

The CNMC concludes that Ouigo can increase its frequencies between Madrid and Albacete from 2 to 5.

- The new services do not compromise the economic balance of the public service contract between Renfe Viajeros and the Ministry of Transport.
- The CNMC recommends revising the public service obligations so that only frequent customer passes are subsidised.
- The market adequately covers the services required by occasional passengers.

Madrid, 29 December 2023.– The Spanish National Markets and Competition Commission (CNMC) has ruled that the new Ouigo services between Madrid and Albacete, which will increase in frequency from 2 to 5 in each direction per day, do not compromise the economic balance of the [2018-2027 public service contract](#) signed between the Ministry of Transport and Sustainable Mobility and the company Renfe Viajeros ([STP/DTSP/048/23](#)).

Renfe Viajeros provides two types of services with public service obligations on this route: Medium-distance Conventional and Medium-distance High Speed, also called Avant.

At the request of the Ministry, the CNMC has carried out the mandatory economic balancing test, in accordance with [the method approved on 16 July, 2020](#), with the following conclusions:

Non-substitutable services

- Conventional Medium-distance services and the new Ouigo services are not substitutable in terms of travel time, which is much shorter on the high-speed trains.
- Avant services and the new Ouigo services are also not substitutable for frequent travellers, because Avant services offer better prices (on multi-journey vouchers), a greater frequency, and the possibility of changing the date and time of travel free of charge.

Substitutable services

- The new Ouigo services can be considered substitutable for Avant services only in the case of occasional travellers, provided that the two services run in the same time slots (up to 60 minutes earlier or later).

Economic impact

According to the CNMC's analysis, the potential transfer of non-recurrent passengers from the Avant service to Ouigo's new services would not have a substantial negative impact on the public service contract.

The result of the balancing test shows a cumulative impact of 0.017% of revenue, less than the 1% which would lead to the opposite conclusion. The previous economic balancing test for the Iryo service between Camp de Tarragona and Barcelona has also been taken into account ([press release](#)).

Recommendations

The Ministry of Transport and Sustainable Mobility should analyse the possibility that several companies, and not only Renfe Viajeros, could offer the public services (as in the "Verano Joven" experience), since three companies and four commercial products are now operating on the Madrid-Albacete route and passengers' needs are covered.

Furthermore, it is recommended that the scope of public services between Madrid and Albacete be reviewed, and only multi-journey vouchers for frequent travellers be covered, since for occasional passengers the commercial services are cheaper than the public services and have sufficient frequencies.

Related content:

- [STP/DTSP/048/23](#)
- [Press release](#) (2/01/2023): The CNMC concludes that Iryo can provide high speed services on four new routes