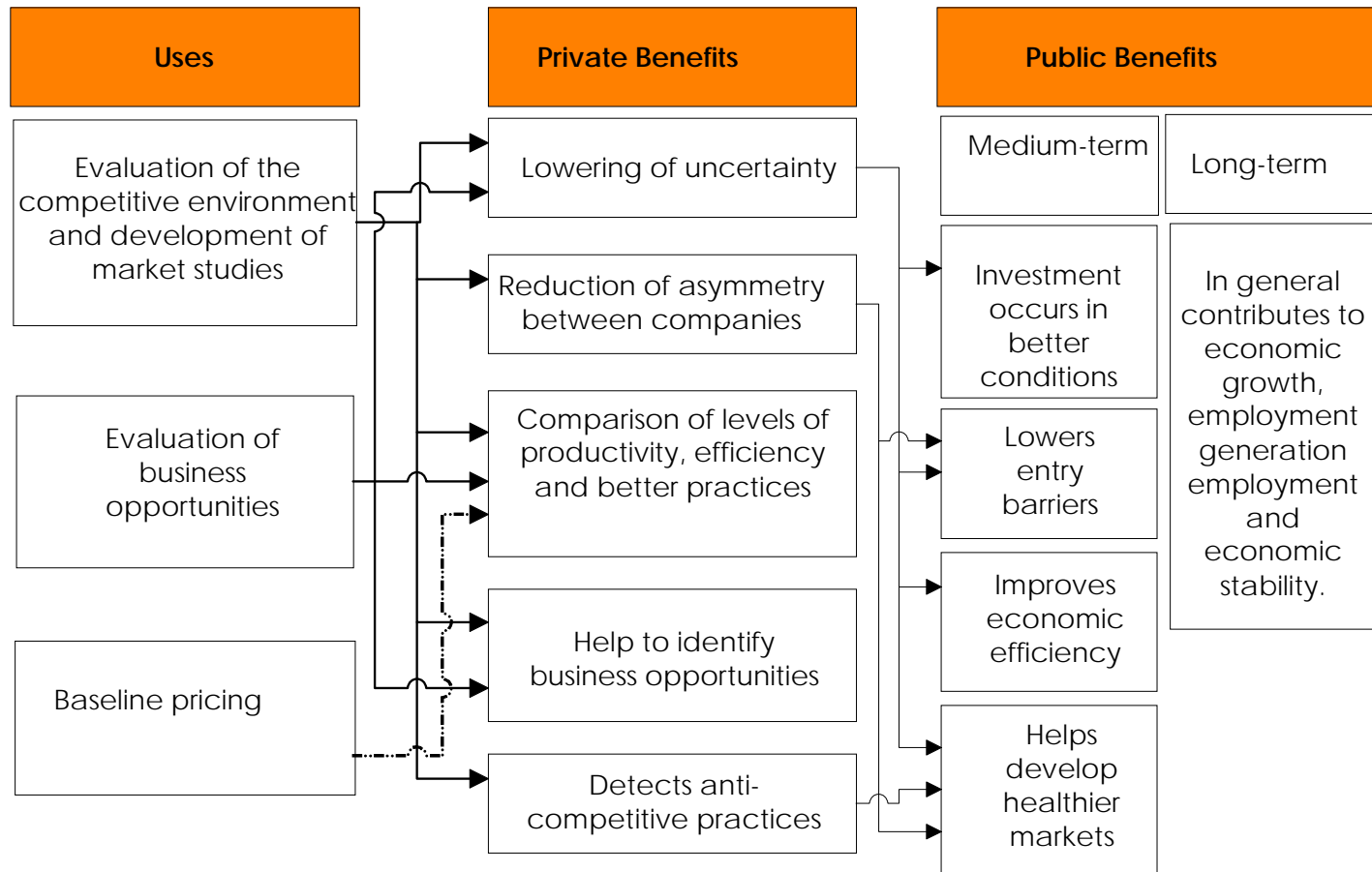
Requests about salaries and prices are the most frequent, representing 19.3% of the sample. The applicants of this kind of information are assume to

have different aims that include: market studies, search for entry opportunities as suppliers of goods and services in the public sector, evaluation of the competitive environment, fixing reference prices and existence of anti-competitive practices as, for example, price discrimination, predatory practices, among other aspects.

Information grouped in this category can eventually contribute to improve investment conditions, efficiency, the competitive environment in prices, and generate and expand the economic activity of the companies with the different public departments, agencies and public organizations.

On the next page, Table 3 shows the plausible uses and impacts of the requested information on salaries and prices.

Table 3. Uses and impacts of the information on salaries and prices



Contracts and Suppliers

This category was present in almost 18% of the requests, the third most important. This reiterates the interest of the economic agents in knowing the sale conditions between the government and other companies. The motivation once again is detection of business opportunities.

The competition that can be generated by this information has positive effects for both the government and the companies that are positioned as suppliers. The efficiency that results from the process without any doubts benefits the whole society and the transparency in the contractual terms of the suppliers contributes towards the elimination of discrimination and discretionary behavior.

In short, as in the previous category, the intention to participate as a public sector supplier is apparent. The requests for information allow for the establishment of price and cost references to determine their competitiveness, among other things.

The cost associated with the elaboration of market and costing studies can be high, particularly for some economic agents. The incapacity to absorb these by some companies can cause asymmetry in information and in competitive advantages that tend to favor the economically more solid agents. In general, the large companies handling greater resources are better equipped to acquire useful information which may give them an additional competitive advantage over the small or new auctioneers. Privileged access to information can even be considered a source of market power.¹⁴

Regulation's Implementation

The requests for information by citizens on specific cases of implementation of some law or on the criteria applied to resolve or decide particular situations in the public sector, is 18.7% of the total requests. In this case there is an attempt to become acquainted with the procedure of the institutions and their way of reaching decisions, apparently to strengthen certainty in these institutions.

¹⁴ Article 13 of the Federal Act on Economic Competition establishes the factors that determine that an economic agent has substantial market power. Sections II and IV clearly indicate this: "the existence of barriers to entry and the elements that can predictably alter both these barriers and the supply of other competitors" and "The possibilities of access to the economic agent and his competitors to input sources".

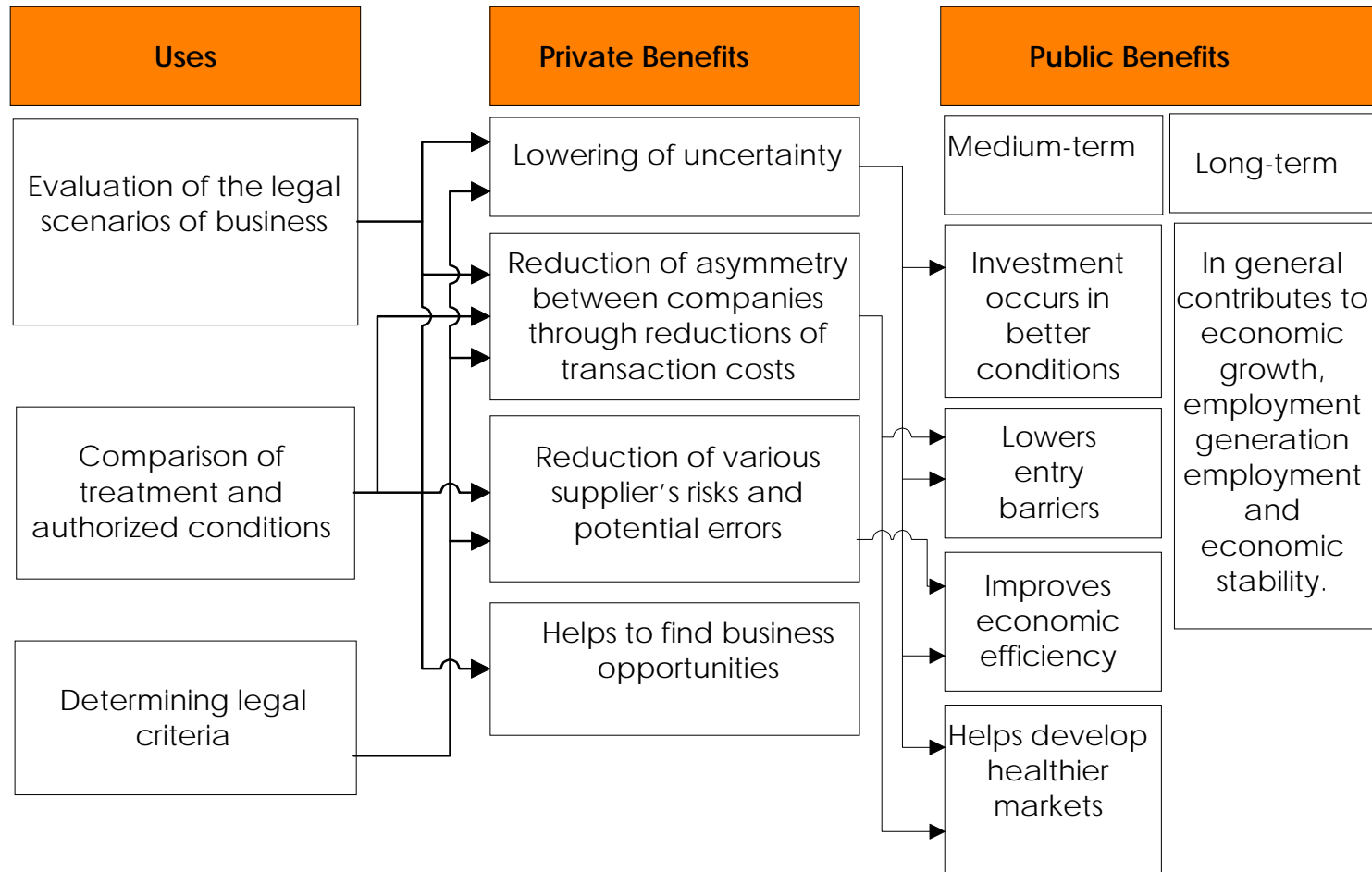
The fact that this subject has been broached by a considerable number of the applicants indicates a real preoccupation with the way that this Act is applied in aspects of economic impact. This preoccupation can be motivated by competence, equality of opportunities or suspicions of corruption or mishandling.

In a similar fashion, transparency in the criteria used by the departments for their decision-making generates legal certainty, which has the effect of diminishing the risk run by the private citizens when they compete in the markets. With risk there are also lower production costs for goods and services.

Similarly, the requests on how a fixed regulation is applied in the establishment of some company or the expansion of businesses stand out in this category. This motivation suggests citizen interest in launching new business activities. The uses are focused principally on having a satisfactory process of creation of new companies and businesses based on previous examples.

With a more transparent environment in the decision-making in government organizations, greater equity and opportunities, and above all a healthy development in connection with private companies, are favored.

Table 4. Uses and Impacts of Information on the Implementation of Regulatory Framework



Economic Data and Series

17.3% of the requests include questions on variables or economic data. This category establishes the interest on market aspects predictably with the intention of carrying out economic activities. The main uses for this kind of information include the analysis of situations and market tendencies. This analysis supports economic decision-making and is a gauge of the potential of the new or expanding markets.

The quality of information is, without doubt, a determining factor in the information's value and price. The public sector is an important generator of economic activity apart from being the driving force in monetary and economic policy. The information from this source contributes to appropriate decision-making. A better development of this information tends to attenuate the asymmetry in information between the economic agents and also promotes a competitive environment and a deeper understanding. This translates into better planning and direction in the private and government agencies.

Regulation

Information on the regulatory framework of the different sectors covers 10.7% of the requests. Lack of knowledge or lack of clarity on the regulatory classifications discourages the participation of economic agents in productive activity. The cost of legal counsel can be heavy for some companies and may even impose undesirable entry barriers. To the extent that this information can be found from a secure, trustworthy, low cost source, the asymmetry of information between large and small companies is reduced and certainty, and consequently investment and growth, are established. The dissemination of regulatory instruments through websites of the public departments and agencies provides the afore-mentioned conditions of information and in turn favors foreign investment.

Investment and Budget Projects

10% of the evaluated requests are connected with the budgetary amounts for different activities or the investment projects that the different institutions of the public sector plan to implement in a given period. In the case of the projects, interest is centered on the amounts to be invested in this, for which reason the agent could be evaluating the size and magnitude of a potential market.

This information is also useful to enable the private citizen to analyze and standardize criteria on the priorities that the State gives to different public programs.

Auctions and Tenders

Requests for information on auctions and tenders cover 8% of the requests. With auctions and tenders, where there is little clarity in the rules and requisites, the assessment and administrative costs are increased. In an extreme case, lack of transparency can discourage participation in the auctioning process. The lack of transparency imposes additional costs on the agents' activities since these must institute proceedings to counteract the risk inferred in this lack. The costs can be reflected in different ways: 1) By higher assessment and transaction costs when information on the auctions and tenders is restricted. 2) In extra costs to acquire assets or public companies through auctions or privatization, whose state or potential has not been well specified by the unit disincorporation, and for this reason a readjustment of the project is required; 3) The costs are increased by the risk implied in discretionary behavior.

The possibility of receiving information on these processes through internet reduces the costs and improves the efficiency of the agents competing. In this way there is an incentive to higher participation, and more competition means more competitiveness. Transparency in the contractual terms of the suppliers collaborates to eliminate discrimination and discretionary behavior.

In short, as in the previous category, the intention to participate as a supplier to the public sector is perceived. The requirements of information allow for the establishment of price and cost references to determine personal competitiveness, among other things.

Support and Subsidies

Those interested in this kind of information concentrate basically on the possibilities of qualifying for support for their productive activity as well as on the amount of this support. 6% of the requests cover this subject.

The better-informed agents are normally those who absorb these supports. As this information has a wider dissemination the cost of access to supports and subsidies is reduced, the entry of new producers is facilitated and the benefit in regional and individual terms is diversified. For this reason efficiency and development in the benefited sectors is propitiated.

Taxes and Tariffs

There is no indication in the analyzed requests that an interest exists in using the consultation mechanism established by the LFTyAI for this purpose. Only 0.7% of the requests include questions on this subject. This could suggest that the diverse mechanisms of information to the public of the SAT, the Department of Revenue and the Ministry of the Economy adequately cover the doubts of tax payers and importers. Also it may reflect the fact that the agents resort to the services of specialists in the field, and for this reason do not make direct contact with the taxation authorities.

Whatever the mechanism used by the agents, the clear dissemination of fiscal and tax information offers certainty to national and foreign investors, facilitates fulfillment of obligations in this area, reducing transaction costs and strengthening public finances. It also offers a reflection of the fiscal equity predicted by the Congress.

Up to this point the benefits of transparency and the public sector's access to information have been mentioned. The availability of prices of goods and services that the government acquires, and the reference of the producers, promotes collusion among the auctioneers, particularly in activities where there are few producers. This practice can raise the price of government acquisitions and create strong barriers to entry, in detriment to the markets.

However, according to economic theory the benefits to economic activity derived from transparency and the access to public information greatly surpass the potential problems that can be generated.

Information with Indirect Economic Impact

The requests for information that have only an indirect effect on the economic process cover aspects of labor conditions, questions on chart flows and other requirements that, for the purposes of this study, are called "Investigative motivation" by including questions on the good procedure of federal public administration and their employees and public officers.

Percentage Share of Petitions with Indirect Economic Impact



Indirect Economic Impact	%	Number
Labor Conditions and Flowchart	65.22	30
Investigative Motivation	34.78	<u>16</u>
		46

As previously mentioned 30.7% of the requests fall into this category where the impact is not direct. However the requirements of information contained in these two categories strengthen the transparency of the processes and the behavior of the public sector which indirectly benefits the productive processes.

An example could be as follows: when a citizen questions aspects of the education or preparation of a public officer through the information system, in spite of the fact that apparently no economic impact is generated. In the medium term this kind of questioning creates pressures on the public sector to update their workforce and labor profiles and improve the personnel selection processes, thus favoring the performance and professionalism of the sector. This will bring economic and social benefits in the long term.

According to studies made by the OECD¹⁵, the very structure of the public sector can be a disincentive to investment. In this respect, it should be considered that uncertainty, and therefore risk, increases with increases in corruption, discretionary behavior and instability in policies and public decisions.

Access to information is an *ex ante* control medium over the public sector that allows for a daily response to the public policy. It is also a medium to reduce potential abuses that arise from asymmetry of access to the economic, political and social information.

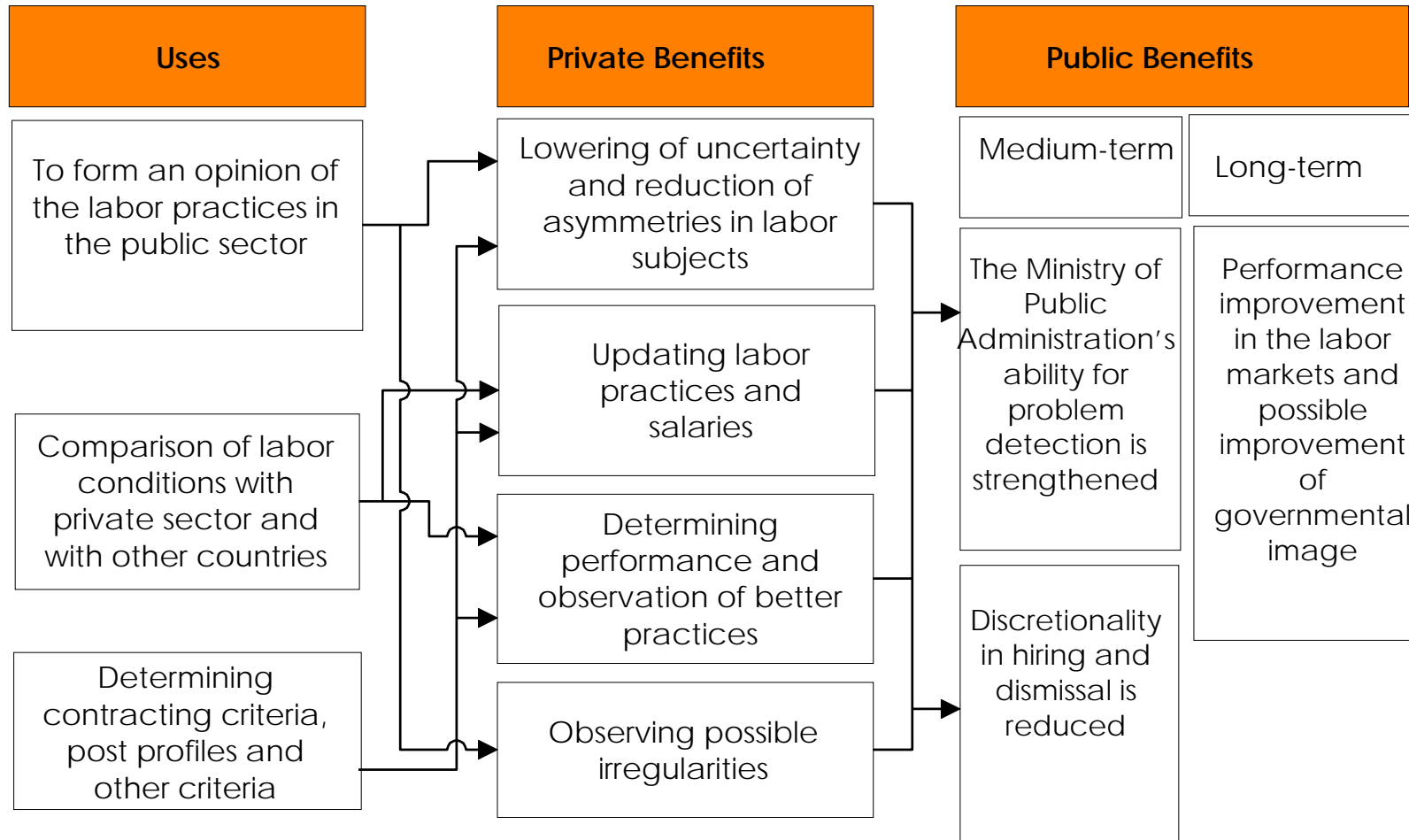
If access to the information is opportune in aspects of regulation, investment, acquisitions, labor options and other kinds of measures that affect the economic behavior of the private citizen and companies, then its value added and its practical utility grow. The quality of access to information depends on the range or coverage, on the precision, and on the opportune quality of this information. It should be added that honesty, reputation and credibility are also essential factors of transparency and consequently an incentive to investment.

Of the two categories included in the IEI section, the applications relative to the work conditions and the flowchart¹⁶ were the largest with a total of 30 cases (65% of the IEI applications) while the applications with investigative questions of a general character comprise 16 applications of the sample (35% of IEI).

¹⁵ OECD Op cit,

¹⁶ In this category there were requests for response to questions such as: Why does a public servant without appropriate training have an executive post in a certain sector? Why does a public servant at X level receive travel expenses of a certain amount. etc.

Table 5
Uses and impacts of the information on labor conditions and benefits



Type of Response and Amount of Requested Information

The sample developed from the requests received by the federal government also introduces interesting information on the type of response that the departments and agencies have offered to the citizens.

Table 6 Petitions by Type of Response

	%	Number
Delivery of information by electronic medium	56.7	85
The information is publicly available	10.0	15
Request for additional information	4.0	6
Notification of place and date of delivery	3.3	5
Notification of dispatch	2.0	3
Notification of availability of information	1.3	2
Not jurisdiction of liaison unit	11.3	17
Non-existence of requested information	6.0	9
Refusal for being classified or confidential	4.0	6
Request does not pertain to LFTyAI framework	1.3	2
		150

According to the information presented in Table 6 almost 78% of the requests receive a response on the required subject. The remaining 22% (34 requests of the sample) receive no reply either because the subject is not the responsibility of the entity that received the request, the information is classified or does not exist, or because the information is no LFTyAI subject matter.¹⁷

Since the sample is a reflection of the population studied, we can infer that a similar percentage of requests are not answered in the aggregate. It should be remembered that this is an economic induction exercise through which the economic use that the applicants intend to give to the requested information is inferred. Because of this, the lack of response to approximately 22% of the sample requests does not change the results with

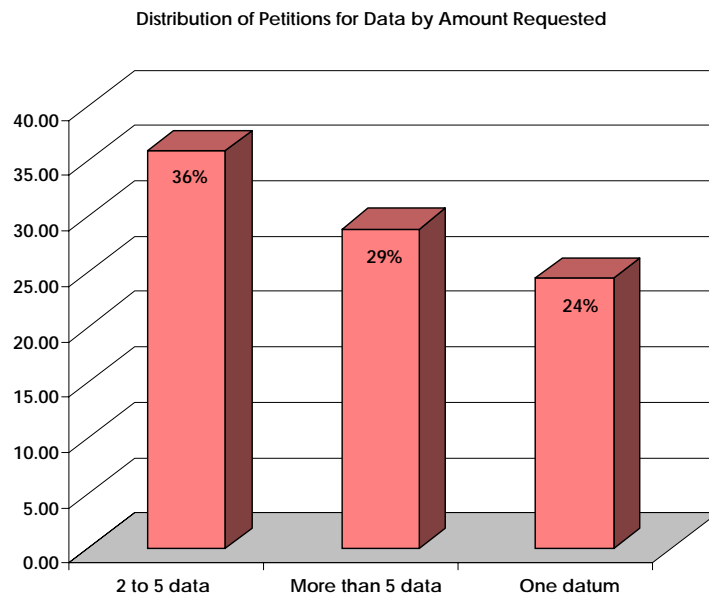
¹⁷ In this case it is supposed that the requests that are not answered because the inquiry needs to be amplified, will eventually be answered.

respect to the potential use intended to be given to the requested information. That is, the potential use is not affected by the absence of response.¹⁸

Another aspect that becomes relevant in the light of preliminary analyses of the sample of requests has to do with the amount of information that the agents request in each event. In order to determine how much information is requested, two classifications are established accommodating the nature of the information: data and series. These categories are defined as follows:

Data: groups the requests where copies, official communications, documents, records, rulings, lists, numbers, isolated dates and names and other relevant data and figures. **Series:** consists of information group together a set of observations of a variable or variables, either in function of time or by type (economic series, states, studies in time series, etc).

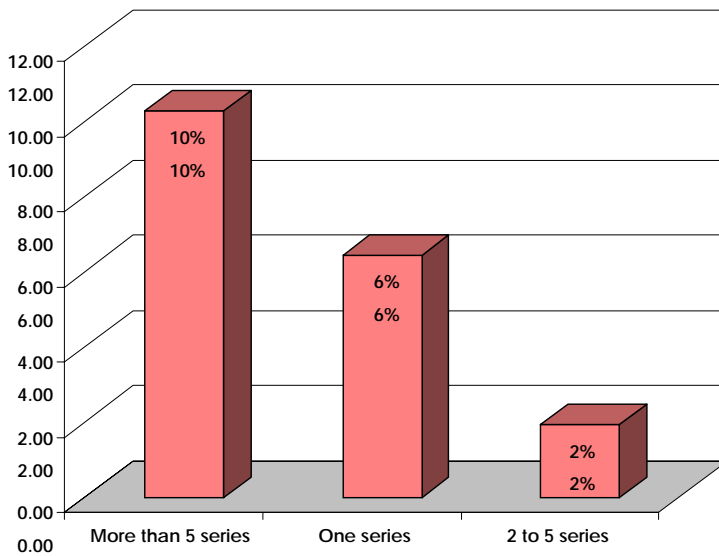
In addition, for each category three options are opened based on which the amount of information requested can be group in: one sole datum or series, two to five, or more than five respectively.



¹⁸ This is one more result to be inferred from the sample that has been randomly determined. The re-employment of the petitions without response by others for the integration of the sample would affect its random quality.

Amount of Data	%	Number
2 to 5 data	35.90	53
More than 5 data	28.85	44
One datum	24.36	36

Distribution of Petitions for Series by Amount Requested



Amount of Series	%	Number
More than 5 series	10.26	16
One series	6.41	10
2 to 5 series	1.92	3

IV. Exploratory Evaluation of the Economic Use of the LFTyAI in the Telecommunications Sector.

This chapter was constructed from an analysis made in two parts. First, a statistically representative sample of the requests made to the Federal Telecommunications Commission (Cofetel) was analyzed. A similar analytic exercise for the total of writ of review related directly or indirectly to Cofetel was also carried out.

Statistical Sample of Total Information Requests Made to the Cofetel

Applying the methodology of statistical sampling to a population of 1,071 requests received by the Cofetel in the period from May, 2003 to May 2006, a matrix of 97 requests of the sample obtained randomly was elaborated, which, as in the case of the general matrix, was obtained with a statistical reliability of 90 percent.

1

Also included in this matrix was a typology of the requests according to their subject. The criterion of classification is essentially equal to that applied in the general case, however in this part the category "support and subsidies" was eliminated when no case was presented, and the category "taxes and tariffs" was limited to "taxes" only. A possible explanation for not having found requests concerning the eliminated points is that those interested in the subjects of telecommunications have better knowledge of supports that are given to the sector, or the absence of these. But it also reflects a better awareness of the Cofetel's attributes.

In contrast with the general matrix, two new categories were opened up: "Concessions and Permits" and "Interconnection prices and rates". In the first are included all the information requests that are presented on the terms of the concession certificates and permits, the services that are lent under their protection, coverage, obligations etc.

It should be emphasized that elements referring to value added services are also included in this category. The second category refers to the

¹ To form the sample the methodology described in Appendix 1 was used.

interconnection prices and rates that are applied by the different license holders. Although the prices of the services are public, the diversity by type and locality establishes an interest in knowing the prices of the different services. This differs greatly from those requests received in the general case, where there was a greater incidence of those referring to the prices of goods and services acquired by the departments and agencies of the public sector.²

Given the characteristics of information included in each category and taking into account the elements of economic theory that have been commented in the body of this document, the categories of information requested are newly grouped into three large classes. The first refers to the requests for information that can generate a direct economic effect. The second includes the requests to which an indirect effect can be associated. A third and last class deals with those which have no apparent economic effect. Consequently, of the twelve categories proposed, nine belong to the first class, two to the second and one to the third.

As previously mentioned, the categories with a direct economic impact (hereinafter DEI) include those requests where the information requested forms part of some activity, process or decision making that generates a clear consequence of an economic type, either for the information user, for some other participant or for both. It is considered that 9 of the 12 categories present DEI (Table 7).

² In the case of the telecommunications sector, the requests related to the prices paid by Cofetel for the goods and services acquired are classified in "Cofetel Suppliers"

Table 7
Classification of the Requests Directed to Cofetel
by Type of Economic Impact

Direct economic impact
<ul style="list-style-type: none"> • Auctions and Tenders • Concessions and Permits • Cofetel Suppliers (Including Prices and Salaries) • Investment Projects and Budgetary Items • Interconnection Prices and Rates in the Telecommunications Sector • Taxes • Economic Data or Series • Regulation, Legal Framework, Code of Practices, Standardization • Law Implementation, Agreements, Resolutions, Proceedings
Indirect Economic Impact
<ul style="list-style-type: none"> • Conditions, Fringe Benefits and Flowchart • Investigative Motivation
No Economic Impact
<ul style="list-style-type: none"> • Various

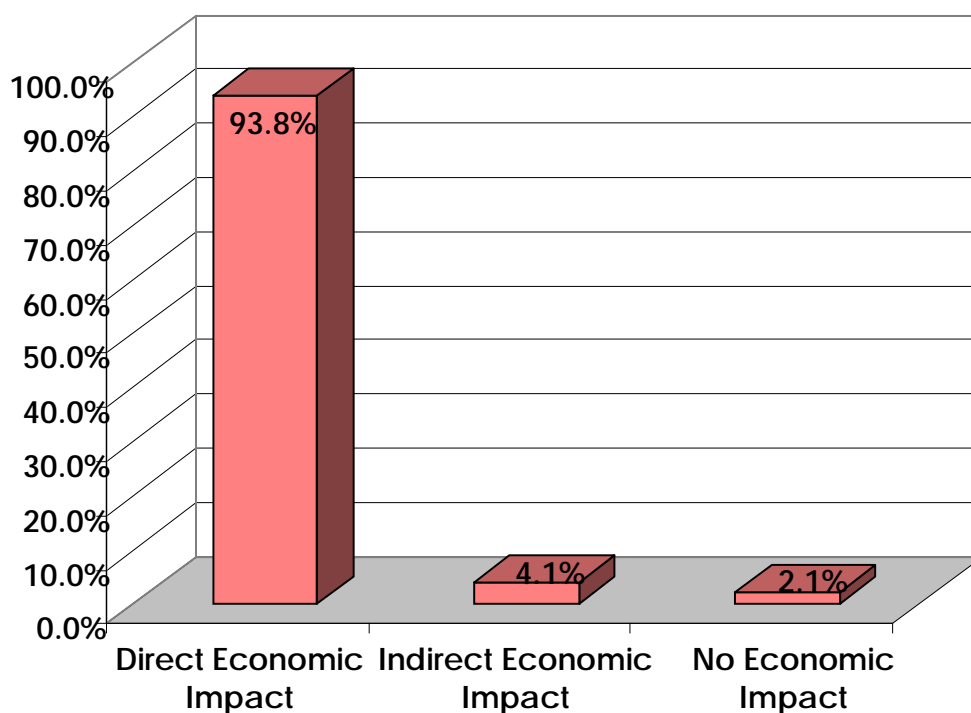
Information with indirect economic impact (IEI) groups together the categories that appear to have no direct economic use but that in the long term tend to propitiate government efficiency through accountability and contribute to the increase in efficiency and the professionalization of the public sector, by attacking discretionary behavior, corruption, public inefficiency, among other factors.

It was only in one of the cases analyzed that the economic effect of the requested information could be ruled out, due to the fact that information

cannot be extricated from the requests in this category which strengthens the company decisions, facilitates access to productive resources, offers data on markets, or any other of an economic character.

From the evaluated sample and the previously defined classification it is possible to establish that the requests received by the Cofetel have, the potential to generate a direct economic impact in 94% of the cases. ³

**Percentage Share of Petitions Received by Cofetel,
according to Economic Impact**



³ It is important to emphasize the potential character of the use that, according to economic theory, the requesting agent could give. It should be remembered that this exercise is merely inductive, for which reason the use effectively put to the requested information is unknown, aside from the fact that an abstraction is made of whether the request received an affirmative response.

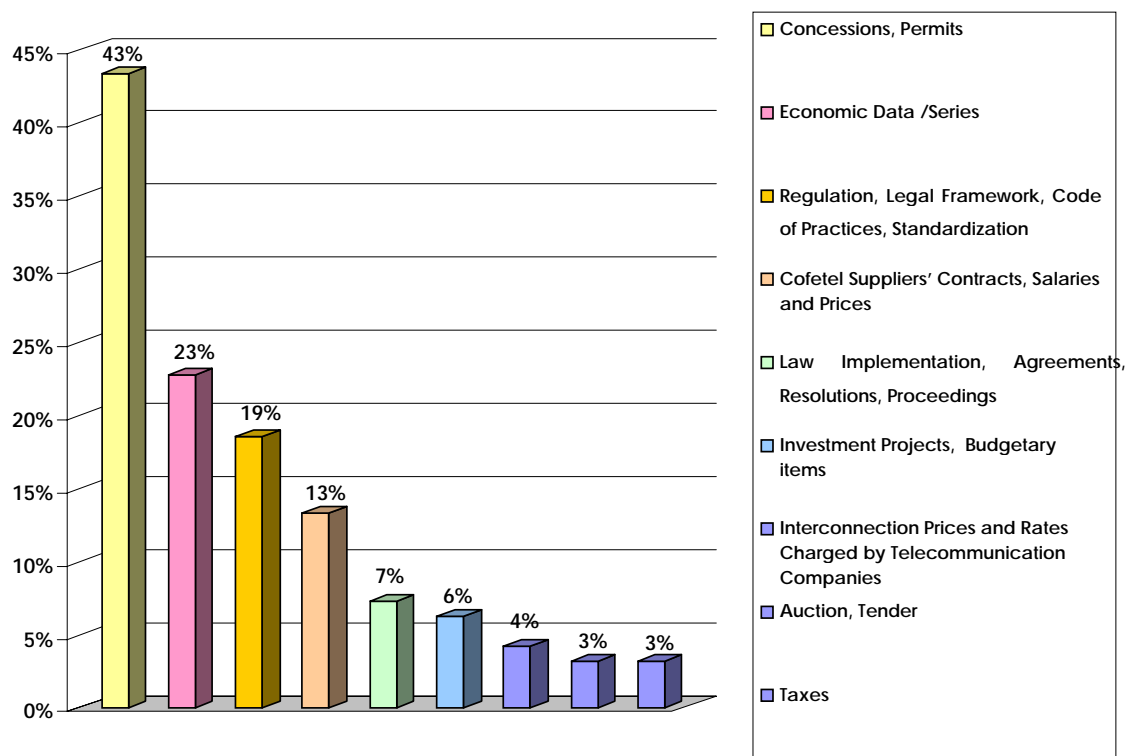
Classification of economic impact	%	Number
Direct Economic Impact	93.81	91.00
Indirect Economic Impact	4.12	6.00
No Economic Impact	2.06	2.00

Only 4.1% of the evaluated requests have and IEI and 2% lack economic impact, with 4 and 2 observations respectively. This result suggests an evident interest in finding out about the different aspects influencing the functioning of the telecommunications markets and a more complete awareness on the part of the public that the Cofetel is the agency that controls important aspects of the sector.

It should be emphasized that in this sector the percentage of requested information with a direct economic impact reaches 93.8%, while in the sample of the total of departments and agencies of the Federal Public Administration, this percentage reached 57.3%. The fact that, in an overwhelming percentage of requests, the information in question can have a direct economic impact speaks also of the strategic importance that the information in the telecommunications sector has where its impact has the potential to become exteriorized in the short term.

On analyzing the section of sample requests with a DEI the following is observed:

Distribution of Economic Subjects of the Petitions



Type of Economic Information	%	Number
Concessions, Permits,	43.30	42
Economic Data/Series	22.68	22
Regulation, Legal Framework, Code of Practices, Standardization	18.56	18
Cofetel's Suppliers' Contracts, Salaries and Prices	13.27	13
Law Implementation, Agreements, Resolutions, Proceedings	7.22	7
Investment Projects, Budgetary Items	6.19	6
Interconnection Prices and Rates Charged by Telecommunications Companies	4.12	4
Auctions, Tenders	3.09	3
Taxes	3.09	3

The sum of the previous shares is greater than 100 since there are requests that include more than one subject.

Analysis of the Writs of Review Filed with Regard to Information Requests to Cofetel, or Related to Cofetel

To complement the analysis of the sample of information requests made to Cofetel, a revision was also made of writ of review filed with this authority in the same period and relative to the same information requests. To this was added another set of writs of review filed with other authorities, but with regard to the telecommunications sector.

To this end, the same classification scheme of economic uses of information is used as in the previous section: that is, a group formed by three large classes. As already mentioned, these refer to the information requests that can generate a direct economic effect; to those associated with an indirect economic effect; and those that apparently have no identifiable economic effect.

The writs of review are a sub-set of the total requests made to Cofetel (or to other authorities related to Cofetel) and correspond to those cases where the applicants are not satisfied with the response given to their information request. It is for this reason that they revert to the procedure established in the LFTyAI so that, with the IFAI's mediation, the disclosing party releases the information requested. We are therefore only discussing those cases where the dissatisfied applicants decide to continue in their search for the information of their interest, on the understanding that there are other cases where, in spite of the fact that the interested parties do not obtain the requested information, there are reasons for their decision not to continue with the procedure referred to.

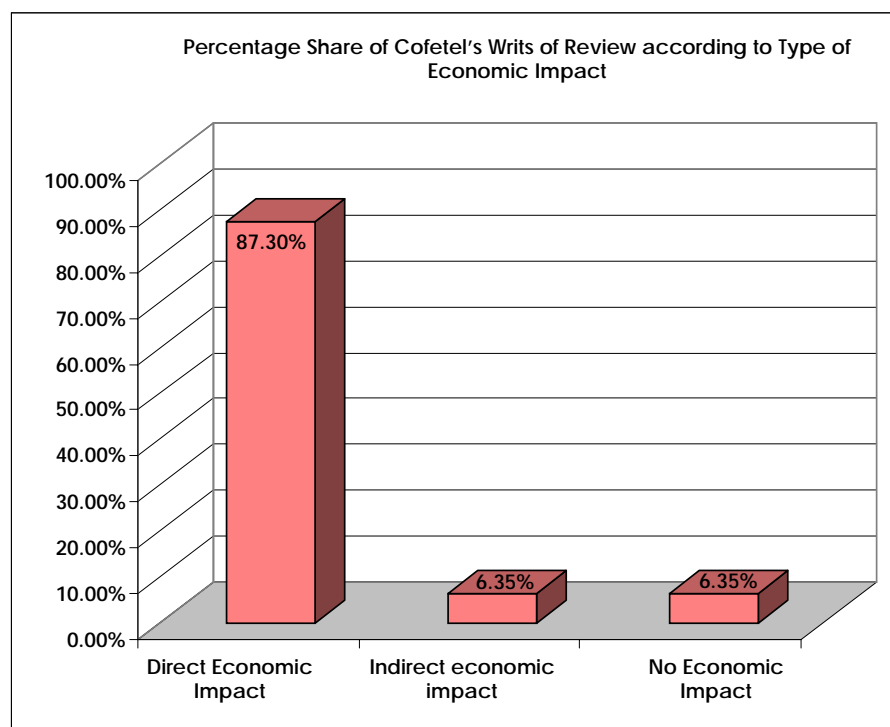
There are several reasons for this last case. To begin with, following the procedure established for the writ of review increases the costs of the information search. This may mean that in some cases the applicant decides not to continue with the search. In other cases the reasons can be due to a change of perception or even of the applicant's strategy.

For example, due to the response received, he may decide to change the form or the amount of information requested, in such a way that the possibilities of receiving a response to satisfy his objectives is increased. Likewise, it may happen that the delay in obtaining information results in the information no longer being of use to the applicant.

The number of revised writs of review was 64, of which practically 87% are in

the category of direct economic impact, 6% belong to the indirect economic impact, and another 6% to that category including the cases without apparent economic impact. This result coincides to a large extent with what is observed in the case of the requests sample, since the greater part of writ of review correspond to information with direct economic impact.

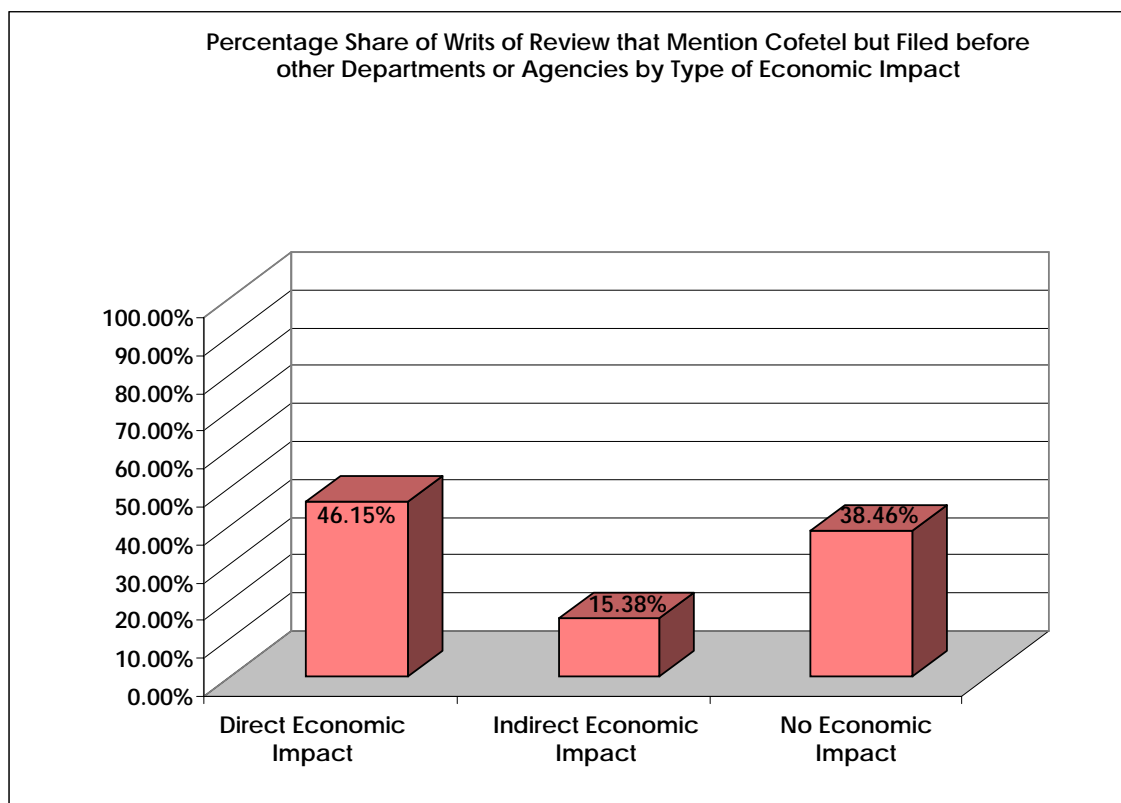
As already mentioned, the categories with direct economic impact (DEI) include those requests where the requested information forms part of some activity, process or decision making that generates a clear economic consequence, either for the user of the information, some other participant or for both.



In the case of writs of review filed with other authorities with some regard to Cofetel, a situation similar to that presenting the set of information requests made to several departments is observed since the information with direct economic impact covers nearly 50%.

This result can be understood, since the authorities to whom the last writs of review were directed are different from Cofetel, and for this reason do not

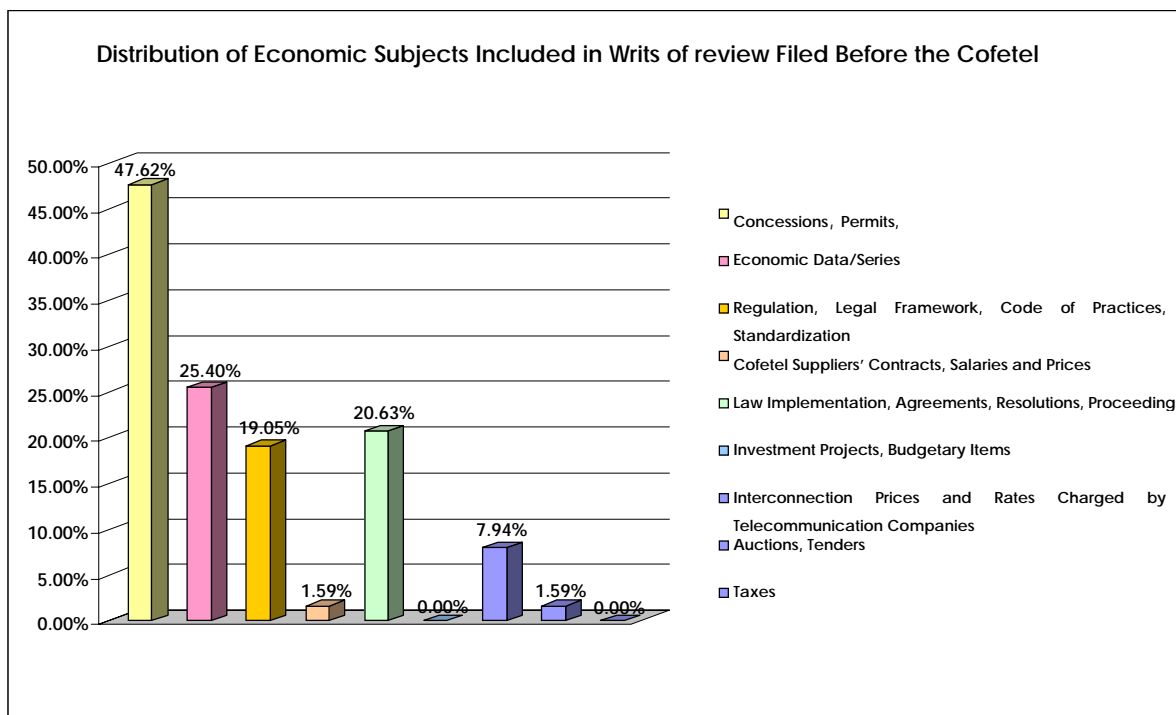
possess the information that has the best economic impact for the sector.



With regard to the economic subjects included in the writs of review filed with Cofetel, 47.62% of these refer to concessions and permits, which coincide with the analysis made in the case of requests to the same authority.

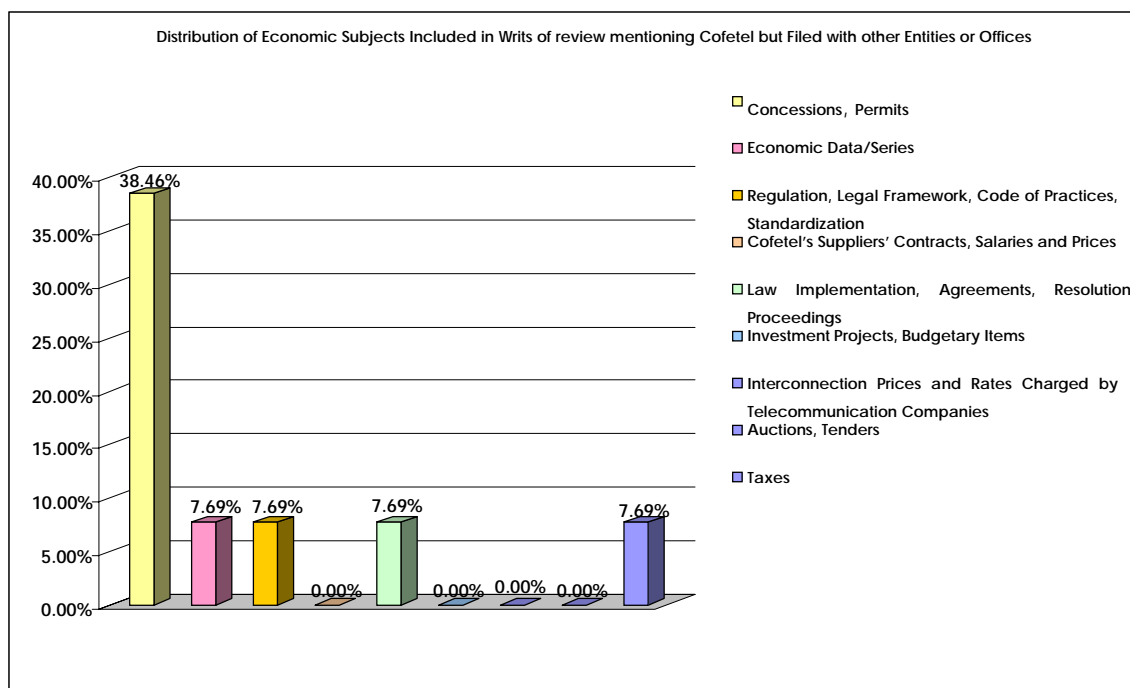
The same case is presented for the writs of review connected with economic data/series as well as regulation, standardization, code of practices and ratification, which are the next categories in importance.

However, it is interesting to observe that, although in the sample of requests the category relative to "Law Implementation, Agreements, Resolutions, Proceedings" occupies only 7.2% of the requests in the writs of review this category reaches 20.63%. It can be deduced from this that it is more common in these cases to obtain a negative response from the authority and also that private citizens are more inclined to continue with the procedure because of the raised value that the information has for his purposes.



Type of Economic Information	%	Number
Concessions, Permits	47.62	30
Economic Data/Series	25.40	16
Regulation, Legal Framework, Code of Practices, Standardization	19.05	12
Cofetel Suppliers' Contracts, Salaries and Prices	1.59	1
Law Implementation, Agreements, Resolutions, Proceedings	20.63	13
Investment Projects, Budgetary Items	0.00	0
Interconnection Prices and Rates Charged by Telecommunication Companies	7.94	5
Auctions, Tenders	1.59	1
Taxes	0.00	0

As far as the object information of the writs of review filed with authorities other than Cofetel is concerned, once again the most requested category is the information related to concessions and permits.



Type of Economic Information	%	Number
Concessions, Permits	38.46	5
Economic Data/Series	7.69	1
Regulation, Legal Framework, Code of Practices, Standardization	7.69	1
Cofetel Suppliers' Contracts, Salaries and Prices	0.00	0
Law Implementation, Agreements, Resolutions, Proceedings	7.69	0
Investment Projects, Budgetary Items	0.00	0
Interconnection Prices and Rates Charged by Telecommunication Companies	0.00	0
Bids, Tenders	0.00	0
Taxes	7.69	1

1. Concessions, Permits

Agents display a strong interest in knowing the conditions of the services of concession and permit agents. This category represents 43.3% of requests with direct economic impact (with 42 observations) in the case of the requests and 47.62% and 38.46% in the case of writs of review. The type of requests included here suggest the interest of specialized agents in the sector, concretely other lenders of services that want more information on their competitors and on the conditions in which the market operates. On

some occasions interest is centered on a locality and on others it expands to different localities or regions.

On occasions the requests refer to formal data contained in the concession certificates or permits—such as the nationality of the partners that hold these certificates or permits. This information could be intended to discredit some competitor, and so eliminate him from the market. Although the instrument of elimination that he is searching for in this information is not economic it does have a clear and direct impact on the market.

Finally, there are requests directed to discovering whether the providers (very probably competitors) have increased the variety of services through permits or the registration of value added services. This information allows for the evaluation of the commercial attraction of other providers.

The specific interest in knowing the concession certificates, permits and registers of the sector rests on the fact that these legal instruments establish regulatory conditions that cannot be consulted in other sources. For example, the coverage obligations of the operators is determined; the number of bonds authorized; the methodology for calculating controlled rates and, where appropriate, the quality obligations in supply of services etc.

These conditions define, on the one hand, the costs of entry for potential competitors who would have to face similar operational conditions.

Also, the above-mentioned conditions also affect the competitive position of the participants in the markets, both present and potential, who, in order to make the best decisions, should be aware of the operational conditions of their competitors.

All this information reduces the certainty in the economic activity and consequently reduces the perceived risk in the investments. This translates into a better acquaintance with the markets which facilitates the detection of business opportunities and promotes investment, to the benefit of the sector's growth and of the best assignment of resources.

2. Economic Data/Series

The information expressed in this section explains the 22.68% of the analyzed sample of requests, as well as the 25.4% of the direct writs of review to

Cafetel⁴. This can have different functions. Undoubtedly, predominant among these are that of market evaluation and particularly to the competitors of the applicant. So, for example, in this section information requested includes aspects such as the evolution through time of the clientele of a certain provider, the location of the other's installation; which providers are there in a certain band of the radio spectrum, and by region; the invoicing of an auctioneer in one year or period, which bands are available for certain service, among others.

In general terms, the information requested here reduces the cost of an information search and guarantees that the data received fulfills the conditions of quality and reliability. In this way the asymmetry between companies with more resources and those with less, and between established companies and new entrants, is reduced. This last aspect also contributes to reducing the entry barriers

Besides this, in the telecommunications sector there are no existing commercial sources of market information producing periodical indicators, focused on the Mexican market, with sufficient disaggregation and attainable. In general terms, each one of the operators maintains the information generated by his operation and, in special cases, contracts specific studies elaborated by specialists who face the scarcity of available economic information.

However, this last option is a heavy one since it imposes additional costs to market entry. It is also imperfect since it should be based on indirect estimations of real information, and it is not within reach of all of the participants.

For these reasons, Cofetel is the primary source of information for the participants in the telecommunications markets and it plays a major authority role in this aspect.

Making available information that leads to a better knowledge of the markets and a preview of future performance is translated in the medium term into investment opportunities, which will be better planned and because of this will offer greater possibilities for success to the investor and growth to society.

⁴ In the case of the writs of review filed before other activities, this information covers only 7.69% of these, which is understandable given that other departments, with a few exceptions, do not have statistical information on telecommunications.

3. Regulation, Legal Framework, Code of Practices, Standardization

18.56% of the requests sample, as well 19.05% in the case of writs of review to Cofetel⁵, are directed towards being informed of and understanding clearly the sector's legal framework. Ignorance or lack of clarity on the regulatory provisions discourages investment and the participation of the economic agents in productive activity. The costs of legal assessment can be heavy for some companies and may even impose undesirable barriers to entry. Insofar as this information can be found from a safe, reliable and low cost source, the asymmetry of information between large and small companies is reduced and certainty and consequently investment and growth are favored. Publication of the regulatory instruments on the Internet page may be the easiest and cheapest way to disseminate the sector's legal framework.

4. Cofetel's Suppliers' Contracts, Salaries and Prices

Requests on prices and contracts of the suppliers of the organization represent 13.4% of the sample of requests of the DEI total, while in the case of writs of review it is only 1.59%.

Applicants of this kind of information are looking for support to carry out market studies, detection of entry opportunities as suppliers of Cofetel goods and services, evaluation of the competitive environment, fixing of reference prices and existence of anti-competitive practices such as price discrimination or price depredation, among other aspects. It should be emphasized that with reference to the employees' salaries in the organization, fixing of references or evaluation of opportunities of services tends to be the most recurrent usage.

Information grouped under this category can eventually contribute towards improving the investment conditions, efficiency, facilitation of the entry of new suppliers, thereby improving the competitive environment in terms of prices, and generating or expanding the auctioneers' economic activity.

On the other hand, it is also important to indicate that a greater transparency with reference to prices and conditions offered by the suppliers of the public sector in general may facilitate collusion between

⁵ Once again, in the case of writs of review filed before various authorities, the percentage of this category is low, 7.69%

participants in auctioning processes. Because of this, it would be useful to reflect on the type of information that it would be convenient to reserve at least for a judicious period in order to avoid the competitors coordinating effectively in their proposals, and thus increasing the administrative costs in the public sector.⁶

In fact, the purchase and acquisition mechanisms of the public sector present characteristics that can favor collusion between competitors, particularly in those cases where there are frequent purchases of homogeneous (or at least not very different) articles and/or services and there exists a reduced number of auctioneers.

In these cases, collusion between competitors may be facilitated by the publication of winning and non-winning offers since in this way the colluding competitors have a mechanism to verify the fulfillment of anti-competitive agreements that have been reached. When the non-winning offers remain confidential, this element of uncertainty may lead the competitors to ignore the collusive agreements and present competitive offers with the aim of winning the auctions.

In spite of this observation it should be pointed out that for fighting collusion in public acquisitions to be efficient this should be supported by other complementary measures since, if only the information on auctions presented is maintained confidential, there is a risk of assuming a cost in terms of transparency and accountability without achieving in exchange the reduction of collusion in this environment.

It is interesting to note that in the case of writs of review the percentage of cases referring to these requests is minimum (or in the case of writs of review filed with other authorities it is 0.0%) from which it can be deduced that this information is generally made accessible to the applicants

5. Law Implementation, Agreements, Resolutions, Proceedings

This category assembles 7.22% of the total of requests with DEI while in the case of the writs of review filed with Cofetel this reaches 20.63%. As has been already mentioned, this notable difference is probably due to a combination of two conditions;

⁶ Nevertheless, the public character of this information is derived from legal provisions that in every case it would be necessary to reform

1) That the authority most frequently denies this type of request, often reserving decisions with respect to specific persons and 2) That this information has a significant economic value that leads the private citizen to continue with the procedure.

This category groups requests of information of the interested parties on specific cases of implementation of the Law; on the regulations, on provisions and in general on the criteria to resolve or decide on particular situations in the sector. In this case the aim is, through concrete examples, to become acquainted with the procedure of institutions and their criteria for resolving specific cases.

Together the requests referring to the regulatory⁷ framework and its implementation, include more than 41% in the case of requests and almost 50% in the case of writs of review. This considerable share indicates real preoccupation with the regulation and the way that the Law is implemented in aspects of economic impact. This preoccupation may be motivated by competition, equality of opportunities or suspicions of corruption or mishandling.

In addressing these requests, Cofetel offers transparency in the criteria used and generates legal certainty, which has the effect of lessening the risk that the private citizens may incur by participating in the markets. The cost of the investors is reduced as the level of risk diminishes.

The availability of this kind of information has an important effect, although difficult to quantify, on the professionalization of the public sector, in this case, Cofetel. By making public the diverse resolutions and decisions of the authority there is a growing possibility of a continual questioning process on the exactitude, pertinence and consistency of the criteria of the authority. This will incite Cofetel to purify, clarify and uphold their criteria and also try to improve the consistency of their decisions.

It is generally expected that a greater transparency in public actions provides an atmosphere of greater certainty and confidence in authority, which stimulates equity and business opportunities.

⁷ Throughout the study a distinction is made between the requirement on the regulatory framework and the requirement on the specific implementation of this framework.

6. Investment Projects, Budgetary Items

The requests for information on this concept represent 6.19% of the sample of requests as well as 0% of the DEI writs of review.

Perhaps the absence of writs of review with respect to this type of information is due to the fact that this information is more accessible for society in general, not only through the specific requests that are made but through various instruments of transparency of the entities such as their budgets and programs.

The potential use that the agent can give to this information affects the analysis of its expense priorities and, through this, on the detection of areas of expansion or contraction of public activity. This information thus gives out signals to the areas that may be attractive to suppliers of goods and services. It also suggests which will have least resources and are therefore less favorable for investment.

Like the information related to the contracts with suppliers, these requisites are useful instruments to detect business opportunities.

7. Interconnection Prices and Rates in the Sector

4.12% of the requests and 7.94% in the case of writs of review presented to Cofetel are related to the pricing practices of the telecommunications companies. These requirements focus both on the prices offered to the final consumers and the interconnection rates that are offered among these companies.

It is a notable fact that in this category the percentage of writs of review is practically double the percentage of requests. Since the information considered includes rates and interconnection conditions in this case what was mentioned with respect to the category of "implementation of the Law..." also applies. In this case, it is probable that the authority refuses the requests for information more frequently and on the other hand, this information comprises a substantial economic value that encourages the applicants to continue their efforts to obtain this.

Along with the category "Concessions and Permits" this category suggests a strong interest in employing the mechanisms provided by the LFTyAI to obtain information on the market and in particular on some supplier.

This information offers the applicant the opportunity to evaluate his status in the market against other competitors with respect, for example, to the level and variety of rates and discounts that he offers to his clients, but also in connection to the rates for which he pays the services, such as interconnection, that he requires from a third party,.

Possession of this information favors the detection of investment opportunities, of improvement in terms of efficiency or of anti-competitive practices such as depredation, and also stimulates competition between companies to improve their supply to the consumers and render the handling of costs more efficient.

In terms of the interconnection rates, the interest of the applicants is generally linked to knowledge of the interconnection agreements. The fact that through the LFTyAI there begins to be access to the interconnection rates and agreements endorsed by other operators may have the effect of improving the interconnection conditions between operators that finally affect the rates charged to the consumers.

For the reasons described here, in this case in particular although the number of requests is relatively low, its potential direct economic effect is of great importance.

8. Taxes

The requests associated with taxes are insignificant both in the case of requests (3.09%) and in the case of writs of review presented against Cofetel (0.0%).⁸

As has been already mentioned, the result might suggest that the various mechanisms of information and service to the public both of the SAT and the Sub-secretary of Public Income adequately cover tax payers' doubts, or that agents resort take on services of specialists in the field.

Whatever the mechanism used by the agents, the clear dissemination of fiscal and tax information offers certainty to national and foreign investors, facilitates fulfillment of obligations in this area, reducing transaction costs

⁸It is worth noting that at a general level only 0.7% of the requests included questions on this subject.

and strengthening public finances. It also offers a reflection of the fiscal equity predicted by the Congress.

9. Auctions and Tenders

From the requests analyzed, there does not seem to be a strong interest in using the consultation mechanism established through the LFTyAI for this, since only 3.09% of the sample of requests and 1.59% of the writs of review in Cofetel(0.0% in the writs of review in other authorities)refer to auctions and tenders. In the last few years the number of processes of auctions and tenders in the telecommunication sector have declined which is reflected in a lower occurrence.

The information concentrated in this section reduces the transaction costs of transaction derived from these processes. In the extreme case, the lack of transparency in a contest can discourage participation. Lack of transparency imposes additional costs on the activities of the agents since these must undertake actions to counteract the risk that derives from this lack. The possibility of receiving information on this process by internet reduces the costs and elevates the efficiency of the agents competing. In this way there is incentive towards greater participation and consequently more competitive contests. The practices of discrimination and corruption are also reduced.

Information with Indirect Economic Impact

Requests for information that have only an indirect effect on the economic process are hardly representative in the case of the telecommunications sector, in contrast with the set of public administration where almost half of the requests are represented.

It is worthwhile remembering that the requests with an IEI cover aspects on labor conditions, questions on flow charts and the requests with an investigative motivation about the organism or its employees and public servants.

As has been mentioned, only 4.1% of the sample requests and 6.35% of the writs of review filed with the Cofetel refer to information that impacts productive activity indirectly. Nevertheless, this percentage is raised to 15.38% in the case of the writs of review filed with other authorities. The requests for information contained in the two IEI categories strengthen the

transparency of the processes and the behavior of the public sector which indirectly benefits the productive processes.

The lack of transparency and the indices of discretionary behavior can be a disincentive to investment. In this respect, it should be considered that the uncertainty, and therefore the risk, increases as corruption, discretionary behavior and instability of policies and public decisions increase.

Access to information is a medium to reduce potential abuses that arise from asymmetry of access to economic, political and social information.

If access to information is appropriate in aspects of regulation, investment, acquisitions, labor options and other types of measures that affect the economic behavior of the private citizen and the companies then their valued added and their practical utility grow. The quality of access to information depends on the range and coverage, on the precision and on the opportunity of this. It should be added that honesty, reputation and credibility are also essential factors of transparency and therefore an incentive to investment

Of the two categories included in the IEI section are requests relative to the work conditions, fringe benefits and the flow chart⁹ as well as investigative questions of a general¹⁰ character.

It should be remembered that it was only in 2.1% of the sample of requests and 6.35% of the writs of review filed in the Cofetel that there were found requests that do not affect the economic activity directly or indirectly. This case of the Cofetel is distinct from the general situation since the requests without impact reached 13% in the set of public administration departments. In the telecommunications sector the mechanisms of transparency and access to the information are utilized with potentially economic use in a more intense manner. This reflects the relative scarcity of information in these markets and the difficult competition conditions, since technological change constantly modifies the definition of the markets and the determination of the best commercial strategies.

⁹ In this category there were requests for response to questions such as: Why does a public servant with no training in his field hold an executive post in the sector? Why does of public servant of level x receive travel expenses of a certain amount? Etc.

¹⁰ In this category there were requests for information such as: information of financial and budgetary nature, on the creation of the Cofetel, during the years 1994 and 1996 as well as on the close and transference of assets of the Mexican Institute of Communications and the Consultative Commission of Rates (writ of review before the SHCP)

In spite of this, it should be mentioned that in the group of writs of review filed in other public departments, the information with economic impact rises to 38.46%. This result comes from the fact that the objectives of these promotions are very diverse and in many cases bear little relation to the telecommunications sector.

Type of Response and Amount of Requested Information

The sample constructed from the requests received by the Cofetel also provide interesting information on the type of response that the organism has offered to citizens.

Table 8. Requests by Type of response. Cofetel.

	%	Q
INFORMATION IS PUBLICLY AVAILABLE	22.7	22
ELECTRONIC RELEASE OF INFORMATION	19.6	19
PETITION FOR ADDITIONAL INFORMATION	6.1	6
NOTIFICATION OF PLACE AND DATE OF RELEASE	5.2	5
NOTIFICATION OF AVAILABILITY OF INFORMATION	4.1	4
NOTIFICATION OF DISPATCH	4.1	4
NOTIFICATION OF EXTENSION	1.0	1
RESPONSE OF APPLICANT TO THE NOTIF. OF DISPATCH WITH COST	<u>1.0</u>	<u>1</u>
Total Petitions With Response	63.8	62
NONEXISTENCE OF REQUESTED INFORMATION	14.4	14
THE PETITION DOES NOT CORRESPOND TO FRAMEWORK OF THE LAW	8.3	8
REFUSAL FOR BEING CLASSIFIED OR CONFIDENTIAL	9.2	6
IS NOT THE JURISDICTION OF THE LIAISON UNIT	4.1	4
PARTIALLY RESERVED OF CONFIDENTIAL INFORMATION	<u>3.1</u>	<u>3</u>
Total petitions without response	36.2	35

According to the information included in the last table 36.2% of the requests received no response. That is that, of the 97 requests in the sample, 35 were unanswered mainly because data the requests was unavailable and because it was considered that the questions lay outside the jurisdiction of the LFTyAI. It should be mentioned that in the general case of the set of departments and organisms of the public administration presented in the corresponding chapter, only 22% of the requests received no response.

It should be emphasized that the sample is a reflection of the population studied, for which reason it can be inferred that a similar percentage of requests are unanswered by the Cofetel in the aggregate. With respect to this it should be remembered that this is an economic induction exercise. For this reason, the lack of response to 36% of the sample requests do not change the results with respect to potential use intended for the information

requested.¹¹ Nevertheless, it is interesting to observe that all together there remain unanswered a larger number of requests to Cofetel than to the rest of the public departments.

Analysis of Emblematic Cases.

Just as has been indicated, the information disseminated due to the implementation of the LFTyAI is particularly relevant to its economic incidence.

As a continuation of this aspect, there is an analysis in this section of three private cases of writs of review which resulted in the dissemination of information that is particularly valuable for its economic impact.

1. Request for Agreements on Local Interconnection

On June 22, 2004, IFAI's Plenary Session issued a ruling of the writ of review file number 286/04, pertaining to the request submitted to the Cofetel to access the following information:

1. Name of wireline or wireless local telephone providers that have local interconnection agreements with[-] and [-]¹².
2. Copies of the local interconnection agreements entered into by [-] and local wireline and wireless telephone providers.
3. Copies of the local interconnection agreements entered into by [-] and providers of local wireline and wireless telephones.
4. Date of signing and registration in the Telecommunications Register of the interconnection agreements indicating whether they have not been terminated or rescinded at the date of request.

The Cofetel gave a negative response to all the points requested, indicating that the information did not exist in the archives of this office.

The IFAI revoked the response of Cofetel, ordering it to release copies of the public versions of the requested interconnection agreements, and to give access to the Telecommunications Register so that the appellant could consult the names of the interconnected providers with [-] and [-]. In the

¹¹ This is one more result inferring from the sample that has been randomly determined. The substitution of the requests that had no reply by others for integration into the sample would affect the representativeness of this and its use for inferential purposes

¹² The name of the providers authorizing the interconnection do not appear in the resolution at the reconsideration appeal.

event that Cofetel did not have the complete list of registered interconnection agreements, a period of two months was authorized to complete the task.

The public versions of the interconnection agreements given to the appellant contain the rates and conditions where the providers [--] y [--] authorized the interconnection services to other local telephone providers.

The interconnection rates should be agreed upon by the operators through bilateral negotiation processes. When these are not successful the authority intervenes to establish the conditions that have not been agreed upon. This last situation occurs frequently.

The negotiation of rates and interconnection conditions is complex. One of the circumstances making it difficult is that there are dominant operators in the telecommunications markets with a very high market participation that gives them an advantage over their competitors. Apart from this there is no public information on the true costs incurred by the operators of providing the interconnection service.

Therefore negotiation processes generally do not occur between equals and the largest operator in the markets ends up imposing his conditions, either directly through negotiation or indirectly for lack of information possessed by this same authority to resolve these issues.

The Federal Telecommunications Act provides conditions of reciprocity and non-discrimination between operators. However, it is indispensable that these providers are aware of the terms agreed between other operators in order for these conditions to be respected

This being the case, making the interconnection agreements public will strengthen the negotiating position of the operators with less participation. As a result the negotiations may be more agile and end in the 60 days provided in the Act (which does not occur in the majority of cases at present); likewise, any improvement in the rates and other terms of interconnection may be made effective for all the operators. Finally the improvement in interconnection rates will have a positive impact on the final rates of the telecommunication services for the consumers.

2. Request to Banobras for its Local Telephone Service Contract in Force

On June 14th, 2006, the IFAI plenary meeting ruled on the writ of review, file number 865/06, with regard to the request to the National Bank for Public Works and Services (BANOBRAS) of the copy of the local and long distance telephone services agreements.

Banobras responded by attaching the copy of the service agreement, undersigned by Bestel, S.A. de C.V. for national and international long distance services.

The IFAI ordered Banobras to release the missing information, that is the copy of the agreement for local telephone services entered into with Teléfonos de México, S.A. de C.V. (Telmex).

The copy of the service agreement ordered to be release to the appellant contains information of interest to new providers with interest in competing in the market of the services authorized to the Federal Public Administration (FPA). The services authorized to the FPA constitute a segment of the specific market, since it requires a detailed knowledge of the regulations in acquisitions and also of the management of the necessary procedures, including participation in auctions.

Due to the difficulty this presents, sales segment of telecommunications services to the FPA present additional entry barriers that reduce the possibilities of competition. This disadvantage leads to a situation where the terms and conditions offered to the FPA are often not the best that could possibly be obtained in the market in other circumstances.

Consequently, the disclosure of the services agreement with Telmex could have the effect of facilitating entry to a new competitor to offer better conditions to the FPA.

In fact, from some interviews with IFAI public officers it was discovered that one particular applicant made similar requests to various departments, whose responses enabled the development of a study of this market segment.

Consequently, the information obtained generated greater certainty in the decision on market entry, reducing the risks perceived by the new entrant.

As a result, the entry barriers were weakened thereby stimulating competition, which in the short or medium term may allow the FPA to obtain more competitive conditions in the local telephone services.

3. Request by Telmex for the Megacable Concession Certificate

On September 7th, 2004, the IFAI's Plenary Meeting resolved the writ of review, file number 530/04 regarding the request by Teléfonos de México, S.A. de C.V, for copies of the three concession certificates authorizing Megacable Comunicaciones de Mexico, S.A. de C.V (MCM) to offer local telephones services in the Federal District and surrounding municipalities; Guadalajara, Jalisco and surrounding municipalities and Monterrey, Neuvo Leon, and surrounding municipalities; as well as all the modifications, authorizations, appendixes and the Business Plan.

The Cofetel answered that it was correct to send copies of the requested concession certificates except where reference is made to the condition 1.5 of the certificates, pertinent to the company's corporate capital, the "Summary of Technical Specifications of the Telecommunications Public Network" and the Business Plan, since this is information that could be considered a trade secret.

The IFAI modified the appealed resolution, ordering that a copy of the condition 1.5 of the certificates be released since this deals with information in public records. Also to be released was a public version of the "Summary of Technical Specifications of the Telecommunications Public Network", omitting details relative to the architecture, topology or map of the network, location of the nodes, points of interconnection and redundancy of means of transmission, as well as the capacity and specifications of the transmission and commutation equipment. Cofetel's response was confirmed with respect to the fact that the Business Plan is restricted information in the sense that this information could lead third parties to commit anti-competitive practices that hinder the appropriate development of the network, and that are detrimental to the healthy competition and to the competitor.

In this case, it is clear that the requested information has a significant economic value to the applicant. However, there was sensitive information contained in the requested data that could put MCM at commercial and competitive disadvantage with Telmex. From this information, it would be possible to derive conclusions on their strategies to serve a certain type of

client; their plans for growth in geographic terms; the terms of business agreed upon with their providers of relevant input such as contents etc; as well as the technical specifications of the network.

The decision to issue a public version of the "Summary of Technical Specifications of the Public Telecommunications Network", allows other providers access to relevant information on the competing networks that may facilitate their planning processes, and even the negotiation of interconnection agreements. It may also stimulate the network design efficiency through benchmarking analysis. All this may occur without risking the incentives of the providers to develop their own technical solutions to improve performance in the face of their competitors.

Furthermore, the decision to reserve the MCM Business Plan in this case has a positive economic impact since it preserves the competitive advantages that the Plan may generate for MCM.

With regard to competition, information related to the commercial and market strategies of each company must be kept secret since these constitute the particularities of the supply to the consumers that aids them in their choice of one auctioneer over another.

If Telmex had been allowed access to this strategic information on his competitor, this would have permitted it to abuse this knowledge and neutralize, and hindrance the MCM strategies and thus prevent its growth in the market, all contrary to healthy competition and harmful to the consumer.

When the Business Plan reserves were confirmed, the stimulus to competition favoring the best attention to the needs of consumers was preserved, by offering them services at lower prices and of better quality and variety.

There are other cases where copies of several concession rights have been requested, as, for example, in the files 357/04.1091/05, 1675/05 and 814/05. It is clear, therefore, that this information is of great economic use to the providers themselves and to other agents connected with the telecommunications markets. For the above-mentioned reasons, in order to maximize the economic impact of this information for society, it is of paramount importance to maintain the correct measures to promote dissemination of the information, which has the effect of reducing the entry

barriers and the asymmetry of information while maintaining reserve on that information, susceptible to misuse and which could reduce market competition, thus erecting entry barriers.

Elements of Analysis to Determine the Influence of the Information Obtained on the Structure of the Telecommunications Markets.

It is possible to deduce the type of more frequent economic effects of each kind of information with respect to the structure of the markets from the analysis of the requests and writs of review of the telecommunications sector.

Exploratory matrix of the effects of information on market structure

Economic effect	Lowering of entry barriers	Lessening of asymmetry of information	Lessening of risk and uncertainty	Risk of facilitating anticompetitive practices	Promotion of investment
Type of information					
Concessions and Permits	X	X	X	X (classified information)	X
Economic Data Series	X	X	X		X
Regulation, Legal Framework, Code of Practices, Standardization	X	X	X		X
Cofetel's Suppliers' Contracts and Prices	X (in various markets)	X	X (in various markets)	X	X
Law Implementation, Agreements, Resolutions, Proceedings	X	X	X		X
Investment Projects and Budgetary Items	X	X	X		X
Interconnection Prices and Rates in the Sector	X	X	X		X
Taxes			X		X
Auctions and Tenders	X	X	X		X

V. Comments on the Transformation of the Regulator-Regulated Party Relationship since the Effective Date of the LFTyAI in the Telecommunications Sector

The enactment of the LFTyAI and its consequent application has generated a transformation in the perception of private participants in the telecommunications markets as well as of the public servants in the sector, in terms of the importance of requesting and providing information.

To understand the range of this transformation, individuals related to both the industry and to the Cofetel were interviewed. Those interviewed were;

- a) A board member of a national chamber of telecommunication services.
- b) An ex-commissioner of the Cofetel.
- c) A consultant in telecommunications regulation issues.
- d) A local telephone provider.
- e) A telecommunications service provider.

It was deduced from the interviews that both the regulated party and the regulator have suddenly understood the beneficial effects of public information, as much for one as for the others.

In the case of the regulator, it was commented that the requests for information received have implied an additional effort that imposed the need to reorganize their scarce resources to satisfy these new requirements. Nevertheless, very soon the same department began to benefit from the requests received since a significant part corresponded to information that should be part of the Telecommunications Register. The requests and writs of review continued to put into perspective certain omissions, inconsistencies and inexactitudes of the Register that have been of great use for the improvement of its administration. In this way, the requirements of the private citizens have revealed a use for the public office that was not suspected initially.

The possibility of obtaining information that was previously prohibited to the providers in the sector, particularly those that do not hold a dominant position in the market, has opened up valuable opportunities to improve their position in the market.

For example, information on the interconnection rates and terms authorized by other competitor companies has facilitated the negotiations to obtain more competitive conditions, which allows them to improve their supply to the consumers and increased market participation is expected to accompany this.

Requests for information on the public officers and external advisors participating in the resolution and/or analysis of complex affairs have also allowed private citizens to evaluate the seriousness with which the regulator addresses these issues. This kind of information generates a rapprochement between regulator and regulated party that favors collaboration.

Furthermore, it also stresses the fact that the requested information frequently serves as a basis for the support of various legal actions in the presence of these public departments of the FPA or even in court. The possibility of resorting to the regulator to obtain the necessary information to support their presentation is also another element that may reinforce collaboration between regulated party and regulator.

However, with respect to this last point it should be pointed out that the procedure to obtain information is a long one, particularly because the percentage of requests that proceed to the stage of writ of review is high when decisions from authority are concerned.

From the authorities' point of view, it can be seen that on occasions the negative response to the requests is due to inexperience in the first months of application of the Act, but also to the fear of divulging confidential information that could lead to the claim of the public officers' responsibility.

As the IFAI continues to resolve the writs of review, establishing the criteria to define the type of information that should be privileged, it is hoped that the Cofetel may respond to the requests with greater certainty so as to satisfy these in a more timely fashion, thus reducing the costs faced by the regulated party. In this way, it is anticipated that the Cofetel could improve its responses to the applicants' requests, thus renewing the image that the private citizens have formed of the authority.

Effects of public information on the consumers

As has been described in the previous sections, the dissemination of information on which the departments and agencies of the public sector depend, generates several direct and indirect economic effects that make an impact on the markets of goods and services, lowering the entry barriers, promoting investment, improving certainty and reducing the risk of investments, as well as attenuating the asymmetry between competitors.

All the indicated effects contribute to encourage competitiveness and free participation, attendance, communication, that propitiates a more efficient functioning of the markets in their supply of goods and services at lower prices, with better quality and variety. The competitiveness process also promotes innovation and better technology. All this results in benefits of various kinds to the consumer. When they are able to obtain goods and services at lower prices, the consumers see their level of wellbeing increasing although their income remains constant.

Furthermore, access to public information also generates a process of vigilance and feedback of the private citizens towards the FPA that lowers corruption and promotes efficiency in the public sector. In the particular case of the regulating agencies such as Cofetel, the Federal Competition Commission, the Regulatory Energy Commission, etc. this process benefits the regulatory activities which also indirectly impact the markets in a positive way, generating an environment that favors efficiency and in turn results in benefits to the consumer.

VI. Conclusions

- As has been propounded throughout the pages of this study, it is important to keep on working in various environments to strengthen the quality of public good that characterizes governmental information. For example, it is appropriate to establish that the conditions of release and information publication from the disclosing party to the applicant provides that this is not to be partially restricted or disqualified for use by other potential non-applicant interested parties. Similarly, it is appropriate to work to prevent the survival of conditions of release and publication of information that generate costs, affecting the conditions of equal access or the possibilities of use or consumption of the information by other potential, non-requesting interested parties.
- This implies that the medium through which the information is released and disseminated is not only not trivial but that finally it is crucial for the effects of classification of the information such as economic goods (public or private) and consequently to calculate the ranges and potential social benefits of the information.
- As public dissemination of the information grows and certain conditions of equal access to the whole universe of potentially interested parties increases, the expected positive effects on the economy, and therefore the amount of attainable social benefits, grow. In other words, it is possible to identify a gradient of governmental information as a public good in function of the mode of its publication.
- For each potential user of the governmental information that is unattended (without access to acquaintance and use of the information), society loses a certain amount of possible economic or social benefits derived from the use that this user might have been able to make of the information, were he to have had access to this. The opportunity of non-utilization of public information is real and identifiable.

- Of the requests analyzed, 57% may have a direct economic effect and 30% an indirect economic effect. That is, it could be said that 87% of the total generate effects on the behavior of the economy.
- As for the analysis developed by the telecommunications sector, it is estimated that 98% generate economic effects. The most requested subjects are related to concessions, permits, economic data, regulation, legal framework, code of practices and standardization.
- Of the analysis of the writs for review related to Cofetel, it can be deduced that the particular interest in knowing the concession certificates, permits and registers of the sector rests on the fact that these legal instruments establish regulatory conditions that cannot be consulted in other sources. For example, the operators' coverage obligations, the amount of authorized deposits, the methodology to calculate controlled rates, as applicable, the quality obligations in the supply of services, etc. are all determined there.
- These conditions define the costs of entry of potential competitors who would have to confront similar operating conditions. Likewise, the afore-mentioned conditions also affect the competitive position of the participants in the actual or potential markets, who, in order to make the best decisions, should be aware of the operating conditions of their competitors.
- This information offers the applicant the opportunity of evaluating his status in the market against, for example, other competitors with respect to the level and variety of rates or discounts that he offers to his clients, but also with regard to the rates when he pays the necessary services of third parties, such as interconnection.
- Acquaintance with this information favors the detection of investment opportunities, of improvement in terms of efficiency or of

anticompetitive practices such as depredation and also stimulates competition between companies, in order to try to improve supply to the consumers and become more efficient in cost handling.

- In reference to the interconnection rate, the applicants' interest is generally linked to becoming informed of the interconnection agreements. The fact that, through the LFTyAI, access to the interconnection rates and agreements endorsed by other operators begins to become available, may have the effect of improving interconnection conditions between operators that finally affect the rates charged to the consumer.
- This being the case, when the interconnection agreements are made public, the negotiating position of the operators with lower participation will strengthen. As a result negotiations may become more agile and end in the period of 60 days established in the relevant Act (which at present does not occur in the majority of cases). Similarly, any improvement in the rates and other terms of interconnection may become more effective for the total number of operators. Finally, the improvement in interconnection rates will have a positive impact on the final rates of the telecommunication services for the consumers.
- As the IFAI continues to resolve the writs for review, establishing criteria to define the type of information that should be privileged, it is expected that the Cofetel may be able to respond to the requests with greater certainty, in such a way as to satisfy these in a shorter time, thereby reducing the costs faced by the regulated. In this way, it is anticipated that the Cofetel will increasingly be able to satisfy the demands of the applicants, and, with this, renew the image that the private citizens has of authority.

Appendix 1

Methodological Notes on Determining the Sample Sizes and the Sample Selection Procedure

The statistical sampling theory usually classifies the forms of selection of samples from a population with attention to two basic criteria: the one taking into account the probabilities of selection of the population units, and the second distinguishing between the different selection procedures.

The first of the two defines two possible cases: either all the units of a population have the same probability of being chosen, or at least two units have different probabilities. The second criterion refers to whether the sampling occurs with or without replacement. It is said that a selection method is with replacement when each unit extracted from the population is reintegrated before the next is taken out. In this case the size of the population remains unchanged during the entire sampling exercise and a unit can appear at least twice in one sample.

If, on the contrary, each unit that is extracted from the population is not being returned in sequence, the size of the population goes on shrinking at the same rate as the sample is growing. In this case, known as sampling without replacement, each unit of the population appears only once in the sample.

In our case a simple random sampling without replacement was applied. It is simple random for two reasons: first, because all the units of the population have the same probability of being chosen, and second, because each one of the possible samples of the same size have the same probability of being chosen. There is no replacement because no unit of the population can appear more than once in the sample. This is a case where the one that uses a generator of random numbers is fully accepted as sample selection method.

It should be commented that since the size, n , is smaller than the size of the population, N , it is always possible to extract two or more different samples from the same population

The main objective of this statistical exercise is to determine the adequate size of the two samples that will be used for the development of the work in such a way that they are statistically representative. The first will be extracted from a population consisting of a total of 123,741 requests for public information from June, 2003 when this private citizens' jurisdiction began, according to the Federal Transparency and Access to Public Governmental Information Act and until May 31, 2006 ; and the second will be formed from a sub-population of these same requests, comprising only those that were specifically addressed to the Federal Telecommunications Commission (Cofetel), consisting of a total of 1,057 units. It is worth mentioning here that both populations excluded the requests of personal data or correction of this data, since it was considered that these do not have a perceptible economic impact and they are of strictly personal interest.

Given that the two populations consist of qualitative units to which no type of numerical value is associated, the appropriate statistic is that corresponding to a ratio. This is usually interpreted by assuming the existence of groups or classes of population units, in such a way that each unit may or may not belong to a specific class. In this case each one of the classes consists of the number of requests directed to each one of the public departments that appear in the source archive, which signifies that as many classes as public departments will appear in the population.

The method of determination of both samples will be based on the a priori establishment of a certain error of sampling e and of a certain level of confidence λ_α , both of which will be determined based on a criterion set of statistical representativeness, attending to the qualitative character of analysis that is being established.

It is in this context where it is worth recording that the tool of statistical inference offers, in mathematical terms, an infinite number of possibilities of assignation of values to the estimation parameters. This means, for example, that the values that can take both the sampling error, e , and the level of confidence, λ_α , form a continuum of real numbers. However, it is the practical conditions of the problem resolved that determine the recommended values.

The applicable mathematical expression takes the following form:

$$n = \frac{\lambda_{\alpha}^2 NPQ}{e^2(N-1) + \lambda_{\alpha}^2 PQ}$$

Where the variables are:

n : size of sample

λ_{α} : level of confidence

N : size of population

PQ : coefficient of proportion of population

e : sample error

As in our case the size of the samples will be greater than 30 units, the probability theory allows us to avoid the type of distribution that the population has, indicating that the form of sample distribution for the case of large samples is bell-shaped. The greater the size of the sample, the closer will be the sample distribution to normal. So there is no inconvenience in obtaining the values of λ_{α} from this distribution.

Although it is possible to reduce the size of the samples by incorporating the information obtained on the formation of the classes and the proportions in the source populations, it has been decided for this work to obtain the maximum possible size of each one of the samples. This will be calibrated by adjusting the values of error of sampling and of levels of confidence in the light of the needs for statistical representativeness and of qualitative analysis of the information.

The highest value obtained in the sample is reached when the variables of the proportion coefficient take the following values: $P = Q = \frac{1}{2}$.

As has already been commented, it was considered that an appropriate procedure for determining the sample sizes is that of prefixing the values of the sampling error and the level of confidence. In general, an error lower than 10% is considered acceptable, for which reason, it has been decided to take an error lower than 8% for this case.

As for the level of confidence, values higher than 90% are considered good and sufficient for the great majority of statistical inference exercises. Taking this as reference, it was decided to use a level of confidence greater than

95% to determine the sample of all the information requests, without reference to addressee, and greater than 90% for the sample corresponding to the requests sent to the Cofetel.

To determine the size of the sample corresponding to the information requests, without reference to addressee, the values of the variables are as follows:

$$\begin{aligned} \lambda_{\alpha} &: 1.96 \\ N &: 123,741 \\ PQ &: (0.5)(0.5) \\ e &: 0.08 \end{aligned}$$

Substituting the values in the expression:

$$n = \frac{(1.96)^2(123,741)(0.5)(0.5)}{0.08^2(123,741-1) + (1.96)^2(0.5)(0.5)} = \frac{(3.84)(123,741)(0.25)}{(0.0064)(123,740) + (3.84)(0.25)} = 149.8$$

The size of the sample to be worked with will therefore be 150 requests.

In order to determine the size of the sample corresponding to the information requests directed to the Cofetel, the values of the variables are as follows:

$$\begin{aligned} \lambda_{\alpha} &: 1.645 \\ N &: 1,057 \\ PQ &: (0.5)(0.5) \\ e &: 0.08 \end{aligned}$$

Substituting the values in the expression:

$$n = \frac{(1.645)^2(1,057)(0.5)(0.5)}{0.08^2(1,057 - 1) + (1.645)^2(0.5)(0.5)} = \frac{(2.706)(1,057)(0.25)}{(0.0064)(1,056) + (2.706)(0.25)} = 96.177$$

The size of the sample with which the section corresponding to the Cofele will be worked is therefore 97 requests.

Once the sizes of both samples were obtained, the implementation of the procedure of sample selection followed. This consisted of two stages: in the first, a series of random numbers¹ was generated and in the second the samples associating the numeral of each request with the random numbers obtained for each one of the cases, was integrated. The samples obtained are presented in the corresponding sections.

¹ The generator of random numbers of the software program PHStat was used