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Competition - Mexico

New competition regulatory agencies incorporated

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Recent amendments to Articles 6, 7, 27, 28, 73, 78, 94 and 105 of the Mexican Constitution in relation to competition and telecommunications matters were published in the *Federal Official Gazette* on June 11 2013 (for further details please see "Congress enacts constitutional amendments affecting competition"). The amendments provide for the creation of two new constitutional entities:

- the Federal Economic Competition Commission (FECC), which will regulate competition concerns arising from all economic activities, with the exception of telecommunications and broadcasting activities; and
- the Federal Telecommunications Institute (FTI), which will regulate the telecommunications and broadcasting sectors, including matters related to competition.

In order to incorporate these entities, the sixth transitional article of the amendments provides that the commissioners of the FECC and FTI (seven for each) are to be selected through a transparent evaluation process by an evaluation committee, which will send the president a list of three to five candidates for each position. From this list, the president will choose the best candidates to be appointed as commissioners.

The selection process for the new commissioners commenced on June 17 2013 with a public invitation published by the evaluation committee. On September 10 2013 the Senate ratified six of the seven FECC commissioner candidates chosen by the president and all seven of the candidates that he appointed to the FTI commissioner positions.

Alejandra Palacios Prieto and Gabriel Oswaldo Contreras Salvidar were elected as presidents of the FECC and the FTI, respectively.

Accordingly, there is still a vacancy for the FECC, since the Senate did not ratify Luis Alberto Ibarra Pardo as a commissioner. In this regard, the president had until September 20 2013 to propose another candidate from the committee's initial list.

Five of the FECC commissioners are economists, while only one is a lawyer.(1) This might suggest that the new entity will primarily take an economic approach (unlike the FECC's predecessor, the Federal Competition Commission, which leaned towards an economic approach, but maintained a greater balance of economic and legal matters by having three economists and two lawyers as commissioners).

The FTI benefits from a more balanced integration of the different disciplines involved in monitoring the telecommunications sector, since two of the commissioners are engineers, two are economists and three are lawyers.

Finally, the creation and commencement of activities of the FECC and FTI will have no negative effects on ongoing proceedings of the former entities, as these will continue unaffected along with those of the new entities under the substantive law applicable at the beginning of the proceedings.

For further information on this topic please contact Lucia Ojeda Cardenas at SAI Law & Economics by telephone (+52 55 59 85 6618), fax (+52 55 59 85 6628) or email (loc @sai.com.mx).

Endnotes

(1) Although only six commissioners were ratified, the remaining eligible candidates for the last vacancy are economists.

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