Press release | 24.01.2013

### **EU rules on concessions**

## Wrongheaded legislation poses threat to basic service provision

The European Parliament's internal market committee today voted on new EU legislation on the award of concessions (1). The Greens voted against the outcome, expressing concern about the potential impact on the provision of basic public services, like water. Commenting after the vote, Green internal market spokesperson **Heide Rühle** (Germany) said:

"It is unclear why there is even a need for EU legislation on the award of concessions by public authorities. All these proposals will do is create bureaucratic obstacles and create legal uncertainties, which will benefit nobody but the lawyers engaged to resolve any disputes. The provisions adopted today would make it more difficult for local authorities to cooperate, despite the fact that such cooperation can achieve major efficiencies. This is wrongheaded legislating and the arguments in its favour are not credible.

"The only credible reason why these new rules are being forced through is with the subtext of opening the door to the privatisation of fundamental public services, notably water provision. While EU Commission Barnier explicitly denies this, it is hard to see beyond this subplot. The Greens are concerned that any liberalisation of this sensitive sector would undermine the provision of water, which is a fundamental public service.

"The Greens have pushed for this flawed legislation to be withdrawn and will continue to make the case when parliament considers the file in plenary."

(1) A concession is a specific form of contract between a public authority and an economic operator for the latter to execute works or operate services while bearing the economic risk linked to the exploitation of activity e.g. when a public authority contracts the exploitation of a motorway.

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