ANNUAL REPORT ON COMPETITION POLICY DEVELOPMENTS IN MEXICO

-- 2014 --

16-18 June 2015

This report is submitted by Mexico to the Competition Committee FOR DISCUSSION at its forthcoming meeting to be held on 16-18 June 2015.
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I. REPORT BY COFECE (FEDERAL ECONOMIC COMPETITION COMMISSION)

1.1 Executive Summary

1. Following the Constitutional Reform of 2013 which led to the establishment of the new Mexican competition authority in September of that same year, 2014 marked a period of institutional strengthening and consolidation. In parallel, during this period COFECE performed significant enforcement and advocacy activities as shown in this report.

2. The new Federal Economic Competition Law was enacted on July 6th 2014. It is based on the new constitutional parameters, as well as on the progress and experience achieved through the enforcement of Mexican competition law since its inception –preserving the achievements gained in the 2011 reform –, and best practices.

3. COFECE published its new Organizational Statute on July 7th 2014. The Statute defined the institution’s structure in line with the recent constitutional and legal foundations, under organizational efficiency and effectiveness criteria. It is worth to highlight that, among other developments, the Commission’s Investigative Authority was created, which has worked since then to strengthen its technical investigative and market monitoring capabilities.

4. On November 10th 2014, COFECE’s Regulatory Provisions were published in the Federal Official Gazette. Said provisions develop, complement, and implement the Law’s reach both in substantive and in procedural terms. This creates better conditions for predictability and legal certainty with regard to the authority’s actions.

5. Additionally, specialized courts (two District Courts and two Federal Collegiate Circuit Courts) were established on August 10th 2014. This has allowed for expedited resolution of competition related issues. Since the creation of specialized courts, the average time for the resolution of “amparo” proceedings has dropped from 18 to 8.7 months.

6. As a part of its efforts to study high priority markets from a holistic perspective and propose measures to foster competition, COFECE published an in-depth study into the financial services market on July 9th 2014 with 36 recommendations on regulations and public policy to increase competition in the sector.

7. Between January 1st and December 31st 2014, COFECE analyzed 42 complaints, opened one ex-officio investigation, and processed 20 investigations.

8. In 2014, the Federal Judiciary’s rulings favored COFECE in 91.3% of the cases. During the same period, 72% of the fines imposed by the Commission were confirmed.

9. Since its establishment in September 2013, COFECE has issued 81 opinions with respect to laws, regulations, and other legal provisions to ensure that these do not hinder competition in the markets. From January to December 2014, 83.3% of the opinions issued by COFECE were taken into account – in whole or in part - by the competent authorities.

10. This report provides an integral account of the actions conducted by the COFECE from January 1st to December 31st, 2014.
1.2 Changes in Law and Policies

11. A new competition law was enacted and published in 2014, strongly based on the previous law but also articulating the new constitutional setting. These two elements, a new competition authority and a new law, constitute the major pillars of the current Mexican competition system.

1.2.1 A New Federal Economic Competition Law (FECL)

12. On May 23rd 2014, a new Federal Economic Competition Law (FECL or Law) was published in the Federal Official Gazette to further implement the constitutional amendments.¹ ²

13. The Law, which entered into force on July 7th, 2014, is the result of a Presidential Initiative sent to Congress in February 2014 and of all modifications approved by both the Senate and the Chamber of Deputies (which jointly integrate the Federal Congress).

14. In the elaboration of this new law three key elements were considered:

- a recognition of more than 20 years of practice, including the basic features of the previous law and the judicial precedents (consequently, key concepts such as economic agent, relevant market, market power and monopolists practices were not modified);
- best international practices; and
- the implementation of the new constitutional guidelines, including the new powers granted to COFECE.

1.2.1.1 The key features of the New Federal Economic Competition Law

1.2.1.1.1 Checks and Balances

15. The new FECL considers the following aspects to ensure that COFECE’s work is governed by the principles of independence, impartiality and transparency:

- **Separation of investigation and resolution functions.** In order to guarantee impartiality and objectivity, the reform provided for a separation between the authority in charge of the investigation and the authority in charge of the resolution (both within COFECE).

- **Adversarial procedures.** Before any resolution on illegal practices is issued, the Investigative Authority and the economic agent against which an accusation is filed are parties to an administrative process – administered by COFECE’s Technical Secretariat – in which evidence is submitted and arguments are heard.

- **Decisions and sessions of the Board of Commissioners must be made public.** As a general rule, COFECE must publish plenary sessions, agreements and resolutions, while making sure not to reveal any confidential information.

- **Contact rules with parties (hearings).** The law establishes rules for meetings/interviews between Commissioners and economic agents.

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¹ Available at: [http://www.diputados.gob.mx/LeyesBiblio/pdf/LFCE.pdf](http://www.diputados.gob.mx/LeyesBiblio/pdf/LFCE.pdf)
² The new FECL came into force on July 7, 2014
³ Both COFECE and IFT are responsible for enforcing the competition law.
• **Publication of an Annual Work Program and Quarterly Activity Reports.** COFECE shall submit its annual work program as well as quarterly activity reports to the Executive and Legislative branches.

• **External evaluations.** The Commission has the power to request studies to evaluate the performance and impact of its decisions. These studies will be developed by experts in the field, independent from the Commission.

1.2.1.1.2 **Substantive and procedural issues**

• **Abuse of dominance practices.** “Margin squeeze” and refusal to provide access to essential facilities may be considered illegal abuse of dominance practices.

• **Barriers to competition and essential inputs/facilities.** A new procedure allows COFECE to investigate and assess markets with competition problems with the aim of identifying undue barriers to competition or essential facilities that generate anticompetitive effects.

• **Strengthening of the Investigative Authority.** The Investigative Authority is strengthened to perform its functions, for instance regarding the conduct of dawn raids, the imposition of coercive measures and the collection of information. It may also file complaints before the Office of the General Attorney (*Procuraduría General de la República*, PGR) in cases of possible criminal conduct (cartels).

• **Guidelines and technical criteria.** The COFECE shall issue directives, guides, guidelines and technical criteria previous public consultation. These will be reviewed at least every five years.

• **Merger authorization.** Economic agents are prevented from carrying out mergers without the Commission’s previous authorization. The process facilitates the submission of proposals by the applicants that may mitigate competition concerns.

• **New sanctions and offenses.** Previous administrative sanctions for cartels and abuses of dominance remain the same (10% and 8% of national turnover, respectively) and new sanctions were set. These include:

  – Up to 10% of turnover in case of refusal to comply with an order regarding the elimination of a barrier to competition, structural separation or divestiture of assets, or access to an essential input/facility.

  – In case an economic agent breaches the law twice, as an alternative structural separation may be ordered.

  – The Federal Criminal Code was amended, heightening criminal sanctions for cartels and introducing a new criminal sanction to those that alter or destroy documents with the purpose of interfering with an investigation. Cartels are now subject to criminal sanctions of 5 to 10 years of prison (previously 3 to 10 years) plus 1,000 to 10,000 of salary days of monetary sanction (previously 1,000 to 3,000 days).

  – Company executives and directors who participate in cartels may be banned from performing such positions for up to 5 years.

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4 Available at: [http://www.diputados.gob.mx/LeyesBiblio/pdf/9_140714.pdf](http://www.diputados.gob.mx/LeyesBiblio/pdf/9_140714.pdf)
1.2.2 New regulatory provisions


17. These provisions develop, complement, and detail the substantive and procedural reach of the law. This helps create predictable conditions and generates legal certainty regarding the authority’s actions and decisions by, among others:

- Specifying what can be considered as an indication of cartel activities. For instance, if a business chamber or association urges or recommends competitors to coordinate prices, an investigation may be initiated for absolute monopolistic practices.
- Setting out clear definitions for concepts such as essential facilities, related market, and joint market dominance.
- Establishing specific criteria for imposing sanctions.
- Establishing how to proceed with leniency applications when the applicant is an economic group or legal entity.
- Specifying procedural rights for all the parties that take part in the administrative procedure that follows the investigation stage.

18. Before their publication, the Regulatory Provisions were submitted to a public consultation process after which approximately 50% of the articles included in the initial proposal were modified. The higher degree of detail in the Regulatory Provisions along with the fact that their content is the result of a dialogue with society and economic agents ensures legal certainty by guaranteeing that each of the provisions are fully justified.

1.3 Enforcement of competition laws and policies: actions against anticompetitive practices

1.3.1 Staffing and Enforcement Statistics

19. During 2014, COFECE employed approximately 287 staff and spent approximately USD$22.9 million in order to pursue its competition mandate.

20. COFECE has estimated that during 2014, its actions brought direct benefits to consumers, and that for every Mexican Peso COFECE received, it gave back 3.57 pesos in increased welfare for consumers.

21. During 2014, COFECE assessed 42 complaints, opened one ex-officio investigation, and processed 20 investigations in accordance with the following tables.
Complaints 2014

<table>
<thead>
<tr>
<th>Concept</th>
<th>1st Quarter</th>
<th>2nd Quarter</th>
<th>3rd Quarter</th>
<th>4th Quarter</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complaints received in 2014</td>
<td>7</td>
<td>14</td>
<td>11</td>
<td>7</td>
<td>39</td>
</tr>
<tr>
<td>Complaints pending from 2013</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Complaints leading to investigations in 2014</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>Cartels</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Abuse of dominance</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Complaints which were dismissed in 2014</td>
<td>4</td>
<td>12</td>
<td>11</td>
<td>6</td>
<td>34</td>
</tr>
<tr>
<td>Complaints pending analysis for 2015</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
</tbody>
</table>


Investigations 2014

<table>
<thead>
<tr>
<th>Concept</th>
<th>1st Quarter</th>
<th>2nd Quarter</th>
<th>3rd Quarter</th>
<th>4th Quarter</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investigations pending from 2013</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12</td>
</tr>
<tr>
<td>Investigations initiated in 2014</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Cartels</td>
<td>12</td>
<td>13</td>
<td>15</td>
<td>15</td>
<td>-</td>
</tr>
<tr>
<td>Abuse of dominance</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>Concluded investigations (closed or sanctioned)</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Investigations pending analysis for 2015</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>14</td>
</tr>
</tbody>
</table>


During 2014, COFECE concluded two investigations by imposing fines for an amount of USD$ 16.8 million. The following table details COFECE’s activities for 2014:

<table>
<thead>
<tr>
<th>File number</th>
<th>Market</th>
<th>Investigated practice</th>
<th>Initiation date</th>
<th>Resolution date</th>
<th>Fine</th>
</tr>
</thead>
<tbody>
<tr>
<td>DE-019-2007</td>
<td>Services offered by real estate advisors, agents, representatives and professionals in general.</td>
<td>Cartels, Price-Fixing, and Horizontal Agreements</td>
<td>07/19/2007</td>
<td>05/22/2014</td>
<td>28.9 million pesos (USD$1.9 million).</td>
</tr>
</tbody>
</table>

Source: COFECE.

Approximate calculation based upon the exchange from the Mexican Central Bank (15.00 pesos for 1 US dollar) (Available at www.banxico.org.mx).
1.3.2 Antitrust cases in the courts

23. During 2014, COFECE was engaged in defending 113 actions before the courts, of which 91 were pending from previous years and 22 were initiated throughout 2014. 48 proceedings were concluded during the year, 27 of which denied Amparo protection to the plaintiffs, 15 were dismissed, 2 were considered inadmissible and 4 were resolved in favor of the complainants. As a consequence, the Federal Judiciary’s rulings favored COFECE in 91.3% of the cases.

24. During 2014, 72% of fines imposed by the Commission were upheld. The average time for the resolution of an Amparo proceeding dropped from 18.3 months to 8.7 months, mainly due to the creation of specialized courts.

25. The following table details the courts activities for 2014 concerning COFECE’s decisions:

<table>
<thead>
<tr>
<th>Cases</th>
<th>January - December 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pending from the previous period</td>
<td>91</td>
</tr>
<tr>
<td>Filed this period</td>
<td>22</td>
</tr>
<tr>
<td>Resolved by the Federal Judiciary</td>
<td>48</td>
</tr>
<tr>
<td>Inadmissible</td>
<td>2</td>
</tr>
<tr>
<td>Dismissed</td>
<td>15</td>
</tr>
<tr>
<td>Denied</td>
<td>27</td>
</tr>
<tr>
<td>Granted</td>
<td>4</td>
</tr>
<tr>
<td>Pending for the following period</td>
<td>65</td>
</tr>
<tr>
<td>First instance</td>
<td>29</td>
</tr>
<tr>
<td>Before District Courts</td>
<td>29</td>
</tr>
<tr>
<td>Second instance</td>
<td>36</td>
</tr>
<tr>
<td>Before Collegiate Circuit Courts</td>
<td>26</td>
</tr>
<tr>
<td>Before the Supreme Court</td>
<td>10</td>
</tr>
</tbody>
</table>


1.3.3 Significant enforcement actions

26. In 2014, COFECE sanctioned an international cartel following a leniency application.

27. Price Fixing in Refrigerators’ Compressors Market: On February 25th, 2014, COFECE fined four refrigerator companies with 223 million pesos (USD $14.9 million) for anti-competitive practices. Three additional economic agents were fined with 4 million pesos (USD$ 266,666) for contributing to the practice. The investigation began as the result of an application filed under the Immunity Program on December 8th, 2008.

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6 Pursuant to the new framework, COFECE’s resolutions may only be challenged through Indirect Amparo Proceedings filed before the Federal Judiciary, specifically the Specialized Courts for Economic Competition, Broadcasting and Telecommunications (Article 28, paragraph 20, section VII of the Political Constitution of the United Mexican States).


8 Approximate calculation based upon the exchange from the Mexican Central Bank (15.00 pesos for 1 US dollar) (Available at www.banxico.org.mx).

9 Approximate calculation based upon the exchange from the Mexican Central Bank (15.00 pesos for 1 US dollar) (Available at www.banxico.org.mx).
28. The Commission found that multinationals Whirlpool, Tecumseh Brazil, ACC and Panasonic established illegal agreements to fix the price of refrigerators’ compressors – which are used in fridges, freezers and cooling systems – imported into Mexico between 2004 and 2008. To do this, the companies communicated among themselves mainly in the last quarter of each year to coordinate price increases and strategies they would implement in the following year.

29. Whirlpool and Panasonic were fined with 89.97 million pesos (USD $6.0 million) fine. Tecumseh Brazil, meanwhile, was fined with 38.77 million pesos (USD $2.6 million) and ACC received the smallest fine for 475 thousand pesos (USD $31.7 thousand). It is worth to mention that this fines were imposed under the previous competition law, considering the period of time in which the practices occurred.

30. The investigated companies’ executives and employees exchanged information concerning clients, costs, production capacity and volumes with the objective of coordinating their sales prices. Additionally, Embraco NA, Embraco Mexico and Tecumseh were held liable for contributing to the practice.

31. The anticompetitive practice was of international scale and investigations related to the case were opened in Brazil, Canada, the European Union, and the United States. Its effects were identified in Mexico through four channels: i) assembling products for their sale mainly in Mexican territory; ii) assembling products for exports; iii) merchandizing refrigerator compressors and, iv) producing and merchandizing finished products.

32. Cartel in the Jalisco Real Estate Market. On May 22nd 2014, COFECE’s Board of Commissioners determined, by a majority of votes, to fine over 20 real estate agencies and realtors for participating in, or contributing to the execution of, a cartel in the real estate market in the Chapala Lake region of Jalisco. The fines amounted to 28.86 million pesos (USD $1.9 million).

33. The Commission found 18 real estate brokers, heads of competing agencies, agreed to fix prices for and coordinate with respect to the commission charged by real estate advisors, brokers, agents, administrators, and real estate professionals in general in four municipalities of Jalisco. The practice took place between 2004 and 2007.

34. The practice was supported by two real estate associations. GIL, where real estate professionals agreed the commissions that were to be charged by themselves. AMPI Chapala, on the other hand, conditioned its members’ entry and maintenance in the group to participation in GIL.

1.4 Enforcement of antitrust laws and policies; mergers and concentrations

35. In Mexico, merger authorization by the Commission is compulsory for covered transactions to have legal effects. Economic Agents may notify a covered transaction at any time prior to its execution.

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10 Approximate calculation based upon the exchange from the Mexican Central Bank (15.00 pesos for 1 US dollar) (Available at www.banxico.org.mx).


12 Approximate calculation based upon the exchange from the Mexican Central Bank (15.00 pesos for 1 US dollar) (Available at www.banxico.org.mx).

13 Article 16 of the FECL’s Regulatory Provisions.
36. Applicable thresholds provide for three multidimensional criteria under which a notification is compulsory: financial value of the transaction, control over an economic agent of a certain size or financial importance, and financial value and participation of agents with a certain financial size or importance.  

1.4.1 Statistics on number, size and type of mergers notified and/or controlled under competition laws

37. During 2014, 129 proposed mergers were reported for review, an 8.0% decrease from the number of transactions reported during 2013. The Commission conditioned 6 transactions while the rest were approved.

<table>
<thead>
<tr>
<th>Concept</th>
<th>1st Quarter</th>
<th>2nd Quarter</th>
<th>3rd Quarter</th>
<th>4th Quarter</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notified</td>
<td>30</td>
<td>22</td>
<td>36</td>
<td>41</td>
<td>128</td>
</tr>
<tr>
<td>Concluded</td>
<td>34</td>
<td>28</td>
<td>22</td>
<td>34</td>
<td>118</td>
</tr>
<tr>
<td>Authorized</td>
<td>29</td>
<td>27</td>
<td>20</td>
<td>30</td>
<td>106</td>
</tr>
<tr>
<td>Authorized with remedies</td>
<td>3</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Blocked</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Others (abandoned, dismissed)</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Pending for 2015</td>
<td>17</td>
<td>11</td>
<td>25</td>
<td>32</td>
<td>32</td>
</tr>
</tbody>
</table>


38. During 2014, 7 mergers led to an in-depth review involving maritime transportation services, rubber engineered products, wheat flour production, over-the-counter medications, paint and coatings, and restaurant operators, among others.

1.4.2 Select significant merger matters

- **Alsea – Walmex**: On February 21st 2014, COFECE decided to condition Alsea’s proposed acquisition of Walmex’s restaurant business, which included VIPS, El Portón, Ragazzi and La Finca restaurant chains. The Commission found that the transaction could hinder competition and free market process and imposed conditions to mitigate these concerns such as the elimination of the existent exclusivities with shopping centers, and Alsea’s commitment to abstaining from establishing any new exclusivities in its lease agreements. Also, Alsea’s board members required to abstain from participating as board members or relevant executives in the business of leasing commercial spaces in shopping centers for a ten year period.

- **PPG Industries – Comex**: On October 23rd 2014, COFECE’s Board of Commissioners authorized the acquisition of Mexican Paint Manufacturer COMEX by PPG Industries as it considered the merger would not modify the market’s structure. While Comex Group was mainly dedicated to producing, importing, exporting and merchandising paint coatings, PPG Industries neither produces, distributes or merchandises decorative coatings in Mexico. Even though the companies’ activities overlapped in the production, distribution and merchandising of coatings

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14 FECL, Article 86.
for repainting automobiles, packaging, marine uses, protective uses and powder coatings, international companies exert a strong competitive pressure in these markets. 17

- Continental A.G., Carlyle CIM Agent L.L.C., EDP Holdings, INC – Veyance Technologies, INC. On December 16th 2014, COFECE’s Board of Commissioners conditioned Continental and Carlyle’s proposed acquisition of Veyance Technologies, by which Continental would attain control over three Mexican Veyance subsidiaries. The Commission considered that in Mexico, Veyance and Continental overlapped in six markets and found potential competition problems in two of them: the Automotive Hoses Market, and the Commercial Vehicle Air Spring Market. Therefore, the transaction was conditioned on the following:
  
  - Air conditioning hoses market. Continental shall unilaterally terminate its exclusivity clause with its supplier of simple hoses, prior to this transaction’s closing and committed not to undertake a re-installment for a period of one year after closing.
  
  - Commercial vehicle air spring market. Veyance’s divestiture of its facilities in San Luis Potosi, Mexico, and the technical facility center which it rents in Fairland, Ohio in the United States.

39. Throughout the review of this merger, which implied effects in the entire NAFTA region and assets located in all three countries, COFECE was able to work alongside the United States Department of Justice and the Canadian Competition Bureau. This case is a successful example of cross border cooperation between competition authorities.

1.5 The role of competition authorities in the formulation and implementation of other policies, e.g. regulatory reform, trade and industrial policies

40. Prior to the enactment of the 2014 Federal Economic Competition Law, opinions on proposed laws or regulations could be issued either by COFECE’s Board of Commissioners or the Chairman’s Office. After July 2014, however, only the Board of Commissioners may do so. COFECE’s Technical Secretariats issues opinions only when the proposed regulation does not present a threat to competition.

41. In 2014, COFECE issued a total of 103 opinions: 54 opinions addressed competition issues with respect to proposed regulation and the remaining 49 regarding tenders and the granting of governmental licenses, concessions, and permits.

42. Out of the 54 opinions on proposed regulations, 50 were issued as part of the public consultation process conducted by the Federal Commission for Regulatory Improvement (COFEMER). Worth to note is that COFECE and COFEMER signed a collaboration agreement in order to assess, from the perspective of competition, regulations proposed by the federal Government. The remaining 4 opinions were on legislative matters.

43. Out of the 54 opinions on proposed regulations, 8 were issued by the Board of Commissioners, 5 by the Chairman’s office, 16 by the Technical Secretariat, and 25 by COFECE’s staff.

17 In 2013, the former Federal Competition Commission rejected a COMEX buyout attempt by Sherwin-Williams, which has a larger presence in Mexico's building-paint market, stating that the combined company would have acquired too large of a market share. Sherwin Williams, which had been trying to buy the privately-held COMEX for two years, abandoned its efforts in April 2014.

Out of the 49 opinions regarding tenders, licenses, concessions, and permits, 14 concerned calls for tenders, 25 referred to tender participants, and 10 to concessions and permits.

1.5.1 Relevant opinions issued by COFECE

- **Opinion on Electric Power Industry Regulation.** On October 16\(^{th}\) 2014, COFECE issued an opinion on the regulations proposed by the Energy Secretariat (SENER), aimed at implementing the electric power industry law.

  COFECE analyzed the draft and identified several provisions that might affect competition and free market access. Therefore, it recommended among other elements: establishing minimum legal standards to guarantee competitive processes with respect to the allocation of infrastructure projects; establishing better entry conditions for the activities of generation and commercialization of electricity; strengthening key elements such as requirements for market participation, interconnection and connection, electric energy importation procedures, and auction design.

- **Opinion on Hydrocarbons Regulation.** On October 2\(^{nd}\) 2014, COFECE issued an opinion on the regulation proposed by the SENER to implement the Hydrocarbons Law regarding upstream activities.

  COFECE identified several provisions that might affect competition and free market access and recommended: avoiding the use of discriminatory requirements or requirements which could unduly exclude companies from participating at the oil bids; fostering transparency in the design and implementation of oil bids in order to ensure a competitive environment; and facilitating COFECE’s participation so it may objectively assess the proposed pre-qualification criteria and awarding mechanisms to be used in the bid.

- **Opinion on Regulation for Part Three of the Hydrocarbons Law (mid- and downstream).** On October 2\(^{nd}\) 2014, COFECE issued an opinion on the regulation proposed by SENER to implement the Hydrocarbons Law regarding mid and downstream activities.

  COFECE identified provisions which could hinder competition and recommended: providing that any exclusivity right should be granted if necessary (for instance to foster market entry when deployment if infrastructure is required) and for a limited period of time; guaranteeing that pipeline distribution permits for natural gas are tendered rather than directly allocated; and providing that COFECE’s prior binding opinion is necessary when an interested party intends to obtain or transfer a transportation and distribution permit for natural gas.

  With the aim of promoting a procompetitive framework, SENER followed some of COFECE’s recommendations.

- **Opinion on Strategic Alliances between airlines.** On November 27\(^{th}\) 2014, as result of a request made by the Secretariat of Telecommunications and Transportation (Mexico’s equivalent to a Department of Transportation), COFECE issued an opinion regarding the mechanism under which an alliance between airlines could be analyzed and approved, if so, by COFECE. COFECE concluded that according to the FECL, an alliance between airlines could be considered a concentration and therefore the transaction could be authorized, not authorized or conditioned.
1.6 Summaries of or references to new reports and studies on competition policy issues

45. Market study and recommendations regarding competition conditions in the financial services sector and its related markets. In July 2014, COFECE’s published its market study in the financial services sector and its related markets. The Commission found that the sector lacks competition in several areas. Two elements in particular remain an obstacle for clients to have access to better prices and services. First, users of the Mexican financial services system have few options to migrate between suppliers, products, and services. Second, financial institutions do not have the incentives to attract new clients through better terms and conditions, but rather through more publicity.

46. Generally speaking, COFECE determined two things were essential to boost competition in the sector. First, consumers need to be better informed so they may choose the suppliers and service providers that offer the best conditions for them. Second, a legal framework that acknowledges the market’s characteristics and allows for customer mobility between suppliers and increases businesses’ incentives to compete is required.

47. Based on its findings, COFECE issued 36 recommendations to foster competition in the financial services sector. These include the following:

<table>
<thead>
<tr>
<th>Financial Services Sector Market Study</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATM machines</td>
<td>Guarantee non-discriminatory access to ATM machines and ensure fees for withdrawals are based on costs.</td>
</tr>
<tr>
<td>ATM machines from a certain bank can charge customers a fee for withdrawing money if their account belongs to a different bank. This means that individuals tend to prefer banks that possess a larger number of ATM machines.</td>
<td></td>
</tr>
<tr>
<td>Financial Inclusion</td>
<td>COFECE suggested rebalancing credit and debit card exchange fees.</td>
</tr>
<tr>
<td>Credit and debit card usage is low and the differential between business’ exchange fees appear to vary independently from business’ sensitivity to card payments.</td>
<td></td>
</tr>
<tr>
<td>Difficulty Choosing</td>
<td>Further improve the financial sector regulator's services so it can provide more information regarding financial services.</td>
</tr>
<tr>
<td>Finding the right mortgage, retirement fund, or investment options, among others, is difficult for most customers because of the complex nature of the analysis they must carry out.</td>
<td></td>
</tr>
<tr>
<td>Switching Banks</td>
<td>Develop and regulate electronic platforms regarding consumption and housing credit so consumers can make their financing needs known. Consumers could give authorization for their credit history to be made public and financial intermediaries would be free to consult them and send their financing offers.</td>
</tr>
<tr>
<td>Difficulty migrating from one credit supplier to another.</td>
<td></td>
</tr>
<tr>
<td>Credit Information Bureau</td>
<td>Ensure non-discriminatory access to economic agents by reviewing policies on volume discounts for consultation services.</td>
</tr>
<tr>
<td>The Credit Information Bureau is owned by the main banks (that provide close to 85% of all housing, consumption and business credit).</td>
<td></td>
</tr>
</tbody>
</table>

COFECE’s recommendations were welcomed by public and private authorities and institutions such as the National Commission for the Retirement Savings System assured that COFECE’s recommendations were in line with its vision. Likewise, the Bank of Mexico (Mexico’s Central Bank) included COFECE’s recommendations in its agenda and issued several circulars in 2014 to increase competition in the financial services sector, particularly with regard to ATM fees and account mobility. Actors from both the Executive and Legislative branches also declared their interest in following COFECE’s recommendations. In general, regulators, government agencies, and public actors agree with the study carried out by COFECE and are, at the least, analyzing the possibility of implementing some of the recommendations.

Agri-Food Sector Market Study. On November 10th 2014, and due to its importance for the Mexican economy, COFECE’s Board of Commissioners ordered a study on competition conditions in the agri-food sector and the activities it involves, such as: primary activities in agriculture, livestock, among others and activities related to the food industry and agro industrial transformation.

The outcome of the study will shed light on competition conditions in the sector and the emerging recommendations will aim to correct potential inefficiencies, market failures and/or anticompetitive practices. These will mainly be directed to sector specific regulators, with the main objective of fostering policies that favor competition and efficiency in the sector.

More competition in the agri-food sector would have a considerable impact in a country in which said sector accounted for 7.2% of Mexican GDP in 2013. More specifically, it would have a positive impact on those most vulnerable. According to the National Survey for Household Income and Spending for 2012, Mexican households spend 34% of their monthly allowance on food. This number climbs to 52% for low-income households.

The study and its recommendations are due to be published in August 2015.

International antitrust cooperation

International Antitrust Cooperation Developments

During FY 2014, COFECE continued to increase its cooperation and convergence toward sound competition policies internationally, through building strong ties with major enforcement partners and participation in multilateral bodies such as the Competition Committee of the Organization for Economic Cooperation and Development (OECD), International Competition Network (ICN), the United Nations Conference on Trade and Development (UNCTAD), and the Asia-Pacific Economic Cooperation (APEC).

In February 2014, COFECE’s Chairwoman participated in the official trilateral meeting with the heads of the antitrust agencies of the United States and Canada in Washington D.C. At the meeting, the agencies discussed their mutual efforts to ensure continued effective antitrust enforcement cooperation in the increasingly interconnected markets.

During 2014, COFECE cooperated on merger reviews – often under waivers from parties and third parties – with many competition agencies around the world, including those of United States, Canada and Brazil. An example is the Contintal-Veyance merger mentioned before.
II. REPORT BY IFT (FEDERAL INSTITUTE OF TELECOMMUNICATIONS)

2.1 Executive Summary

56. On September 4, 2014, the IFT’s Board issued the Institute’s Organic Statute\textsuperscript{19} in order to establish a new institutional arrangement that was in agreement with the incremental powers given by the new FECL. Specific areas with a higher degree of specialization that improved the overall performance of the IFT were created.

57. One of the most important transformations of the IFT as a competition authority is that the new structure guarantees procedural fairness by granting independence between the Investigative Authority and the decision body.

58. During 2014, and appealing to its constitutional powers, the IFT’s Investigative Authority processed 18 different cases. Six of them were initiated during 2014; four initiated prior to 2014; three were discarded and one was closed. In the other four cases a statement of objections was issued to proceed the suspected offenders. Of those 18 cases, 2 regarded cartels; 3, prohibited mergers; 11, unilateral conducts; and 2 called for the declaratory of substantial power.

59. Also during 2014, the IFT decided on five notified mergers. Three of these transactions transformed the mobile and pay TV markets. This transformation now includes a new operator in these markets, AT&T. In addition, the IFT issued one decision regarding absolute monopolistic practices (cartels) and two in relation with relative monopolistic practices (unilateral abuse of dominant position).

2.2 Changes to competition laws and policies, proposed or adopted

2.2.1 Summary of new legal provisions of competition law and related legislation

60. After the publication of the Federal Economic Competition Law (FECL), on July 14\textsuperscript{th}, 2014,\textsuperscript{20} a new Federal Telecommunications and Broadcasting Law (FTBL) was published.\textsuperscript{21} The FTBL establishes certain legal figures and proceedings in competition matters, such as preponderant economic agent, substantial market power and merger notice.

61. The FECL empowers the IFT, in its role of competition authority, to develop criteria for identifying and eliminating barriers to competition and regulate access to essential facilities. These and the definitions of relevant market and determination of substantial market power allow IFT to fulfil its mandate more effectively.

62. In order to promote participation of the different agents form the telecommunications and broadcasting sectors, the new FECL establishes that IFT shall issue directives, guides, guidelines and technical criteria on competition, after submitting them to public consultation.

63. Under the new constitutional powers for the IFT, the sanctioning scheme is renewed and includes: (i) fines up to 10% of turnover for violating the regulation for essential facility access; (ii) divestiture of assets in case of recidivism in anticompetitive practices; and (iii) removal of directors that


\textsuperscript{21} The new FTBL came into force on august 13, 2014.
participate in a cartel activity for up to 5 years. In the same way, the constitutional reform has increased criminal sanctions for cartel activity, from 5 to 10 years of prison.

64. One of the first accomplishments of the IFT’s Board was adapting the Institute’s Organic Statute\(^{22}\) to the incremental powers and the new institutional arrangement that were set forth in the new FECL. Therefore, the Institute created specific areas with a higher degree of specialization that improved the overall performance of the IFT. One of the most important transformations of the IFT as the competition authority in the telecommunications and broadcasting sectors, is that the new regulators’ structure guarantee procedural fairness by granting independence between the Investigative Authority and the decision body.

2.2.2 **Regulatory Provisions for the Telecommunications and Broadcasting Sectors**

65. One of the mandates of the Board of Commissioners of the IFT, arising from the new competition law, was to issue the Regulatory Provisions on Economic Competition for the Telecommunications and Broadcasting Sectors. In order to issue such provisions, a public consultation had to be conducted.

66. As an emergency situation had arisen from the 2007 regulation repeal of the Federal Economic Competition Law of 1992, on July 28, 2014 emergent regulatory provisions were issued by the Board of Commissioners of the IFT. Such provisions were repealed after their publication, were then subject to a public consultation and finally entered into force in January 2015.

67. The Board of Commissioners of the IFT also has the power to issue guidelines, directives and technical criteria on economic competition for the telecommunications and broadcasting sectors.

2.3 **Enforcement of competition laws and policies**

2.3.1 **Action against anticompetitive practices, including agreements and abuses of dominant positions**

2.3.1.1 **Summary of activities**

68. In 2014, the IA processed 18 different cases. Six of such cases were initiated during 2014. Four of them initiated prior to 2014, and during such year their process continued. Three were discarded and one was closed. In the other four cases a statement of objections was issued to proceed the suspected offenders. Of those 18 cases, 2 were regarding cartels; 3 prohibited mergers; 11 unilateral conducts; and 2 declaratory of substantial power.

2.3.1.2 **Description of significant cases, including those with international implications**

2.3.1.2.1 **Investigative Authority: Cases referred by CFC**

- Abuse of dominance Investigations
  - Investigation of the alleged unilateral conducts consistent of tying purchases or sales; purchase or sale subject to conditions; refusal to deal; cross-subsidization; price discrimination; and raising rival costs in the market of the commercialization of time for

advertisement in open and pay television and other audiovisual media; and the market of merchandising of contents for pay television.

- Investigation of the alleged unilateral conducts consistent of the refusal to deal; boycott; and raising rival costs in the markets interconnection services in all the country.

- **Prohibited mergers**
  - Investigation of an alleged prohibited merger in the market of interconnection services in the country.
  - Investigation of an alleged prohibited merger in the markets of mobile telephone services; fixed line telephone services; access to broadband Internet; dedicated lines; interconnection pay television; broadcasting; advertising in media; production, transmission and distribution of audiovisual and audio contents at the national and international level through licenses and services.

### 2.3.1.2.2 Investigative Authority: Cases initiated in IFT

- **Abuse of dominance investigations**
  - In strict compliance with a judgement of the Federal Judiciary Power, an investigation was initiated, regarding alleged unilateral conducts consistent of a refusal to deal; purchases or discounts subject to conditions; and raising rival costs, in the markets of distribution and merchandising of credit score for mobile telephone services in all the country.
  - Investigation of one alleged unilateral conduct consistent of raising rival costs in the market of pay television service in certain locations of the State of Sinaloa.
  - Investigation of the alleged unilateral conducts consistent of predatory pricing; cross-subsidization; price discrimination; and raising rival costs in the markets of merchandising of telecommunications services, marketing, and provision of Internet service in the country; and the acquisition, distribution and merchandising of contents transmitted in the country by Internet and pay television.
  - Investigation of an alleged unilateral conduct consistent of a refusal to deal; boycott; price discrimination; and raising rival costs in the market of sales of advertisement on open nationwide television.

- **Substantial power declaratory**
  - Pursuant to Transitory Article 39 of the TBFL, the IA initiated an investigation in order to establish the existence of undertakings with substantial power in pay TV markets throughout public telecommunication networks, with a national, state and/or local scope.
  - Pursuant to Transitory Article 9 of the TBFL, the IA initiated an investigation in order to establish the existence of undertakings with substantial power in the markets of telecommunications networks that provide voice, data or video, with a national, state, regional and/or local scope.
2.3.1.2.2 Economic Competition Unit

69. In 2014, IFT issued one decision regarding absolute monopolistic practices (cartels) and two in relation with relative monopolistic practices (unilateral abuse of dominant position).

- **Absolute Monopolistic Practices (Cartels)**

  On March 9\(^{th}\) 2011, Teléfonos de México S.A.B. de C.V. (Telmex), the major provider in fixed communications market, complained the alleged execution of Absolute Monopolistic Practices by several GTV’s subsidiaries and “Megacable S.A. de C.V.” (Megacable). As a consequence, the former Federal Competition Commission (FCC) started an inquiry on May 10\(^{th}\) 2011. On January 17\(^{th}\) 2014, the IFT’s Board decided that Cablevisión, a GTV’s subsidiary, and Megacable had incurred on Absolute Monopolistic Practices, in particular, they segmented the provision and marketing telecommunications services geographically in 13 local areas in Estado de México. The fine\(^{23}\) was MXN$ 8.7 million (USD 0.58 million)\(^{24}\) for Cablevisión and MXN$ 33.5 million (USD 2.2 million)\(^{25}\) for Megacable.\(^{26}\) This Resolution is under review before the Judicial Jurisdiction.

- **Relative Monopolistic Practices (Abuse of Dominant Positions)**

  - **GTV and TV Azteca** On August 15\(^{th}\) 2014, the IFT’s Board decided to close a proceeding regarding alleged exclusionary practices: (i) Tied sale of broadcasting television signal; (ii) refusal to deal advertising time on broadcasting television. The investigation was started on April 14\(^{th}\) 2011 after Telmex complained GTV and TV Azteca S.A. de C.V., and Grupo MVS complained GTV.\(^{27}\)

  - **Telmex** On September 2014, the IFT’s Board decided to fine Telmex because it hampered the production process or reduced the demand faced by competitors. The fine imposed was MXN$ 49.3 million (USD 3.2 million)\(^{28}\)\(^{29}\) The investigation was started on April 6\(^{th}\) 2010 after Axtel and Avantel complained the execution of the sanctioned conduct.\(^{30}\)

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\(^{23}\) Economic sanctions are determined on the basis of the gravity of the infringement, which is based on the analysis of the elements established by the FECL: damage caused, duration of the infringement, intentionality, size of the affected market, economic capacity of the offender, and affectation of the powers of the IFT, among others.

\(^{24}\) Approximate calculation based upon the exchange from the Mexican Central Bank (15.00 pesos for 1 US dollar) (Available at [www.banxico.org.mx](http://www.banxico.org.mx)).

\(^{25}\) Approximate calculation based upon the exchange from the Mexican Central Bank (15.00 pesos for 1 US dollar) (Available at [www.banxico.org.mx](http://www.banxico.org.mx)).

\(^{26}\) Public version in Spanish is available at: [http://apps.ift.org.mx/publicdata/P_IFT_EXT_170214_70_Version_Publica_UCE.pdf](http://apps.ift.org.mx/publicdata/P_IFT_EXT_170214_70_Version_Publica_UCE.pdf)


\(^{28}\) Approximate calculation based upon the exchange from the Mexican Central Bank (15.00 pesos for 1 US dollar) (Available at [www.banxico.org.mx](http://www.banxico.org.mx)).

\(^{29}\) Public Resolution in Spanish is available at: [http://apps.ift.org.mx/publicdata/P_IFT_030914_297_Version_Publica_UCE.pdf](http://apps.ift.org.mx/publicdata/P_IFT_030914_297_Version_Publica_UCE.pdf)

2.3.2 Mergers and acquisitions

2.3.2.1 Statistics on number, size and type of mergers notified and/or controlled under competition laws

70. Authorization rules established for mergers in the FECL, the parties require prior approval from the IFT, to carry out transactions that exceed the thresholds specified in the FECL (“Notified Mergers”). This scheme prevents economic agents (parties) from carrying out mergers that could harm competition and free market access.

71. The new FECL allows the parties to submit commitments in the merger notification or up to one day before the case is listed for the plenary session. Furthermore, whenever the Institute considers a merger to pose a risk to competition, it shall inform the parties, in order to enable them to submit a proposal addressing such concerns. The most relevant mergers are presented below.

72. The FTBL establishes in its 9th transitory article an exceptional temporary regime for mergers. This regime will be in force, for as long as there is a preponderant economic agent in the telecommunications and broadcasting sectors.

73. Under FTBL, mergers do not require prior approval from the Institute, in those cases that: (i) The merger generates a sectorial reduction of the Dominance Index “DI”, provided Hirschman-Herfindahl Index does not increase of more than 200 points; (ii) As a result of the merger, the economic agent having a percentage of sectorial participation under 20%; (iii) In such merger, the preponderant economic agent of the sector in which the concentration is carried out, does not participate in such concentration; (iv) The merger does not have the effect to reducing, damaging or preventing free competition in the corresponding sector. On 2014, IFT reviewed one merger notice.

74. In the same way, LFTR empowers IFT to investigate mergers referred in previous paragraph, and in case it establishes that there is a substantial market power in the market of telecommunications networks providing voice, data or video or radio and television services according to the relevant sector, it may impose the necessary measures to protect and promote in said market free competition, without prejudice to the concentration referred.

2.3.2.2 Summary of significant cases

75. During 2014, IFT decided on five notified mergers. Three of these transactions transformed the mobile and pay TV markets. This transformation now includes a new operator in these markets, AT&T.

- **Grupo Televisa & Grupo Salinas Telecom in mobile communications market** As background, on April 7th 2011, Grupo Salinas Telecom (GST) and Corporativo Vasco de Quiroga, S.A. de C.V. (CVQ, a subsidiary of Grupo Televisa, GTV) notified to the former FCC a merger by which CVQ acquires 50% of shares representing the capital of GSF Telecom Holdings, S.A.P.I. de C.V. (GSF), a GST’s subsidiary. GSF is a provider of fixed as well as mobile voice and broadband services; CVQ is a provider of fixed telecommunications services. On June 6th 2012, the Board of FCC decided to authorize the operation subject to conditions.

In relation with the FCC’s decisions, CVQ requested protection of federal justice. On November 6th 2014 the judiciary authority concluded that FCC had requested additional information which was not legally based. Therefore, on December 10th 2014, IFT complied with Collegiate Circuit Court’s order to declare void the FCC’s decision of June 6th 2012.31 In this way, the “fictitious

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31 Public version in Spanish is available at: [http://apps.ift.org.mx/publicdata/P_IFT_EXT_091214_270_vp.pdf](http://apps.ift.org.mx/publicdata/P_IFT_EXT_091214_270_vp.pdf)
“affirmation” criteria was applied, which meant to consider neither objected nor subjected to conditions the notified merger on April 7th 2011.

On September 23rd 2014, GST and CVQ notified an operation through which GST would acquire from CVQ 50% of GSF’s capital. On December 12th 2014, IFT’s Plenary decided to authorize the merger notified.32

- **Grupo Salinas Telecom & AT&T in mobile communications market** After the operations mentioned in previous paragraphs, on November 21st 2014, GST and AT&T notified a merger through which an AT&T’s subsidiary acquired 100% of GSF’s capital. In Mexico, AT&T had a commercial relationship for a period of ten years with América Móvil, S.A.B. de C.V. (AMX). On December 18th 2014, IFT’s Board decided to authorize the merger subject to conditions.33

- **AT&T & DirecTV in Pay TV market** On June 10th 2014, IFT received a notification regarding an operation by which AT&T would acquire DIRECTV indirectly as consequence of the merger in the United States between DIRECTV and Steam Merger Sub LLC, an AT&T’s subsidiary. In Mexico, AMX and AT&T had a commercial relationship for a period of ten years. Considering these elements, IFT’s Board decided to authorize the merger subject to conditions.34

- **Merger Notice** On August 14th 2014, GTV presented a merger notice in accordance with 9th Transitory Article. The transaction involved the acquisition by a GTV’s subsidiary of all shares representing Cablecom’s capital which is a provider of pay TV. On December 10th 2014, IFT’s Board decided that requirements established in the Ninth Transitory Article were fulfilled and as consequence merger should not be notified.35 Also, the same resolution ordered to notify to the Investigating Authority to begin an inquiry of the existence of substantial market power in voice, data or video or radio and television markets, and, if it is the case, to establish measures to protect competition and free market access.

2.4 **The role of competition authorities in the formulation and implementation of other policies**

2.4.1 **Economic Competition Opinions on Public Tenders**

2.4.1.1 **Broadcasting television**

76. The 2013 Constitutional Reform ordered and empowered the IFT for bidding the spectrum in order to form at least two new national broadcasting television providers in Mexico. Therefore, on March 7th 2014, IFT published a Public Call for Tender to allocate spectrum, which was modified on June 13th. Economic Competition Unit issued an opinion on economic competition matter regarding the design of the basis of the tender.

77. Invitation for tender established that in order to participate in spectrum bidding, participants had to meet, among others: (i) being consortiums founded as trading companies; (ii) being Mexican citizens or societies not restricted by legal provisions on foreign investment; (iii) getting a favorable opinion on economic competition matter from the IFT. The request for opinion should be submitted to the Economic Competition Unit, who would assess and issue the opinion.

78. The opinion was aimed to create competitive conditions for the bidding and the broadcasting television market, in particular, it would aid to prevent: (i) spectrum concentration; (ii) participation of agents who accumulate 12 MHz of spectrum; (iii) participants belong to the same economic interest group, in order to guarantee independent bids; (iv) unilateral or coordinated effects in the broadcasting television market once the concessions were granted.

79. On November 2014, Economic Competition Unit issued a favorable opinion on economic competition matter regarding eight applications to participate in spectrum bidding. From December 9th until December 11th, IFT gave notice to three economic agents that had already paid bid security, that they should submit missing information or information which did not meet requirements for bidding since January 13th until 15th 2015.

2.4.1.2 Orbital Positions

80. On July 18th, 2014, IFT published the call for tender regarding granting of concessions to occupy geostationary orbital positions and to exploit frequency bands. As in the case for broadcasting television bidding, this invitation established that those economic agents interested to participate in bidding, should get favorable opinion on economic competition matter from the IFT in order to reject possible harms to competition. The request for opinion should be submitted to the Economic Competition Unit.

81. IFT issued one favorable opinion on September 22nd 2014. The bidding was declared void on November 2014 since there were not presented formal bids.

2.4.1.3 Other Opinions on Economic Competition Matters

82. With new FECL and FTBL, IFT has designed a convergent organizational structure which is aimed to achieve a greater specialization degree to design and implement regulatory policy for broadcasting and telecommunications sectors. Therefore several proceedings has been simplified in order to reduce regulatory burden.

83. With the previous secondary legislation, economic agents needed to get favorable opinions on economic competition matters from FCC as a requirement in proceedings related with Federal Telecommunications Commission (Cofetel) the regulatory authority in telecommunications and broadcasting sector before the creation of the IFT. Some cases were decided by IFT following these provisions, in particular, Economic Competition Unit issued 12 opinions on the transfer of concessions and 45 opinions on permissions to operate radio stations.


37 Public version is available in Spanish at: http://apps.ift.org.mx/publicdata/P_IFT_EXT_220914_212_Version_Publica.pdf

38 Public version in Spanish is available at: http://apps.ift.org.mx/publicdata/P_IFT_051114_367.pdf
84. Even before new laws were in force, IFT had reduced several of these formalities. Hence, Economic Competition Unit issued 12 opinions to different Units of the IFT regarding cessions, granting and alienation of concessions, as well as shareholding changes.

2.5 Resources of competition authorities

85. The Federal Spending Budget for the 2014 fiscal year\textsuperscript{39} allocated MXN $2,000,000,000 (USD $133.3 million)\textsuperscript{40} for the IFT.

86. Human resources applied to enforcement against anticompetitive practices, merger review and enforcement and advocacy efforts are concentrated in the AI, UCE and UAJ offices.

<table>
<thead>
<tr>
<th>IFT’s human resources in 2014:</th>
<th>Investigative Authority</th>
<th>Economic Competition Unit</th>
<th>Legal Affairs Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>59</td>
<td>33</td>
<td>51</td>
</tr>
<tr>
<td>Total staff</td>
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<td></td>
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<td>824</td>
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Source: IFT

\textsuperscript{39} Source: http://inicio.ifai.org.mx/MarcoNormativoDocumentos/21.Presupuesto\%20de\%20Egresos\%20de\%20la\%20Federaci\%C3\%B3n\%20para\%20el\%20Ejercicio\%20Fiscal\%202014.pdf

\textsuperscript{40} Approximate calculation based upon the exchange from the Mexican Central Bank (15.00 pesos for 1 US dollar) (Available at www.banxico.org.mx).