

Federal Judiciary grants *Delta Air Lines* an *amparo*: Ministry of Communications and Transportation should enforce corresponding regulation and assign Mexico City International Airport slots

- *A Specialized Tribunal in competition granted Delta Air Lines an amparo against COFECE's resolution through which diverse measures were imposed to revert the inefficiencies and anticompetitive effects generated by access rules and infrastructure administration related to the landing and take-off slots at Mexico City's International Airport (AICM).*
- *The resolution indicates it falls upon the Ministry of Communication and Transportation (SCT) to manage and assign slots, as well as enforce regulation on the matter.*
- *COFECE respectfully calls upon the SCT to continue working to improve conditions in the access of infrastructure for take-off and landing at the AICM, to generate greater competition and benefit airport users, both in ticket fares as well as in the quality of service provided by the airlines that operate at the airport.*

Mexico City, May 13, 2019.- The Federal Judiciary (PFJ) granted *Delta Air Lines* an *amparo*, concerning the Federal Economic Competition Commission's (COFECE or Commission) resolution in which it was determined that, on the one hand, infrastructure associated to the landing, take-off, use and control of platforms in the International Airport of Mexico City (AICM) is an essential input, and on the other, that scheduling of take-offs and landings (known as slots) causes inefficiencies and anticompetitive effects in the market for regular passenger transportation, to and from the airport. Through the resolution, the Commission issued several remedies to revert identified inefficiencies and anticompetitive effects.

In the procedure (file IEBC-001-2015), COFECE concluded that rules for slot access and their administration:

- (I) Systematically affected daily scheduling of take-offs and landings, causing recurrent delays and even last-minute cancelations, and
- (II) Generated high market concentration among few airlines, resulting in higher ticket costs and fewer alternative routes.

Furthermore, this Commission noticed that applicable regulations are not enforced; throughout the duration of this procedure, airlines were not denied time-slots in accordance



with the regulation, despite finding evidence of the airline's infringements to the rules of slot use.

The *amparo* granted to Delta Air Lines suspends the application of remedies issued by the Commission, as it is the opinion of the appointed Specialized Tribunal that the SCT is the authority tasked with the administration and allocation of AICM slots, as well as with enforcement of the corresponding regulation.

Although the First Collegiate Circuit Tribunal for administrative matters, specialized in competition, broadcasting and telecommunications granted the *amparo* to the plaintiff, the judicial decision does not verse on the conclusions of the resolution issued by the Commission, which, as has been mentioned, detect a deficient operation of the Airport. Accordingly, COFECE respectfully encourages the SCT to correct the problems and areas of opportunity identified by the Commission to enhance the Airport operation for the benefit of the industry and consumers, especially in the situation of saturation faced by the AICM.

Beyond this judicial ruling, the investigation is relevant to COFECE because of two main reasons:

- a) This procedure drew attention to a problem affecting competition dynamics at the Airport and which must be solved; and
- b) This is the first of COFECE's investigations on matters of essential inputs, a power vested by the new 2014 Federal Law on Economic Competition (FLEC). The ruling of the PJF gives some indications on the Commission's current scope of in exercise of this power.

[Read Press Release COFECE-036-2017](#)

– 000 –

A BETTER MEXICO IS EVERYONE'S BUSINESS

The Federal Economic Competition Commission is entrusted with safeguarding competition and free market access. This contributes to people's well-being and the efficient functioning of markets. With its work, COFECE seeks better conditions for consumers, more services of higher quality and a "level playing field" for companies.



www.cofece.mx



[@cofecemx](https://twitter.com/cofecemx)



facebook/cofece



youtube/CFCEconomica