

Cofece investigates the national market of federal passenger transport that uses terminals for the boarding and disembarking of passengers, and related services

- *Through the inquiry, the Investigative Authority could preliminarily determine the probable existence of barriers to competition and essential facilities in said market.*
- *This market is aligned with Cofece's 2022-2025 Strategic Plan, as it is part of an essential sector for the welfare of Mexican families.*
- *95% of the passengers of interstate transport were mobilized through federal land transport.*

Mexico City, June 30, 2022.- The Investigative Authority of the Federal Economic Competition Commission (Cofece or Commission) published in the Federal Official Gazette the initiation of an investigation to identify and, in its case, determine the probable existence of barriers to competition and free market access, as well as possible essential facilities in the national market for federal land passenger transport that uses terminals for passenger boarding and disembarking, and related markets.

In the extract of the initiation agreement of the investigation IEBC-003-2022 2022, it is specified the discovery of initial elements that suggest the absence of effective competition conditions in this market. The initiation of the ex officio investigation does not imply any prejudgment on behalf of the Investigative Authority, since the inquiry is the procedure that will confirm or not such condition.

A barrier to competition is considered to be any structural characteristic of the market, as well as facts or actions by economic agents that prevent the access of competitors, limit their ability to compete or distort the competition process. There may also be barriers due to the existence of legal provisions of any level of government that unduly prevent or distort said process. An essential facility is an indispensable element for the production or provision of goods and services; it has the characteristic of being irreplaceable and, in occasions, the

means to access the essential facility can produce anticompetitive effects and inefficiencies in the markets.

The federal passenger transport service is essential for the mobility of the population and has a crosscutting impact on other areas of the economy. According to the 2020 Basic Statistics of the Ministry of Infrastructure, Communications and Transport, 95.2% of passengers mobilized by means of interstate transport in 2020, did so through federal land transport¹.

For the Commission, the transport sector is highly relevant, thus it has conducted diverse actions to strengthen competition in the related markets for the benefit of Mexican families. In addition, this new investigative work is aligned with its 2022-2025 Strategic Plan.

The Federal Economic Competition Law establishes that, once the procedures provided for this type of investigations are concluded, if elements are found to determine the existence of barriers to competition or essential facilities, the Board of Cofece may:

- i. Order the economic agent to eliminate the barriers that unduly affect the competition process;
- ii. Issue recommendations to public authorities in case there are legal provisions that unduly prevent or distort competition and free market access;
- iii. Determine the existence of essential facilities and, if appropriate, issue guidelines for their regulation.
- iv. Order the divestiture of assets, rights, social parts or stocks of the involved economic agent, when other corrective measures are not sufficient to solve the identified competition problem.

To carry out this inquiry, the Investigative Authority has a period of between 30 and 120 business days, counted from the publication of the extract, which may be extended up to two times.

¹ Includes Federal Land Passenger Transport, except by Railroad and Tourist Land Transport.

Any person may assist in this investigation by providing information through the email address aicomunicacion@cofece.mx or directly at the Commission's Filing Office, located at Avenida Revolución número 725, piso 1, colonia Santa María Nonoalco, alcaldía Benito Juárez, Mexico City, Postal Code 03700.

[How and why eliminate barriers to competition?](#) (in Spanish)

[Investigations on barriers to competition](#) (in Spanish)

[How is an essential facility determined?](#) (in Spanish)

[The role of COFECE concerning Essential Facilities](#) (in Spanish)

[Read here the extract of the initiation agreement](#) (in Spanish)

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The Mexican Federal Economic Competition Commission is responsible for ensuring competition and free market access. In this way, it contributes to the people's welfare and the efficient functioning of the markets. Through its work, it seeks better conditions for consumers, that more services are offered with higher quality and that there is "level playing field" for companies.