

Public procurement reform: railways welcome simpler EU rules for faster service delivery

The European Commission presented today its proposal for a new EU Public Procurement Regulation. The Community of European Railway and Infrastructure Companies (CER) warmly welcomes the Commission's pragmatic approach to a simpler, more harmonised and future-oriented procurement framework. The decision to exempt rail services operating in liberalised markets (rail freight, high-speed and other commercial passenger services and public service obligation contracts) from public procurement rules will directly and positively impact the delivery of these services to customers.

Public procurement currently represents a major aspect of rail investment for many rail companies across Europe. Procuring new rolling stock can take up to eight years, while major infrastructure projects can require up to 15 years. These lengthy procedures increase costs, create legal uncertainty and delay modernisation, postponing the benefits that rail investment can deliver to passengers and businesses.

Today's newly proposed act is an important step to simplify and promote more flexibility in public procurement. Reducing legal differences across Member States, streamlining procedural complexity to avoid repetitive checks and redundant documentation requirements, and increasing digitalisation will all lessen the administrative burden on all contracting parties, leading to faster more efficient procurement for public companies.

A major change for railways will be the exemption of rail services from the scope of the regulation when they are operated in a liberalised segment of the market. Whereas European rail markets have been progressively opening over the past decades, public procurement frameworks have not evolved to reflect the new competitive landscape. Depending on their ownership structure, rail operators competing in the same liberalised markets are subject to different rules when making their purchasing and investment decisions. The exemptions proposed by the Commission put rail operators on an equal footing and match similar exemptions in other sectors.

Faster investment, quicker benefits

The practical benefits for rail investment are significant. Simpler purchasing processes can shorten the time needed to procure new rolling stock and equipment, reduce administrative and transaction costs and limit exposure to price increases during lengthy procedures. A clearer framework should also reduce disputes over the application of procurement rules, avoiding costly legal proceedings that can delay projects for years.

Most importantly, shorter procurement timelines mean a faster time to market. This bolsters investor confidence and boosts rail competitiveness, with investment translating much sooner into more reliable and comfortable services for passengers, as well as improved solutions for freight customers.

CER hopes for a swift adoption and implementation of this positive reform and calls on the European Parliament and the Council to preserve the proposed exemptions throughout the legislative process. Their inclusion in the final Regulation will be essential to ensure that the EU procurement framework reflects the reality of today's liberalised rail market and enables investment to be delivered more quickly and efficiently.

CER Executive Director Alberto Mazzola said: *"Today's proposal is a very positive evolution for rail competitiveness and, above all, for rail customers. Exempting rail operators from procurement processes that competitors within the same market do not face is a logical approach. It will make it easier to turn investment into new trains and better services, reducing unnecessary costs and delays and allowing passengers and freight customers to feel the benefits much sooner."*

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About CER

The Community of European Railway and Infrastructure Companies (CER) brings together around 70 railway undertakings, their national associations as well as infrastructure managers and vehicle leasing companies. The membership is made up of long-established bodies, new entrants and both private and public enterprises, representing 78% of the rail network length, 81% of the rail freight business and about 94% of rail passenger operations in EU, EFTA and EU accession countries. CER represents the interests of its members towards EU policymakers and transport stakeholders, advocating rail as the backbone of a competitive and sustainable transport system in Europe. For more information, visit www.cer.be or follow us on social media.