

Press and Information

Court of Justice of the European Union PRESS RELEASE No 3/15

Luxembourg, 14 January 2015

Judgment in Case C-518/13 The Queen, on the application of Eventech Ltd v Parking Adjudicator, (intervening parties, the London Borough of Camden and Transport for London)

## Allowing London taxis to use bus lanes while prohibiting private hire vehicles from doing so does not appear to involve State aid

Since taxis are in a factual and legal situation which is distinct from that of private hire vehicles, that permission does not appear to be such as to confer, through State resources, a selective economic advantage

EU law prohibits aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods, in so far as it affects trade between Member States.

In London, both London taxis (Black Cabs) and private hire vehicles (minicabs) are vehicles which carry passengers for consideration. Only Black Cabs are permitted to 'ply for hire' (that is, solicit or wait for passengers without any pre-booking). In contrast, minicabs can only pick up people who have pre-booked their services. Further, drivers of Black Cabs are subject to strict standards in relation to their vehicles, their fares and their knowledge of London, whereas those standards do not apply to minicabs.

Transport for London (TfL) and the London Boroughs are the traffic authorities for almost all the roads in London. TfL permits Black Cabs to use the bus lanes that are managed by it, but prohibits licensed minicabs from doing so, during the hours when bus lane restrictions are operational. Most London Boroughs have also adopted that policy with respect to roads for which they are responsible.

Eventech is the registered keeper of all the minicabs of its parent company Addison Lee plc, which is the operator of a fleet of minicabs in London. The London Borough of Camden served two penalty charge notices on Eventech due to the fact that two drivers of Addison Lee minicabs had used a bus lane in central London. Eventech challenged those notices, claiming inter alia that the bus lanes policy constitutes State aid to the operators of Black Cabs, which is contrary to EU law.

The Court of Appeal, before which an appeal was brought, referred to the Court of Justice questions for a preliminary ruling in order to determine whether that permission constitutes State aid.

In today's judgment, the Court declares that **the practice of permitting Black Cabs to use bus lanes, while prohibiting minicabs from doing so, does not appear to be such as to involve a commitment of State resources**. The fact that Black Cabs are not obliged to pay fines because of their use of bus lanes does not involve additional burdens on the public authorities which might entail a commitment of State resources. The bus lanes were not constructed for the benefit of taxis, but as part of the London road network and, primarily, with a view to facilitating public transportation by bus. A State does not necessarily confer an economic advantage where it grants a right of privileged access to public infrastructure which is not operated commercially by the public authorities to some users of that infrastructure, in order to pursue an objective laid down by the State legislation (such as to ensure a safe and efficient transport system). Having regard to the characteristics of Black Cabs, the competent national authorities could reasonably take the view that the access of those taxis to bus lanes was liable to enhance the efficiency of the London road transport system. The Court then states that **Black Cabs**, because of their legal status, **are in a factual and legal situation which is distinct from that of minicabs**, and consequently those two categories of vehicles are not comparable. Only Black Cabs can ply for hire, they are subject to the rule of 'compellability', they must be recognisable and capable of conveying persons in wheelchairs, and their drivers must set the fares for their services by means of a taxi meter and have a particularly thorough knowledge of the city of London. In that context, the bus lane policy does not confer a selective economic advantage on Black Cabs.

Last, the Court considers that it is conceivable that the effect of the practice of permitting Black Cabs to use bus lanes while prohibiting minicabs from doing so may be to render less attractive the provision of minicab services in London, with the result that the opportunities for undertakings established in other Member States to penetrate that market are thereby reduced.

**NOTE:** A reference for a preliminary ruling allows the courts and tribunals of the Member States, in disputes which have been brought before them, to refer questions to the Court of Justice about the interpretation of European Union law or the validity of a European Union act. The Court of Justice does not decide the dispute itself. It is for the national court or tribunal to dispose of the case in accordance with the Court's decision, which is similarly binding on other national courts or tribunals before which a similar issue is raised.

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