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COVER NOTE

From: Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director

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

No. Cion doc.: SEC(2021) 436

Subject: Opinion of the Board
Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directive 2010/40/EU on the framework for the deployment of Intelligent Transport Systems in the field of road transport and for interfaces with other modes of transport

Delegations will find attached document SEC(2021) 436.

Encl.: SEC(2021) 436



EUROPEAN COMMISSION

SEC(2021) 436

27.9.2021

REGULATORY SCRUTINY BOARD OPINION

**Proposal for a Directive of the European Parliament and of the Council
amending Directive 2010/40/EU on the framework for the deployment of
Intelligent Transport Systems in the field of road transport and for
interfaces with other modes of transport**

COM(2021) 813

SWD(2021) 474

SWD(2021) 475



EUROPEAN COMMISSION
Regulatory Scrutiny Board

Brussels,
RSB

Opinion

Title: Impact assessment / Revision of the Intelligent Transport Systems Directive

Overall opinion: POSITIVE WITH RESERVATIONS

(A) Policy context

This initiative aims to revise the Directive on the framework for the development of Intelligent Transport Systems (ITS). The ITS Directive aims to increase the deployment and use of ITS services across the EU. This should improve road safety and the efficiency of transport and foster a multimodal transport system.

The initiative builds on the evaluation of the existing ITS Directive published in October 2019. While the evaluation confirmed its relevance, it highlighted the slow and fragmented deployment of ITS services. The initiative aims to contribute to the objectives of several other strategies. These include the European Green Deal, the Sustainable and Smart Mobility Strategy and making Europe fit for the digital age.

(B) Summary of findings

The Board notes the additional information provided in advance of the meeting and the commitments to make changes to the report.

However, the report still contains significant shortcomings. The Board gives a positive opinion with reservations because it expects the DG to rectify the following aspects:

- (1) The main focus of the initiative is not clear. The report does not sufficiently explain in what way the initiative will contribute to climate change and to multimodality.
- (2) The report is unclear on the most important specific problems to be tackled. The presentation of options does not bring out clearly the critical policy choices.
- (3) The analysis of impacts, including the administrative costs and the benefits, is not sufficiently elaborated.
- (4) The choice of the preferred option and its proportionality is not adequately argued.
- (5) Stakeholder views are not sufficiently integrated throughout the analysis in the report.

This opinion concerns a draft impact assessment which may differ from the final version.

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(C) What to improve

(1) The main focus of the initiative should be clarified. While making references to a selection of key strategies, the report should be clear upfront what the added contribution of this initiative is, including being more specific on the contribution the initiative will have to each of the objectives of enhancing efficiency and safety of road traffic, fighting climate change and facilitating multimodal mobility.

(2) The report should provide a clear description of the most important specific problems to be tackled by this initiative and provide information about their scale. In particular, the problem definition should clearly identify and assess the issues for which later the most intrusive measures are proposed under the preferred option so that their proportionality can be properly assessed. This relates in particular to: (i) the expansion of the scope of application of the priority areas to include deployment; (ii) standards for in-vehicle generated data; and (iii) mandating the availability of certain data and services. On the basis of a refined problem analysis, the report should explain what success would look like.

(3) Given the cumulative construction of the policy options (with two thirds of the measures being identical) the report should bring out more clearly how they differ in terms of key measures and what difference these measures are expected to make.

(4) The impact analysis should be strengthened. First, the information regarding the administrative costs should be further elaborated. In particular, more details are needed with regard to the administrative burden linked to the many new policy measures that aim to promote the provision of different kinds of data/information. Second, additional explanation is needed on the reliability and relevance of the estimates of the benefits, in particular in relation to reduction of travel time.

(5) The report needs to better justify the choice of the preferred option (containing all proposed measures) and its proportionality given that it comes with a significantly lower benefit-cost ratio (compared to the package excluding some costly requirements), while delivering relatively small additional net benefits. The report should be more explicit that this is largely due to the inclusion of measures aiming to reduce the external costs of accidents, which come with a relatively low benefit-cost ratio.

(6) While the report makes extensive use of the targeted stakeholder survey, the results from the open public consultation are hardly reported. The use of the targeted survey should be treated with more caution and at the same time the results of the public consultation should be better reflected in the report, in particular the views of the different stakeholder categories on the problem, the scope of the action needed, the options and their expected costs and benefits. Any relevant issues where stakeholders have divergent views should be identified.

(7) Building on clarification of the focus and of the definition of the problem, the overall narrative of this initiative needs to be strengthened. In addition, the report should be less technical, with fewer abbreviations and it should be made accessible to non-specialists.

The Board notes the estimated costs and benefits of the preferred option(s) in this initiative, as summarised in the attached quantification tables.

Some more technical comments have been sent directly to the author DG.

(D) Conclusion

The DG may proceed with the initiative.

The DG must revise the report in accordance with the Board's findings before launching the interservice consultation.

If there are any changes in the choice or design of the preferred option in the final version of the report, the DG may need to further adjust the attached quantification tables to reflect this.

Full title	Proposal on the revision of Directive 2010/40/EU on the framework for the deployment of Intelligent Transport Systems in the field of road transport and for interfaces with other modes of transport
Reference number	PLAN/2020/7429
Submitted to RSB on	25 August 2021
Date of RSB meeting	22 September 2021

ANNEX: Quantification tables extracted from the draft impact assessment report

The following tables contain information on the costs and benefits of the initiative on which the Board has given its opinion, as presented above.

If the draft report has been revised in line with the Board's recommendations, the content of these tables may be different from those in the final version of the impact assessment report, as published by the Commission.

<i>I. Overview of Benefits (total for all provisions) – Preferred Option – PO3 (expressed relative to the baseline)</i>		
<i>Description</i>	<i>Amount</i>	<i>Comments</i>
<i>Direct benefits</i>		
Consumer and business benefits		The completion of the core and the comprehensive network will benefit the users of transport services, both citizens and undertakings, as there will be better connectivity, more reliability, or faster connections. This should lead to better or cheaper services, in particular for the most environmental friendly transport modes.
<i>Indirect benefits</i>		
Safety improvements – reduction in external costs related to accidents relative to the baseline (i.e. present value over 2021-2050)	€3,930 million	Indirect benefit to society at large. Improvements of road safety are brought by the extension of the motorway standard and the related safety features to all network sections above a certain daily traffic threshold reducing the number of fatalities and injured persons. The reduction in the external costs of accidents is estimated at around €3,930 million relative to the baseline over the 2021-2050 period, expressed as present value. Transport users and society as a whole do benefit.

Reduction in external costs related to inter-urban congestion relative to the baseline (i.e. present value over 2021 – 2050)	€2,891 million	Indirect benefit to the society at large. Improvements on the level of interurban congestion are brought by a shift of transport volumes to more sustainable modes of transport decongesting especially the road mode and reducing delays. The reduction in external costs related to inter-urban congestion is estimated at around €2,891 million relative to the baseline over the 2021-2050 period, expressed as present value. Transport users and society as a whole do benefit.
Reduction of external costs related to CO ₂ emissions relative to the baseline (i.e. present value over 2021-2050)	€387 million	Indirect benefit to society at large. Savings of CO ₂ are an effect of modal-shift to environmental friendly modes and efficiency gains. The reduction in the external costs of CO ₂ emissions is estimated at around €387 million relative to the baseline over the 2021-2050 period, expressed as present value.
Reduction of external costs related to air pollution emissions relative to the baseline (i.e. present value over 2021-2050)	€420 million	Indirect benefit to society at large. The reduction in air pollutant emissions is driven by modal-shift to environmental friendly modes and efficiency gains. The reduction in the external costs of air pollution is estimated at around €420 million relative to the baseline over the 2021-2050 period, expressed as present value.
Positive impact on GDP relative to the baseline	GDP increase of 0.4% in 2030, 1.3% in 2040 and 2.4% in 2050 relative to the baseline. This translates into €57 billion increase in GDP relative to the Baseline in 2030, €229 billion in 2040 and €467 billion in 2040.	Indirect benefit to society at large. These benefits are the result of large scale investments, driven by the measures of the policy option. These impacts account for wider effects than only the construction of projects, namely the indirect effects on other economic sectors and the effects induced by increased productivity, improved conditions for international trade and technological spill-overs. The whole society benefits: citizens by higher income, business by higher revenues, government by higher tax revenues.

Positive impacts on employment relative to the baseline (additional persons employed and percentage change to the baseline)	200,000 additional persons employed in 2030 (0.1% increase to the baseline), 561,000 additional persons employed in 2040 (0.3% increase to the baseline) and 840,000 additional persons employed in 2050 (0.5% increase to the baseline)	These benefits include direct jobs created due to the construction of projects and indirect jobs created thanks to the positive impact on GDP. EU employees and self-employed do benefit.
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<i>II. Overview of costs – Preferred option – PO3 (expressed relative to the baseline)</i>							
		Citizens/Consumers		Businesses		Administrations	
		One-off	Recurrent	One-off	Recurrent	One-off	Recurrent
Investment costs	Direct costs relative to the baseline (i.e. present value over 2021-2050)		€1,754 million (linked to road tolls to fund investments)	€1,350 million	€178 million (linked to multimodal digital mobility services for passenger transport)	€242,584 million (investment support)	€1,605 million (linked to multimodal digital mobility services for passenger transport)
Administrative costs	Direct costs relative to the baseline (i.e. present value over 2021-2050)				€8.6 million (linked to adjustments for compliance with new requirements mainly rail/road businesses)		€25.4 million (linked to participation in TEN-T governance processes): €15.8 million for the Commission and €9.6 million for Member States public authorities.