



# **Public intervention and transport services in Spain – what can we learn from experience?**

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## *The role of the public sector*

- Universal and fair access to transport services
  - The market may not provide certain services
- Public intervention will impact on competition in the market
- Efficient economic regulation
  - Necessity
  - Proportionality
  - Non-discrimination

# *Transport services in Spain*

- Passenger transport



Public tenders



Public operator



Liberalised



Liberalised

## *Means of intervention*

<b>Public service obligation (PSO)</b>	<b>Public service contract (PSC)</b>
Horizontal obligations	Targeted obligations
No market foreclosure	Market foreclosure
No public funding	Public funding
Heterogeneity	

## *Common features in transport services with public intervention*

- Extensive use of PSC
- Traditional incumbent
- No competitive tender
- No objective criteria when determining compensation
- No dynamic efficiency

# *Competition advocacy - instruments*

<b>Competition advocacy</b>	
<b>Advisory Reports (Draft Regulations, tender conditions...)</b>	Intercity and city buses, maritime transport, air transport
<b>Market studies</b>	Intercity buses (2008, 2010, 2010)
<b>Challenges before court</b>	Intercity buses (2010)

# **Sector-specific examples**

# *Bus transport*

## A. City buses

- Advisory reports → A Coruña, Cádiz (2018)
- PSC, traditional incumbent, no real competitive tender
- Public compensation (asymmetric information)

→ **Competition for the market**  
→ **Objective criteria**

# *Bus transport*

## **B. Intercity buses**

- Challenge before court → Comunidad Valenciana (2010)
- Extension of the concession period

**Annulled**

## *Maritime transport (Ceuta)*

- 2018: Advisory report on implementation of a low cost fare from / to the city of Ceuta
- Unique case
  - No real alternative
  - PSO + PSC

## *Maritime transport (Ceuta)*

- PSO: 3 trips per day
- Versus the market

Company	Frequency
Balearia (PSC)	10 (4 PSC)
FRS	5
Transmediterránea	4
<b>Total</b>	<b>19</b>

- Average annual occupancy rate of 20% (passengers) and 24% (vehicles)

## *Maritime transport (Ceuta)*

### Public tenders (PSC)

Contract reference	Tendering period	No. of bids	Compensation	Winning bid
36/2011	10/2011 - 09/2013 (2 years)	1 (Balearia)	4.200.000€	4.200.000€
57/2013	10/2013 - 09/2015 (2 years)	0	3.000.000€	-
181/14	1/01/2015 - 31/12/2016 (2 years)	1 (Balearia)	4.000.000€	3.990.000€
15/17	1/07/2017 - 30/06/2018 (1 year)	1 (Balearia)	1.975.000€	1.975.000€

## *Maritime transport (Ceuta)*

- **Reassess necessity of PSC**
- **Access to PSC: proportional and non-discriminatory**
- **Make the most of competition for the market**

## *Common lessons*

- Each sector has its particularities
- Public intervention wherever market forces are insufficient
- Competition has great potential (in / for the market)
- **Necessity, proportionality and non-discrimination**



*Thank you*