→ Position

Industrial Accelerator Act

The view of the public transport sector for the Council's negotiations



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UITP position

UITP fully shares the IAA's objective to "*support the development, competitiveness and resilience of the Union's manufacturing sector*" and supports the principle of European preference, which helps bolster the European industry while strengthening the Union's competitiveness and security.

To ensure its effectiveness, **UITP calls for a pragmatic implementation of the IAA** based on the following main points:

- **The EU preference should be gradually implemented, and its elements require some clarification;**
- **Decarbonisation should remain the priority and should not be hindered by more complex procurement rules;**
- **Exemptions set out in Article 11 must be preserved, clarified and extended;**
- **The IAA should not generate extra administrative or financial burden for contracting entities and authorities.**

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Executive summary

UITP reaffirms the priorities established in its initial position: gradual implementation of European preference, decarbonisation as a priority, effective procurement exemptions, limited administrative burden and a level playing field between public and private buyers. The third compromise of the Irish Presidency should be assessed against these principles. Strengthening European industrial capacity must not come at the expense of affordable vehicles, timely investment, decarbonisation or the continuity of public transport services.

UITP calls for the retention of the compromise provisions that protect existing investments, add practical flexibility and clarify compliance responsibilities. Conversely, provisions that narrow the Commission's ability to adjust requirements, leave cost safeguards unchanged or leave verification tasks with transport buyers raise concerns. UITP wishes to signal the following main points to Member States:

- **Implement vehicle requirements progressively and protect existing investments.** Origin requirements should reflect effective industrial capacity and market readiness. The removal of the 2035 sunset clause and transitional protection for contracts must be secured.
- **Preserve, clarify and extend procurement exemptions.** The new extreme-urgency exemption must be retained, and buyers need workable flexibility where supply is insufficient, competition is limited or requirements would delay investment, compromise safety or disrupt essential services.
- **Do not leave public transport budgets exposed to disproportionate costs.** European preference must remain financially sustainable; a 25% premium is too high, a 10% presumed-disproportionate-cost threshold is more acceptable with a public budget perspective.
- **Align public support and procurement safeguards.** Procurement and public support rules should provide coherent protection for affordable investment, technical compatibility, innovation and service delivery, while ensuring fair competition between public and private operators.
- **Reduce administrative burden and clarify compliance responsibilities.** Buyers should be able to rely on manufacturer documentation, product-specific partner-origin lists and guidance available at least six months before application, with liability aligned with control.

- **Ensure evidence-based review, keep rail off the review's priority list and apply proportionate enforcement.** Implementation should be monitored against its effects on costs, competition, supply and decarbonization, and enforcement should target those responsible for non-compliance.

1. Implement Annex III progressively and protect existing investments

Support removing the 2035 deadline and protecting vehicles already registered in the Union. The compromise deletes the 2035 end date for deeming vehicles already registered in the Union compliant where procurement concerns public service contracts. A fixed deadline would force premature replacement of functioning vehicles and undermine long-term service contracts. The Council should retain this protection to support fleet transfers, leasing and the reuse of zero-emission vehicles. *(Annex III, Part II)*

Request clarity on the scope following the deletion of "new". Origin requirements would no longer be limited to new vehicles and could capture second-hand, leased, rented or refurbished vehicles. Clear rules on when Union registration must have taken place are essential so that buyers can determine eligibility before launching a procedure and access to the secondary market is not restricted. *(Annex III, Part II)*

Support transitional protection for procurement already under way. Vehicles procured under earlier procedures, existing public service contracts and specific contracts based on framework agreements concluded before the requirements apply should remain usable throughout their operational life. Equivalent adaptation time should apply whether vehicles are purchased directly or deployed under procured transport services. *(Annex III, Part II)*

Express concern about the evidence threshold for adjusting requirements. The compromise requires proof that the existing timeframe and percentage shares have failed to deliver their objectives before the Commission may amend them. This risks delaying corrective action until disruption has occurred. UITP calls for proportionate,

preventive adjustment where robust evidence indicates impending shortages, excessive costs or delays to decarbonisation, after consulting transport authorities, operators and manufacturers. *(Article 16)*

Support a market-readiness approach for buses and heavy-duty vehicles. Requirements should be phased in according to the effective availability of suitable vehicles, components and batteries in the quantities, configurations and delivery times public transport needs, and resolve open scope questions on trolleybuses, assembly within the Union and the calculation of qualifying content. *(Annex III and Article 16)*

2. Preserve, clarify and extend procurement exemptions (Article 8 – *previously article 11*)

Support the new extreme-urgency exemption and complement it. Contracts awarded under the extreme-urgency procedures of the public procurement directives must remain exempt. This should be complemented by protection for threatened or actual disruption of public services that does not meet the conditions of an extreme-urgency procedure. *(Article 8(2d)(d))*

Make exemptions usable in real procurement markets. The availability of a single compliant product does not establish effective competition or the capacity to supply an entire fleet. The European Parliament has tabled amendments going in this direction, which Member States are encouraged to support. UITP reiterates its requests for the following exemptions, with the corresponding Parliament amendments indicated:

- An exemption where only one offer is received or insufficient suppliers can meet the procurement need. *(EP Amendments 1956 (insufficient Union production capacity or too few suppliers) and 2017–2018 (only one offer received))*
- A five-year, rather than two-year, look-back period for comparable unsuccessful procedures. *(EP Amendments 1968–1972)*
- A significant-delay safeguard, with delays exceeding seven months supported by objective, transparent and verifiable evidence presumed significant. *(EP Amendments 2006, 2008–2010 and 2023)*

- An exemption for insufficient quantities or unreasonable delivery times. *(EP Amendments 2033 and 2069)*
- Explicit protection for continuity of public services, emergency response and compliance with safety, security and cybersecurity requirements. *(EP Amendments 2024 (continuity of public services) and 2028 (safety, security and cybersecurity obligations))*
- Flexibility where origin requirements would prevent procurement of innovative solutions for which no suitable alternative is available.

3. Do not leave public transport budgets exposed to disproportionate costs

Support a maximum 10% presumed disproportionate-cost threshold. A 25% premium is too high for constrained public transport budgets and risks diverting resources from fleet renewal and service provision. Costs below the threshold must remain eligible for exemption where they are demonstrably disproportionate in light of the transaction, the buyer's resources and the effect on service provision.

4. Reduce administrative burden and clarify responsibility for compliance

Strongly support product-specific partner-origin lists, the postponement safeguard and authoritative digital tools. UITP welcomes the requirement to adopt the first implementing act within six months of entry into force, and calls on Member States to retain the postponement safeguard: if the implementing acts are late, the Annex II and III origin requirements must apply no earlier than six months after they enter into force. Buyers cannot be expected to comply with rules whose eligible countries and products are not yet known. UITP equally supports the online verification, exchange and storage tool and the updated Access2Markets service, and urges Member States to secure a clear, reusable information route with defined responsibilities for maintenance, distinguishing evidence of economic operators' origin from certification of vehicle or component origin. Together, these provisions deliver

genuine legal certainty and simplification for public transport buyers. *(Articles 7a(4) and 7a(9))*

Strongly support mandatory guidance at least six months before the obligations apply. UITP welcomes the commitment that guidance will be prepared in consultation with Member States and relevant stakeholders, and urges Member States to retain it. Transport authorities and operators must be meaningfully involved. The guidance must cover derogations, standard self-declarations, vehicle certification, calculation methods and transitional cases, and be consistent with the partner-origin lists, so that buyers know how to apply the rules before they become binding. *(Article 32a)*

Support reliance on manufacturer evidence. Manufacturer-issued documentation should constitute sufficient evidence unless substantiated doubts arise. Together with self-declarations, this provides a proportionate compliance route; practical steps for referring doubts to competent authorities should be defined rather than requiring buyers to audit upstream supply chains, and a reusable compliance document and harmonised methodology should avoid repeated requests. *(Articles 8(7) and 15)*

Align liability with control. Public transport buyers acting in good faith on the prescribed documentation must be fully protected: they cannot be made responsible for investigating supply chains or for false manufacturer claims they could not reasonably identify. UITP urges Member States to ensure that independent verification, risk-based audits and traceability controls are organised by competent bodies and directed at the parties that hold the relevant information. Only this approach keeps the Regulation workable for transport authorities and operators and ensures that responsibility lies where control lies. *(Articles 8, 15 and 32)*

5. Align public support and procurement safeguards, and ensure competitive neutrality

Apply comparable conditions to operators competing for the same services. Public and private operators competing for the same public service contracts must not face unequal sourcing constraints. The Council should either exempt the relevant procurement by contracting entities bidding for, or performing, competitively awarded

contracts, or ensure equivalent requirements apply to all public and private bidders, without additional market-share or cost tests that make protection inaccessible. *(Annex III, Part II)*

Align procurement and public-support exemptions. Safeguards for supported investment should address affordability, insufficient quantities, delivery delays, technical compatibility, maintenance, safety, innovation and service continuity. An exemption available only under public-support rules does not resolve the corresponding procurement constraint, and Member States should not grant funding for investments that buyers cannot procure on workable terms.

6. Ensure evidence-based review, keep rail off the review's priority list and apply proportionate enforcement

Support a review focused on effectiveness, proportionality and practical implementation. Monitoring should cover supplier availability, procurement duration, price premiums, use of derogations, administrative costs, fleet-renewal delivery and consequences for decarbonisation, with transport stakeholders consulted so that corrective action reflects operational experience. *(Article 29)*

Remove the specific prioritisation of rail rolling stock from the review. At this stage, UITP does not support the potential inclusion of railway rolling stock within the scope of the Regulation, as imposing strict requirements regarding the origin of components could significantly increase the costs of the equipment needed for track and rolling stock maintenance. A review clause must therefore not pre-empt the assessment of whether additional origin requirements are necessary and proportionate; any extension requires a separate sector-specific impact assessment. *(Article 29)*

Support enforcement targeted at undertakings responsible for non-compliance. Penalties, including administrative fines, recovery of public support and temporary exclusion from support schemes, must be proportionate and directed at those controlling the information, without turning transport authorities and operators into supply-chain investigators. *(Article 32)*

UITP call to the Member States

UITP calls on the Council and Member States to retain the supported safeguards and revise the provisions of concern. The final IAA should strengthen European industry while enabling affordable, reliable and decarbonised public transport. Progressive implementation, usable exemptions, proportionate verification and competitive neutrality must remain integral to that balance.