

EU Competition Law Autumn 2021

In Asuz, the capital of the minor EU Member State Urbania each year attracted large number of tourists. The city-center was old, with narrow streets. Over the last years, e-scooters (electric scooters) have experienced a boosting popularity both among tourists as well as the local inhabitants. The use of such scooters exploded, something which both made transport more efficient, but also led to a growing number of accidents, especially during night-time, as well as parking chaos.

There are four companies active in the market for e-scooter rental. In 2021, these companies developed a joint mobile app "Micro-mob", where customers could hire e-scooters from any of the companies. The app automatically reduced the number of available e-scooters during night-time, in order to bring down the number of accidents. In the app, the four companies could in principle decide and charge individual prices, but in practice the prices for e-scooter rental were identical.

The authorities in Asuz were very satisfied with the companies' initiative making the rental of e-scooters more user-friendly and actively promoted the Micro-mob app i.a. at the public Tourist Information.

The European Commission took interest in the case, and sent a Statement of Objections to the four companies, arguing that the joint app represented an infringement of Article 101 TFEU by object, and that trade between Member States was affected. According to the Commission, the app constituted price fixing, unlawful exchange of information as well as agreed reductions of capacity.

Q 1: Discuss whether the Micro-mob app represents an infringement of Article 101 TFEU.

Q 2: Assume that the Micro-mob app is restrictive of competition; please propose commitments which may resolve the concerns of the Commission.