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COVER NOTE

From: Secretary-General of the European Commission,
signed by Mr Jordi AYET PUIGARNAU, Director

To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of
the European Union

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Subject: COMMISSION STAFF WORKING DOCUMENT EXECUTIVE SUMMARY
OF THE IMPACT ASSESSMENT Accompanying the document Proposal
for a Regulation of the European Parliament and of the Council on the
labelling of tyres with respect to fuel efficiency and other essential
parameters and repealing Regulation (EC) No 1222/2009

Delegations will find attached document SWD(2018) 188 final.

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Brussels, 17.5.2018
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COMMISSION STAFF WORKING DOCUMENT
EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT

Accompanying the document

**Proposal for a Regulation of the European Parliament and of the Council
on the labelling of tyres with respect to fuel efficiency and other essential parameters
and repealing Regulation (EC) No 1222/2009**

{COM(2018) 296 final} - {SEC(2018) 234 final} - {SWD(2018) 189 final}

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Executive summary sheet
Impact assessment on the review of Regulation (EC) No 1222/2009 of the European Parliament and of the Council on the labelling of tyres with respect to fuel efficiency and other essential parameters
A. Need for action
Why? What is the problem being addressed?
<p>Transport represents more than 30 % of energy consumption in the EU. Road transport is responsible for about 22 % of the EU's total greenhouse gas (GHG) emissions. In its 2016 Communication on <i>A European strategy for low-emission mobility</i>, the Commission stated that, by 2050, GHG emissions from transport should be at least 60 % lower than in 1990. Therefore, the Third Mobility Package will include initiatives to reduce emissions from cars and lorries, to improve the safety of road transport and to reduce pollution. It will also contribute to reducing the EU's dependence on energy imports.</p> <p>Vehicle tyres affect fuel consumption (and thus GHG emissions), noise and safety. A stocktake of the current Tyre Labelling Regulation showed that it is not sufficiently achieving its aim of increasing the environmental efficiency of road transport by promoting fuel-efficient and safe tyres with low noise levels; this is due to:</p> <ul style="list-style-type: none"> • the low visibility, and low public awareness, of tyre labelling; • compliance problems and inadequate enforcement of the rules by Member States; and • outdated performance classes and inaccurate and incomplete information.
What is this initiative expected to achieve?
<p>Better-informed consumers, updated and more precise technical requirements and improved compliance/enforcement.</p> <p>These improvements would lead to safer and quieter tyres that save energy, lower fuel costs and reduce GHG emissions.</p>
What is the added value of action at EU level?
<p>Action at EU level ensures:</p> <ul style="list-style-type: none"> - the same, harmonised information for end-users, in whichever Member State they purchase their tyres; and - reduced costs for suppliers, who are able to market their tyres throughout the EU with only one label. <p>These advantages ultimately strengthen competitiveness of the EU tyre industry and facilitate the trade of tyres within the internal market, also benefiting consumers in terms of lower overall costs and a wider range of products.</p> <p>For action at EU level to be effective, the market surveillance effort must be consistent across the EU to support the internal market and incentivise businesses to invest resources in designing, making and selling energy-efficient tyres.</p>
B. Solutions
What legislative and non-legislative policy options have been considered? Is there a preferred choice or not? Why?
<p>Four policy options have been considered:</p> <ol style="list-style-type: none"> 1. <u>no action</u>; 2. <u>non-legislative option</u>: information campaigns, joint enforcement actions, mandate to revise the testing methods; 3. <u>legislative option</u>: amending the current Regulation and its annexes to broaden its scope, provide for the labelling of tyres sold on the internet, re-adjust the label classes and add new parameters, improve testing methods and provide for a tyre registration database; and 4. <u>a combination of options 2 and 3</u>: this is the preferred option. It achieves significantly better impacts in terms of energy savings and GHG emissions, better market turnover, jobs, reduced costs for tyre users/purchasers, and safety and environmental factors.

Who supports which option?
<p>Neither the consumer survey conducted as part of the review nor the open public consultation (OPC) asked specifically about the options. However:</p> <ul style="list-style-type: none"> • only 41 % of car owners were aware of the tyre label, although 90 % considered it useful; • 76 % of respondents thought the label should be provided with all tyre sales; and • 70 % of respondents supported a registration database. <p>The OPC revealed a consensus on the need to improve awareness of the label through awareness campaigns, mandatory online labelling and the labelling of tyres sold originally with new cars. To improve consumer confidence, respondents agreed on increasing market surveillance and creating a better platform for the authorities to enforce and coordinate activities.</p>
C. Impacts of the preferred option
What are the benefits of the preferred option (if any, otherwise main ones)?
<p>It is estimated that policy option 4 would result in the following annual savings by 2030:</p> <ul style="list-style-type: none"> • 129 PJ fuel savings, resulting in EUR 7 billion savings in energy costs; • 10 Mt fewer CO₂ emissions; • EUR 2.8 billion net costs savings for consumers ('energy cost savings' minus 'additional purchase costs'); • increased turnover of EUR 9 billion in manufacturing, wholesale and retail sectors; • reductions in road accident fatalities and injuries; and • reductions in noise-related fatalities and injuries.
What are the costs of the preferred option (if any, otherwise main ones)?
<p>Administrative and compliance costs are approximately as follows:</p> <ul style="list-style-type: none"> • for suppliers: EUR 127 million per year; one-off costs of EUR 40 million; • for distributors: EUR 50 million per year; one-off costs of EUR 30 million; • for Member States: EUR 20 000 per year; one-off costs of EUR 13 million; and • for the Commission: EUR 0.5-1 million per year; one-off costs of EUR 2.1 million. <p>Given that compliance is mandatory, suppliers and distributors should be able to pass these costs on to consumers, for whom they would be more than offset by the financial benefits. There are no other negative impacts.</p>
How will businesses, SMEs and micro-enterprises be affected?
<p>There are no SME tyre producers in the EU. SMEs that retail/import tyres could face additional costs, in particular from the obligation to show the label when tyres are offered for sale online. However, the proposal does not change the coverage of the current Regulation in terms of products or create obligations to produce new information. Therefore, it is not expected to give rise to significant implementation costs. As end-users of tyres, SMEs will benefit from reduced costs over the tyres' lifetime and increased safety for their employees.</p>
Will there be significant impacts on national budgets and administrations?
<p>There are no additional impacts on national budgets/administrations other than those shown above.</p>
Will there be other significant impacts?
<p>Yes, it is expected that the preferred option will have a positive impact on competitiveness and innovation in the EU tyre market (see section 6.4 of the IA report).</p>
D. Follow up
When will the policy be reviewed?
<p>A clause would be included stipulating a review six years after adoption.</p>