

# ORR opens market study into railway signalling

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The Office of Rail and Road (ORR) has today opened a market study looking into the supply of rail signalling systems.

Signalling systems are an essential part of the railway. They keep passengers safe by ensuring trains do not come into conflict with each other and play a key role in freeing up capacity on our congested network. Signalling accounted for over £4bn of Network Rail's spend over the 5 year period between 2014 and 2019. This spend is forecast to remain significant into the future, and include costs for the planned roll-out of new digital technology on to the network.

We intend to focus on the level of competition for the delivery of significant signalling projects. We want to look at the strength of competition for tenders, and, whether there are any barriers to innovation or new entrants entering with new technology solutions. In particular, we will examine whether there is fair and commercially reasonable access to interlocking technology, and other aspects of the installed railway infrastructure base, which are necessary to deliver complex signalling projects in GB.

This market study builds on ORR's recent work in the signalling market, notably our engagement with the

European Commission about the proposed merger of Siemens/Alstom, which was blocked in February 2019. Another important reason for looking at this market now is because we want to ensure that any competition issues in the supply chain do not slow down or drive up the cost of the roll-out of the digital railway.

Tom Cole, Head of Competition, ORR, said: “The ability for Network Rail to drive value for money when buying high-quality signalling systems is vital to its delivery of a reliable and efficient railway. We want to ensure the signalling supply chain is fair and competitive, and delivering good outcomes for the ultimate benefit of passengers and other users and the taxpayer.”