

### **The CNMC concludes that Ouigo can provide four high-speed services per day on the Madrid-Segovia-Valladolid route**

- The new services do not compromise the economic equilibrium of the public service contract between Renfe Viajeros and the Ministry of Transport.
- Thanks to the increase in the frequency of Ouigo's new service, seats could be freed up on Avant services (medium-distance high-speed public services), which are currently very busy.
- As on other routes analysed, the liberalisation of rail services offers more attractive commercial solutions than public services for occasional travellers.

**Madrid, 6 April 2024.** – The CNMC (National Markets and Competition Commission) has ruled that Ouigo's four daily services on the Madrid-Segovia-Valladolid route do not compromise the economic equilibrium of the [2018-2027 public service contract](#) between the Ministry of Transport and Sustainable Mobility and Renfe Viajeros ([STP/DTSP/027/23](#)).

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

#### **Non-substitutable services**

- Conventional medium-distance public services and the new Ouigo services are not substitutable in terms of travel time, which is much shorter on high-speed trains.

#### **Substitutable services**

- Avant services (public medium-distance high-speed services) are substitutable with the new services proposed by Ouigo due to their technical characteristics. However, Avant services are more competitive than Ouigo's, as they have better prices (in multi-journey vouchers), more frequencies and the possibility to change the date and time of the journey free of charge.

Thus, the CNMC considered that only Avant services used by occasional travellers, which run up to 35 minutes before or 35 minutes after Ouigo services, could affect the public service contract. According to this analysis, only 6 Avant services per day (out of a total of 33) would be affected.

## Madrid-Segovia-Valladolid

The Madrid-Segovia-Valladolid route has experienced a significant increase in demand and the average occupancy of Avant services is now above 90%. Avant services is now above 90%. In addition, a significant number of services are full, which suggests that there is unsatisfied demand at present. Ouigo's new services, thanks to the increase in frequency, will free up seats on Avant services, which can be taken up by frequent travellers (with multi-journey vouchers).

The result of the equilibrium test shows a cumulative impact (i.e., taking into account the previous economic equilibrium tests)<sup>1</sup> of 0.14% of the revenue of the public service contract, which is less than 1%. This allows the CNMC to conclude that the new services have a substantial negative impact on the contract.

## Recommendations

As already mentioned in the analysis of the Madrid-Albacete route, the CNMC recommends once more reviewing the scope of public services between Madrid and Valladolid, and covering only multi-journey vouchers for frequent travellers, since for occasional travellers the commercial services are cheaper than the public services and have sufficient frequencies.

## Related content:

- [STP/DTSP/027/23](#)
- [Press release](#) (29/12/2023): The CNMC concludes that Ouigo can increase its frequencies between Madrid and Albacete from two to five.
- [Press release](#) (02/01/2023): The CNMC concludes that Iryo can provide high speed services on four new routes

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<sup>1</sup> [IRYO service between Camp de Tarragona and Barcelona](#) and [OUIGO service between Madrid and Albacete](#).