

Forthcoming calls for bids in the Spanish railway industry

Infrastructures Area, Gómez-Acebo & Pombo

With most high-speed infrastructure projects completed or soon to be completed, the Spanish railway market envisages two major operations bearing on passenger transport: on the one hand, Renfe-Operadora's invitation to tender for the purchase of high-speed trains and, on the other, the opening of the passenger rail transport market.

1. Invitation to tender for the supply of trains to RENFE

With a marked strategic focus aimed at positioning the public corporation as the major supplier of traction to private operators wishing to take part in the liberalization of the passenger transport market, Renfe-Operadora issued on 18 November 2015 a public tender for the purchase of 15 international-gauge high-speed trains (minimum 320 km/h), including the supplier's provision of comprehensive maintenance of the supplied trains for 30 years. The tender also provides an option to purchase up to 15 more trains with comprehensive maintenance for 30 years that may be extended a further 10 years.

The estimated value of the contract is € 2,642,123,820.05 (excluding VAT) and, according to the information we have, at present there are five companies that meet the requirements to submit a tender: Talgo, CAF, Siemens, Alstom and the consortium Hitachi-Bombardier. These five manufacturers will be called by Renfe to bid in the tendering procedure under preparation.

2. Market opening: implementation in Spain of the EU's fourth railway package

The opening of the Spanish passenger rail transport market comes at a key moment. Despite the transitoriness reigning in the political scene pending the definitive formation of a new government, the previous government already laid the legislative groundwork needed to take the decisive step to liberalize the industry, thereby fulfilling one of the key mandates of the *European Union's Fourth Railway Package*.

Thus, in its meeting of 13 June 2014, the Cabinet resolved to proceed with the opening of the High-Speed "Levante Corridor" (Madrid-Valencia-Alicante) by granting, under a public tender, an additional licence allowing a new railway operator to provide passenger transport services on said corridor in competition with Renfe Viajeros, S.A.U. On 30 September 2015, the Official Journal of Spain (abbrev. BOE) published the Ministry of Public Works' Order regulating the tendering procedure to grant the abovementioned licence valid for a period of 7 years. The successful tenderer must hold a relevant railway undertaking licence – granted in Spain or in another EU Member State – and safety certificate, as well as meet the other requirements provided in the aforementioned Order.

In order to obtain the railway undertaking licence entitling a company to submit a tender for the document of title required to operate the "Levante

Corridor”, interested railway undertakings must ensure, in any case and at the very least, the traction needed to provide the service; although the railway company need not own the means ensuring the same, sufficing complete and continual access in any manner, including rental from a third party of the necessary equipment. In this way the tender is opened to a potentially larger number of companies.

In addition to the public operator (Renfe-Operadora and its subsidiary Renfe Viajeros, S.A.U.), there are already ten railway companies

that, inasmuch as holding a railway undertaking licence and safety certificate in respect of activities relating to the provision of passenger transport services, meet the necessary requirements to bid for the new licence¹.

In short, at present all necessary legislative arrangements for the opening of the market have been made, pending only kick-off by the Ministry of Public Works, through the publication of the relevant notice upon approval of the public tender specifications set forth in the procedure granting the licence to operate the “Levante Corridor”.

¹ COMSA RAIL TRANSPORT, S.A.; CONTINENTAL RAIL S.A.; ACCIONA RAIL SERVICES, S.A.; ALSA FERROCARRIL, S.A.U.(*); FERROVIAL RAILWAY, S.A.; TRANSITIA RAIL, S.A.; VELOI RAIL S.A.(*); INTERBUS-Interurbana de Autobuses., S.A.(*); ECO RAIL, S.A.U.(*); AISA TREN, S.A.U.; AVANZA TREN S.A.U.

(*) Companies whose safety certificate is temporarily suspended.

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