

Cofece-035-2022

Cofece sanctions companies and executives for manipulating prices and segmenting routes in the market of land passenger transport

- *The fine imposed on 18 companies and 31 natural persons amounts to more than one thousand 218 million Mexican pesos.*
- *The sanctioned economic agents committed absolute monopolistic practices in the market for the service of land passenger transport in several service routes in the Central, Central-South, South-Southeast regions of the country and the state of Tamaulipas.*
- *The estimated harm to users due to the payment of overprices was of more than 3 thousand 384 million Mexican pesos.*

Mexico City, October 25, 2022.- The Board of Commissioners of the Federal Economic Competition Commission (Cofece or Commission) determined to fine 18 companies and 31 natural persons, with more than one thousand 218 million pesos, for participating in various absolute monopolistic practices, which manipulated prices and segmented routes in the market for the service of land passenger transport.

Derived from the information gathered in the investigation, which is part of the file IO-003-2017, the Board of Commissioners of the Commission proved that 18 transportation companies, as well as 31 natural persons who acted on their behalf, incurred in the absolute monopolistic practices foreseen in sections I and III of Article 9 of the previous Federal Economic Competition Law and Article 53 of the Federal Economic Competition Law in force.

Among those sanctioned are companies belonging to the most important groups in the country: *ADO, Estrella Blanca, Estrella Roja, IAMSA, Senda* and *Pullman*, with respect to multiple routes in the country, covering the Central, Central-South and South-Southeast geographic areas, as well as the state of Tamaulipas (see Annex with the complete list).

The sanctioned conducts consisted of six independent and distinguishable agreements between different competitors, implemented with different terms in the period from 2000

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to 2020.¹ Said conducts manipulated and fixed prices in the collection of the service; they also divided and distributed routes, either through arrangements between carriers to avoid competing with each other, or through the distribution of markets, in some cases even compensating income and expenses according to the percentages previously agreed. Based on the foregoing, the Board of Commissioners estimated that these conducts caused an approximate harm to consumers through the payment of overprices of 3 thousand 384 million Mexican pesos.

According to the then Ministry of Communications and Transportation, in 2019, 3 thousand 74 million 180 thousand people used land passenger transport, which represented 77.15% of users who traveled by land.

The seriousness of the infringements was high in view of the harm caused, the impact on users, as well as the deterioration of the conditions of supply of a service of public interest and of special relevance for the economy and society in general. Therefore, the maximum possible fines were imposed for each offender in accordance with the applicable competition law and considering their economic capacity.

The economic agents have the right to appeal this resolution by means of an indirect *amparo* trial before the Judicial Power of the Federation.

What is an absolute monopolistic practice? (in Spanish)

Annex

Sanctioned legal persons

1. Autobuses Alas de Oro, S.A. de C.V.
2. Autobuses de la Piedad, S.A. de C.V.
3. Autobuses de Oriente ADO, S.A. de C.V.

¹ Two of them started in 2005 and 2009 and concluded in 2020, respectively; three other conducts started in 2000, 2006, 2008 and concluded in 2018, respectively; and finally, one conduct started in 2000 and concluded in 2016.



4. Autobuses de Primera Clase México Zacatepec, S.A. de C.V.
5. Autobuses Estrella Blanca, S.A. de C.V.
6. Autobuses Expreso Futura, S.A. de C.V.
7. Autobuses México Puebla Estrella Roja, S.A. de C.V.
8. Autos Pullman de Morelos, Servicio de Lujo, S.A. de C.V.
9. Autotransportes Estrella Roja del Sur, S.A. de C.V.
10. Camionera del Golfo, S.A. de C.V.
11. Estrella de Oro, S.A. de C.V. México-Acapulco-Zihuatanejo
12. Grupo Senda Autotransporte, S.A. de C.V.
13. Ómnibus Cristóbal Colón, S.A. de C.V. (con reincidencia)
14. Ómnibus de México, S.A. de C.V.
15. Ómnibus de Oriente, S.A. de C.V.
16. Servicios T de N, S.A. de C.V.
17. Transportes Cuernavaca Cuautla Axochiapan Jojutla y Anexas, Estrella Roja, S.A. de C.V.
18. Transportes Frontera, S.A. de C.V.

Routes where these practices were carried out, including their intermediate points:

- 12 with Mexico City as origin and destination, to and from Cuautla, Durango, Guadalajara, Leon, Puebla, Querétaro, Reynosa, San Luis Potosí, Tampico, Toluca, Torreón and Zihuatanejo.
- One with origin and destination in any point of the Mexico City International Airport (AICM) and the state of Puebla, as well as its intermediate points, and vice versa.
- Eight with Laredo as origin and destination, to and from Acámbaro, Guanajuato, Irapuato, León, Matamoros, Morelia, Toluca and Zamora
- Five with Matamoros as origin and destination, from and to Irapuato, León, Monterrey, Morelia and Toluca.
- Four with Tampico as origin and destination, from and to Guadalajara, Irapuato, Morelia and Torreón
- Three with Irapuato as origin and destination, from and to Acuña, McAllen and Reynosa.



- Three with Monterrey as origin and destination, from and to León, Reynosa/McAllen and Toluca
- Two with León as origin and destination, from and to Durango and Reynosa.
- One with Acuña as origin and destination, from and to Toluca.
- One with Durango as origin and destination, from and to Juárez.
- One with Morelia as origin and destination, from and to Piedras Negras.
- One with Reynosa as origin and destination, from and to Uruapan.
- One with San Luis Potosí as origin and destination, from and to San Felipe.
- One with Uruapan as origin and destination, from and to McAllen.

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MORE COMPETITION FOR A STRONGER MEXICO

The Federal Economic Competition Commission safeguards competition and free market access.

Through its work, it seeks better conditions for consumers, that more services are supplied with higher quality and that there is a “level-playing-field” for companies

