

PRESS RELEASE

The CNMC has decided to lodge an administrative appeal against restrictions on competition in the regulation of private hire vehicles

- The appeal will be lodged under Article 27 of Law 20/2013, of December 9, to guarantee market unity.
- The restrictions on competition which will be challenged at court are included in the Royal Decree 1057/2015, of November 20, 2015 and the Ministerial Order FOM 2799/2015 of 18 December. These regulations are detrimental to the general interest.
- These barriers hinder entry and the ability to compete of private hire vehicles (PHV); they substantially lessen competition in the market for urban passenger transport services; and they negatively affect prices, quality, innovation and, ultimately, the general welfare.

Madrid, 11 April, 2016. - On 14 January, the Spanish Competition and Markets Authority (CNMC) sent a formal requirement to the Ministers' Council requesting the removal of several articles included in the Royal Decree 1057/2015, of November 20, 2015. In addition, on 9 February, the CNMC sent a formal requirement to the Ministry of Public Works asking for the removal of certain articles embodied in the Ministerial Order, of December 18, 2015. ([Press release published on January 2016](#)).

Neither of these prior requirements have been answered by the Ministry of Public Works. Accordingly, the CNMC has decided to lodge an administrative appeal at court in order to improve these regulations and remove the unjustified restrictions on competition they foresee, as they are detrimental for consumers, business and the public sector itself.

The CNMC is entitled to challenge at court regulations and acts of the Spanish Public Administrations which are deemed to be contrary to the freedom of establishment or which entail an unjustified restriction to access or undertake economic activities. In this case, the CNMC is acting in the framework of article 27 of Law 20/2013, of December 9, which guarantees market unity.

The main restrictions established by the Royal Decree and the Ministerial Order - which should be eliminated as they are not sufficiently justified – are the following:

- Quantity restrictions on PHV authorizations, restrictions related to the prior booking of the service and a prohibition to compete directly in the hail market,
- Geographical restrictions in service provision which result in the fragmentation of the Spanish internal market,
- The establishment of minimum fleet size requirements to enter the market – which are especially detrimental for self-employed workers - and other

Reproducción permitida solo si se cita la fuente.

unnecessary and discriminatory restrictions for new entrants, related to maximum vehicle age restrictions and other technical requirements.

All these limitations are contrary to the freedom of establishment under the Law 20/2013, of December 9, which guarantees market unity.

These barriers are unjustified, hamper effective competition in the market for urban passenger transport services throughout the national territory, limit innovation and, as a consequence, reduce general welfare. The CNMC considers they should be removed from the regulatory framework in order to achieve a better functioning of the Spanish economy.