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Cargo transportation by trucks. Are truckers really colluding?

Discussion topic.

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This note is personal. It does not necessarily reflect VA&BA position.

0. The Federal Competition Commission (FCC) has sanctioned some truck companies charging them with collusive behavior. However FCC's conclusions rest on weak analytical grounds regarding identification of competitors and price-fixing benchmarks.
1. Federal Law of Economic Competition (FLEC) establishes sanctions for collusive conducts (ref., FLEC, article 9). To this effect such conduct should be carried out by agents who "compete with each other".
2. According to FCC any cargo company is competitor of other, since it is enough to notice that an official permit for a truck company states its faculty to carry cargo without any special limitations, likewise the cargo company can transport all over the country along federal roads.
3. This conclusion by the FCC will surely break down if the identification of competitors is made following the methodology stated in FLEC's article 12 to specify a relevant market. The substitution effects derived from comparison of price and functions of a service provided by different agents is missing from FCC's analysis.
4. According to FCC as long as truck companies adjust their final prices by incorporating the same change in fuel (diesel) price, is enough to prove that the companies have the purpose of colluding to fix prices of their final services.
5. This conclusion by the FCC fails to demonstrate, as FLEC's article 9, section I ["price Fixing"] requires, that final prices actually adjust in the same "proportion" even though the change in level is adopted.

Note. FCC's resolution is available at:

http://www.cfc.gob.mx/docs/pdf/resolucionde1532008_vpub.pdf
