SPANISH COMPETITION
Highlights...
Weekly follow-up: 26 Jun – 30 Jun.

The CNMC challenges the distribution of the market for rented vehicles without drivers in Formentera.

On 27 January 2023, it was adopted the "*Agreement on the limit of vehicles and period of application of the limitation of entry, movement and parking on public roads on the island of Formentera for the year 2023*".

The CNMC mainly challenges, before the Balearic Regional Court, two measures contained in the Agreement:

- Distribution of rent-a-car accreditations: only companies that were already operating in 2019 can provide car rental services. A maximum quota of vehicles is also established based on the existing fleet of these companies in that year.

  The CNMC considers that there are less restrictive methods of quotas allocation.

- Determination of the share of vehicles with taxi and VTC licences: the share of VTC licences is set at 0 by 2023, while allowing for 49 taxi licences.

  The CNMC considers that this unbalance and difference in treatment between taxi and VTC licences is not justified.

The CJEU's Judgment and the adaptation of legislation by Royal Decree-Law 5/2023

The CJEU's judgment of 8 June 2023 finds, in relation to VTC licences, that the requirement of an additional specific authorisation and the limitation of the number of licences constitute restrictions on the exercise of the freedom of establishment. However, it states that the objectives of efficient management of transport, traffic and public space, as well as environmental protection, may constitute overriding reasons of general interest justifying these measures.

Following this judgment, Royal Decree-Law 5/2023 adapts the current legislation:

- The vehicle, to which the authorisation is linked, is required to be owned or leased.
- New requirements are established with the aim of ensuring the protection of air quality improvement and the reduction of CO_2 emissions.
- The declaration of passenger transport by taxi as a service of public interest is supported.