

Mexico Creates a Railway Transport Regulatory Agency

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PRACTICES Asia, Mexico, Mexico Energy Reform

On August 18, 2016, the Mexican government created the Railway Transport Regulatory Agency (*Agencia Reguladora del Transporte Ferroviario*) (“Agency”) as an adjunct to the Ministry of Communications and Transportation (*Secretaría de Comunicaciones y Transportes*) (“SCT”). The creation of the Agency addresses the need to modernize the Mexican railway system by including a specialized and technical branch inside SCT in charge of guaranteeing the efficient use and expansion of the railway system, as envisioned by the major reform to the Railway Services Law (*Ley Reglamentaria del Servicio Ferroviario*) of January, 2015.

The head of the Agency is to be proposed by the Minister of SCT and approved by the President.

The creation of the Agency is relevant for all the concessionaires and permit holders of railway services, as well as for the users transporting any kind of goods, including fuels, by rail.

The categories of the Agency’s authority includes the following: solving disputes that may arise between the users and railway concessionaires or permit holders, creating a registry of railway concessions and permits, issuing technical specifications of the railway system, issuing technical opinions related to the construction and development of railway infrastructure, participating in railway accident investigations, issuing federal railway licenses, imposing administrative sanctions for violations of legal provisions on railway matters, and assisting SCT in establishing policies and tariffs for the operation of the railway system in Mexico.

The SCT is to issue the Agency’s Organization Manual within 180 days from the creation of the Agency, which will detail the Agency’s basic structure and corresponding administrative units.

If you have any questions, please contact one of the lawyers listed below.