

COFECE Initiates Investigation into Air Transport Sector

COFECE-010-2015

- Investigation into the passenger and/or cargo air transportation services market in Mexican territory.
- At this stage, evidentiary elements will be sought to determine the probable existence of anticompetitive practices.

Mexico City, April 21st, 2015. – Through the Mexican Federal Official Gazette and its website, the Federal Economic Competition Commission's (COFECE) Investigative Authority publicly announced the extract of its ex-officio investigation initiation decision under file number IO-002-2015 concerning the possible absolute monopolistic practices into the passenger and/or cargo air transportation services market in Mexican territory.

Absolute monopolistic practices consist of contracts, agreements, arrangements or combinations amongst competing Economic Agents, which have as their purpose or effect to fix prices, restrict supply, allocate markets, rig bids and exchange information with one of these purposes or effects.

Considering the time period in which the possible conduct that gave rise to the investigation was executed, article 9 of the Federal Economic Competition Law, published on December 24th 1992 is applicable, as well as article 53 of the current Federal Economic Competition Law (FECL), published on May 23rd 2014, currently in force.

Pursuant to the extract, the initiation decision solely refers to the beginning of the investigation procedure, and does not state or determine that the FECL has been infringed. Further, no persons or undertakings are determined as suspected offenders. Should the investigation reach such a determination, those persons or undertakings shall be awarded full procedural rights pursuant to the FECL.

This investigation must not be understood as a prejudgment on the responsibility of an Economic Agent, rather as an action led by the authority to verify compliance with the law.

The Investigative Authority has between 30 and 120 business days to carry out the investigation, starting February 3rd 2015. This period may be extended for up to four additional periods.

The FECL grants the Investigative Authority the power to carry out investigations for suspected infringements, for which it may require the necessary information and documents, perform compulsory interviews to those related to the case and, if need be, perform on-site inspections.

If no elements entailing the existence of an anticompetitive practice are found by the time the investigation period concludes, the case must be closed.

If elements that indicate an infringement to the Law are found, suspected offenders shall be called to defend themselves in a trial procedure.

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[Extract of the Investigation Initiation Agreement IO-002-2015](#)