

EUROPEAN COMMISSION PROPOSAL TO ACCELERATE INDUSTRIAL CAPACITY AND DECARBONISATION IN STRATEGIC SECTORS (INDUSTRIAL ACCELERATOR ACT)

IRU position on the Industrial Accelerator Act (IAA).

I. IRU POSITION

IRU acknowledges the objective of the proposed Industrial Accelerator Act (IAA) to strengthen Europe's industrial base, enhance competitiveness and accelerate decarbonisation in strategic sectors, and it notes the proposed demand side measures, particularly public procurement and public support schemes, to achieve these objectives through the obligation to acquire electric vehicles of Union origin ('Made in Europe')

IRU is concerned that the IAA will increase the costs, administrative burden, and investment uncertainty for transport operators, while limiting access to electric vehicles and global supply chains necessary for an efficient and timely green transition.

The framework should therefore be adjusted to better reflect market realities, ensure proportionality, and preserve competitiveness, particularly for SMEs, while maintaining access to a diverse and competitive supply base.

IRU has identified elements of the proposal that could be improved:

- **"Made in EU" requirements must remain proportionate and aligned with market readiness, preserving competition, affordability, and SME participation.** While intended to strengthen EU industrial capacity, overly stringent Union origin thresholds risk increasing costs, reducing competition, and limiting vehicle availability, particularly where EU manufacturing remains constrained. Transport operators require access to a diverse and competitive supply base to support decarbonisation while ensuring affordability. The framework should therefore ensure coherence with public procurement principles to safeguard proportionality and efficient market functioning.
- **Vehicles of non-Union origin lawfully procured and registered before the entry into force of the regulation must be allowed to operate in any public service contract throughout their full operational lifetime, including beyond 2035.** The proposal to limit the operation of non-Union origin buses to existing contracts risks prematurely ending the operational use of electric vehicles, leading to stranded assets, financial losses, and service disruptions. Decommissioning a fully functioning vehicle contradicts circular economy principles. The framework should therefore guarantee that such vehicles can continue to operate without restriction throughout their full lifetime.
- **Derogations must be strengthened, clarified and made practically usable, and harmonised across public procurement and public support schemes, ensuring legal certainty for contracting authorities and**

operators. While derogations allow contracting entities to waive Union origin requirements under certain conditions, the proposed cases are too limited and place a high evidentiary burden on the contracting entity. Transport operators should have the confidence to apply them with legal certainty, through practical guidance. Moreover, the proposed framework applies different derogation types and thresholds across public procurement and public support schemes, creating fragmentation and legal uncertainty. Derogations for electric vehicles should be harmonised across both instruments to ensure a consistent and predictable framework. The cost threshold should also be reduced to 10%, as the proposed 25% (procurement) and 30% (support schemes) levels place excessive financial pressure on public budgets and operators that bear procurement risks.

- **Union origin requirements must apply only at the point of procurement or financial support and must not restrict aftermarket servicing or the use of replacement parts.** The absence of clarity regarding post-registration obligations creates uncertainty for operators relying on global supply chains throughout a vehicle's lifecycle. Any restriction on replacement parts or servicing would increase total cost of ownership, reduce vehicle longevity, and negatively affect operational continuity and second-hand market value. The framework should therefore explicitly confirm that aftermarket activities remain unrestricted.
- **The framework must ensure a more balanced allocation of risks along the supply chain, by recommending principles like back-to-back protection in contracts.** Operators are frequently subject to penalties by public authorities for delayed vehicle delivery despite having no control over manufacturing timelines. They are often unable to pass these costs on to the manufacturers, as liability is excluded or limited contractually. The IAA should introduce measures to avoid the unintended consequence of perpetuating this practice, for instance, by recommending the inclusion of back-to-back protection in contracts.
- **Clear rules on verification, enforcement, and liability for “Made in EU” self-declarations must be established, ensuring alignment with EU type-approval frameworks.** Reliance on manufacturer self-declaration creates risks for operators and contracting authorities, who lack the capacity to independently verify compliance. The absence of clear liability rules may lead to inconsistent application, legal uncertainty, and exposure to compliance risks beyond operators' control. The framework should therefore establish robust verification procedures and a clear allocation of responsibility.
- **Industrial acceleration areas must integrate road transport and logistics infrastructure to operate effectively.** While intended to facilitate industrial clustering and accelerate decarbonisation, the current framework insufficiently addresses the supporting logistics systems required to connect production sites to suppliers and markets. Without clear road freight access, logistics hubs, and charging and refuelling infrastructure for commercial fleets, these areas risk limiting the effectiveness of industrial investments. The framework should therefore ensure that facilitation measures and funding also support the transport infrastructure essential to these areas.

II. ANALYSIS

On 4 March 2026, the European Commission presented a proposal for a [Regulation establishing a framework of measures to accelerate industrial capacity and decarbonisation in strategic sectors: the ‘Industrial Accelerator Act \(IAA\)’](#). The proposal forms part of the EU's broader industrial and competitiveness agenda, and follows the recommendations of the Draghi report, which called for stronger demand-side measures, accelerated permitting and greater resilience in key industrial sectors.

The draft act proposes to instrumentalise public procurement and public support to accelerate Europe's manufacturing capability. One important provision for the road transport sector is the proposed obligation to acquire electric vehicles meeting Union origin (Made in Europe) criteria in public procurement procedures and public support schemes. The proposal provides a definition of Union origin (Made in Europe) for electric vehicles and puts forward a series of derogations under which compliance with Union origin criteria may be disregarded.

1. “Made in EU” requirements must be balanced with value for money and market readiness

IRU recognises the objective of strengthening EU industrial capacity through Union origin requirements. However, IRU is concerned that binding requirements may increase costs, reduce competition and limit vehicle availability, particularly in markets where EU manufacturing capacity remains constrained. The transport sector relies on efficient and global supply chains to ensure timely access to vehicles and technologies, and restrictions affecting sourcing or investment conditions should not undermine this.

IRU also notes that requirements on low-carbon and Union-origin inputs such as steel and aluminium may increase production costs further for EU manufacturers, with downstream impacts on vehicle prices for operators.

IRU calls for:

- Full coherence between the IAA and the upcoming revision of the public procurement directives, ensuring that industrial policy objectives do not undermine competition, proportionality, and SME participation.

2. Vehicles registered and acquired in public procurement procedures and through public support schemes before the regulation's entry into force must be allowed to operate throughout their full lifetime including beyond the end of 2035

IRU is concerned that the limitation of compliance recognition to December 2035 creates significant legal and investment uncertainty for operators. Vehicles procured today in line with EU rules risk premature phase-out, despite typical lifetimes of 15+ years. This would lead to stranded assets, financial losses, and disruption to service continuity.

IRU calls for:

- Equal treatment for vehicles of non-Union origin procured and registered before the regulation's entry into force. Such vehicles should be allowed to operate without impediment post 2035 in any public service contract, including in contract extensions and new service contracts concluded after 2035.

3. Derogations must be strengthened and made practically usable

IRU welcomes the inclusion of derogations as a flexibility mechanism in both public procurement and public support schemes. However, IRU believes that the proposed derogations do not go far enough in mitigating the substantial increase in cost, risk and uncertainty incurred by transport operators due to the IAA. The proposed framework is not sufficiently workable in practice and does not adequately reflect market constraints such as limited supply, high costs and long delivery times. The high evidentiary burden and restrictive conditions risk reducing procurement flexibility and increasing costs, particularly for SMEs. Furthermore, the differences in the proposed derogations across public procurement and public support schemes create further uncertainty. For instance, an electric vehicle benefiting from public support may be exempt from Union origin requirements where the lead time is long, which is not the case for the same vehicle acquired for the purpose of a public tender.

IRU calls for:

- Practical and usable derogations, supported by clear guidance, allowing contracting entities to apply them with legal certainty where the conditions are met.
- Harmonisation of derogations across public procurement and public support schemes for electric vehicles, ensuring consistent thresholds and criteria irrespective of the instrument used. Common criteria should include price differential, market availability and long lead time/delivery delays.
- Reduction of the cost threshold from 25% (procurement) and 30% (support schemes) to 10%, as these levels place an excessive financial burden on public budgets and operators that often bear procurement risks.
- Confirmation that the application of a derogation in a procurement procedure or support scheme concluded before the end of 2035 allows the vehicle to be used unimpeded in any public service contract post 2035.

4. Aftermarket activities must remain unrestricted

IRU is concerned that the proposal does not address the post-registration phase, creating uncertainty regarding spare parts and maintenance. Transport operators rely on global supply chains throughout the vehicle lifecycle, and any ambiguity risks operational disruption and increased costs.

IRU calls for:

- Confirmation that Union origin requirements apply only at the point of vehicle procurement or financial support and do not restrict the lawful use of non-Union replacement parts and aftermarket services.

5. Operators must be protected from risks linked to delivery delays

The current proposal needs to address the allocation of risks arising from delays in the delivery of electric vehicles. Transport operators are subject to penalties from public authorities when vehicles are not delivered on time by the manufacturer, a situation over which the operator has no control. Back-to-back protection clauses in contracts allow any penalties incurred by an operator to be passed on to the manufacturer, but such provisions are not systematically applied. Promoting more balanced contractual arrangements would help avoid the continued prevalence of such practices and ensure a fairer distribution of risks across the supply chain. The principle of back-to-back protection should therefore be encouraged as standard practice, to protect operators from the financial and operational consequences of delayed deliveries.

IRU calls for:

- The monitoring and study of the cause and impact of delivery delays within public procurement frameworks.
- Application of the back-to-back protection principle in electric vehicle supply contracts.

6. Self-declaration of “Made in EU” compliance must be governed by clear rules

The proposal relies on a system of self-declaration by manufacturers to certify compliance with Union origin requirements under Annex III, in line with the EU type-approval framework. While aligned with existing certification structures under [Regulation \(EU\) 2018/858](#) (which sets out the EU type-approval system for motor vehicles and ensures compliance with safety, environmental, and technical standards) and [UNECE rules](#), this raises concerns regarding its practical implementation in public procurement and public support schemes.

In particular, the proposal lacks clarity on verification procedures, conditions for acceptance by contracting authorities, and attribution of liability in case of discrepancies between declared and actual content.

IRU calls for:

- Clear rules on verification procedures and conditions for acceptance of self-declarations by contracting entities.
- A clear and enforceable allocation of liability in cases of non-compliance or false declarations. The operator cannot be held liable for non-compliance or false declarations.

7. Industrial acceleration areas must fully integrate transport and logistics infrastructure

IRU recognises the objective of industrial manufacturing acceleration areas to cluster strategic industrial activities. However, the current framework insufficiently reflects the transport and logistics dimension required to make these industrial hubs operational. Such systems depend on well-connected supply chains, including logistics hubs, multimodal terminals, and road freight access, which are not adequately addressed in the proposal. Acceleration areas must be developed as fully integrated industrial and logistics ecosystems, ensuring that transport operators are able to connect production sites, suppliers and markets.

IRU calls for:

- The extension of facilitation measures, including streamlined permitting and access to EU funding, to logistics infrastructure linked to industrial acceleration areas.
- Explicit consideration of road transport needs, including freight access, truck parking, and charging/refuelling infrastructure for commercial fleets.
- Ensuring that EU and national funding instruments supporting industrial decarbonisation also cover transport infrastructure and operations necessary for the functioning of these ecosystems.

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