

The CNMC concludes that Iryo can provide high speed services on four new routes

- These are the Madrid-Cuenca, Madrid-Albacete, Albacete-Cuenca and Barcelona-Camp de Tarragona routes.
- On these routes, Iryo's services respect the economic balance of the public service contract that Renfe Viajeros has with the State
- The CNMC requires Renfe to communicate the characteristics of its "low cost" AVLO services.

Madrid, 2 January 2023.- The Spanish National Markets and Competition Commission (CNMC) has approved the Resolution that will allow the company Iryo to provide services between Madrid-Cuenca, Madrid-Albacete, Albacete-Cuenca and Barcelona-Camp de Tarragona. These services do not compromise the economic equilibrium of the [2018-2027 public service contract](#) signed between the Ministry of Transport, Mobility and Urban Agenda and Renfe Viajeros ([STP/DTSP/015/22](#)).

The CNMC's analysis

Iryo informed the CNMC that it intended to provide services coinciding with certain routes that are considered to be services subject to public service obligations (PSO).

The CNMC, at the request of the Ministry, has performed an economic equilibrium test, in accordance with [the method approved on July 16, 2020](#), to determine whether these new services could pose a risk to the public service contract.

Frequencies and prices of services

According to the CNMC's analysis, the Conventional Middle Distance services (PSO) offered by Renfe are not a substitute for Iryo's High Speed services, because they take longer.

On the other hand, AVANT services (PSO medium-distance high-speed services) could be substituted by the new services proposed by Iryo if their technical characteristics are taken into account, but not in terms of frequencies or prices. Specifically, the AVANT services are more frequent than Iryo's trains and the prices of the multi-journey tickets for the PSO services are more competitive than the prices envisaged by Iryo.

The only route on which Iryo's high-speed train competes with the PSO services is the Barcelona-Camp de Tarragona route, with a lower single-ticket price than Renfe's AVANT services. In any case, the expected impact on Renfe's revenues would amount to less than 0.003% of the total PSO contract, which is below the 1% established in the CNMC's method for concluding that new services could significantly impact a contract.

Request to Renfe concerning AVLO

Furthermore, Renfe operates new high-speed services under the "low cost" commercial brand AVLO at lower prices than those of the AVANT services, also provided by Renfe and which are subject to public service obligations.

The Resolution requires Renfe to report this type of service, as established in the regulations, in order to determine whether they affect the economic equilibrium of the services subject to public service obligations (PSO).

Related content:

- ([STP/DTSP/015/22](#)).
- Resolution of July 16, 2020: [Method relating to the economic equilibrium test in the face of a new rail passenger transport service \(Article 14 of Implementing Regulation 2018/1795\)](#)