

PRESS RELEASE

The CNMC investigates possible anti-competitive practices in the provision of public passenger transport services by road in Cantabria

- The activities involve possible agreements and/or practices aimed at the distribution of customers and the awarding of tenders.
- They are thought to have a special impact on school transport services in this Autonomous Community.

Madrid, 7 February 2019. The CNMC (Spain's National Authority for Markets and Competition) is investigating possible anti-competitive activity, consisting of agreements and/or practices aimed at the distribution of customers and the awarding of tenders for the provision of public passenger transport services by road in the Autonomous Community of Cantabria, with a particular impact on school transport.

On 5 and 6 February, inspections were carried out at the headquarters of several companies operating in this market. These inspections are part of the investigation opened by the CNMC after it became aware of the possible existence of anti-competitive practices.

Certain companies in the sector are alleged to have carried out such practices in relation to the distribution of customers and the awarding of tenders for the provision of public passenger transport services by road in the Autonomous Community of Cantabria, with a particular impact on school transport.

The <u>inspections</u> are a preliminary step in the investigation of alleged anti-competitive practices and do not prejudge the investigation's outcome or the culpability of the inspected companies. If, as a result, evidence of practices prohibited by the Defence of Competition Act is found, formal disciplinary proceedings will commence.

<u>Agreements between competitors</u> constitute a very serious infringement of competition legislation, and may result in fines of up to 10% of the infringing companies' total turnover.

The investigation of cartels is one of the priorities for action of the CNMC, given the particular severity of their impact on consumers and the proper functioning of markets.

To this end, it has in place the <u>Leniency programme</u>, which allows cartel-member companies to benefit from an exemption from penalty payment if they provide evidence enabling the CNMC to detect these cartels, or a reduction in any penalty imposed if they provide information with significant added value on an existing CNMC investigation.

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The CNMC also has an <u>online public collaboration platform</u> to detect cartels by providing anonymous information on any secret agreements between competitor companies to fix prices or other commercial conditions, distribute the market or clients, or fraudulently distribute public or private tenders.

Furthermore, it must be remembered that companies requesting leniency shall be exempted from the prohibition on contracts established in Article 71 of Law 9/2007 on Public Sector Contracts, on sanctions for serious breaches with regards to misrepresentation of competition, as provided for in Article 72.5 of that law.

The CNMC has drawn up recommendations for good practice in public procurement.

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