

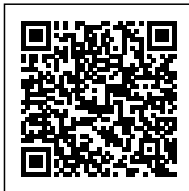
# COMPETITIVE TRANSPORT CONCESSIONS - ESQUIVEL ABOGADOS

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**Portugal's post-bailout obligations to open up its state-controlled assets to private bidders has already seen prize assets such as ANA – Aeroportos de Portugal, CTT – Correios de Portugal, and TAP offered to market. Now, according to José Luis Esquivel, Managing Partner of Esquivel Advogados, it is the major domestic passenger transit concessions in Portugal that are next on the list.**

"The main transit services have been operated by state-run companies for decades. For example, Carris runs the buses and trams in Lisbon while Lisbon Metro operates the underground, and in Porto, STCP (Sociedade de Transportes Colectivos do Porto) runs the bus and trams with Prometro/Viaporto operating the surface light railway system," he explains. "The plan now is for these concessions, and a few others, to be offered to private bidders towards the end of 2014." Portugal now has to develop a framework so the tenders can be opened to the private sector and there will undoubtedly be challenges ahead because of the potential complexity of contracts, Esquivel says. For instance, the bus, tram and Metro systems in Lisbon could be procured under a

large, single contract, which has ramifications for the risk profile in terms of agreeing the remit between the private and public sectors of the operation, services, rolling stock, tariffs and concession infrastructure.

"There are many questions to address but, in terms of opening up the market to competition, these concessions will be important," Esquivel continues. "All the necessary competition and regulatory frameworks are in place for successful tenders and that the existing transit systems have a proven client base."

And the size of these contracts will enhance competition, he concludes, as Portuguese and international investors will likely bid for the deals.