

**THE NEED FOR A NEW LEGAL FRAMEWORK FOR VTC LICENSES TO ALLOW
COMPETITION IN THE SERVICES OF CITY TRANSPORT
-INCLUDING TAXIS-. A MATTER OF EC COMPETITION POLICY**

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ABSTRACT:

In the recent years, the phenomenon of the sharing economy has played an important part in the market of the city transport of passengers. The performance of these digital platforms such as Uber, Blablacar or Cabify has been full of controversy. So far, the debate has been focused on the qualification of the service provided by these platforms. Once that –according to the Conclusions of AG Spuznar, to the case *Elite Taxi vs. Uber* of the ECJ- it seems pretty clear that these companies do provide a service of transportation, it is important to consider the legal framework of this activities.

In many countries –as it happens in Spain-, the provision of the service of city transportation of passengers is subjected to the compliance with loads of public regulations. At the end, these regulations imply a de facto, reservation of the activity to taxi services, whilst the services of car rental with a driver is very limited. The main problem is the existence of important barriers to entry to both markets (taxi and car rental with a driver), as the provision of the service requires to hold a public license which in practice is no longer possible to obtain, as the number of licences is limited by law. For the car rental with a driver, there is also a limitation of the number of cars to one car for every 30 taxies. But these are not the only barriers to entry, there are also many other important barriers that limit the access to the market and the innovation in the provision of transport services. From a competition policy point of view, it is important to consider these limitations and bring them to an end. However –at least in Spain- the legislator seems not to have the intention to change the state of things, because of the pressures of the sector (recent taxi strikes) and despite the concerns of the competition authorities.