

Initial Appraisal of a European Commission Impact Assessment

Setting CO₂ emission performance standards for new heavy-duty vehicles

Impact assessment (SWD(2018) 185, SWD(2018) 186 (summary)) accompanying a Commission proposal for a regulation of the European Parliament and of the Council on setting CO₂ emission standards for new heavy-duty vehicles (COM(2018) 284)

This briefing provides an initial analysis of the strengths and weaknesses of the European Commission's [impact assessment](#) (IA) accompanying the above-mentioned [proposal](#), adopted on 17 May 2018 and referred to Parliament's Committee on the Environment, Public Health and Food Safety (ENVI). The proposal, which is part of the [third 'Europe on the move'](#) package, sets CO₂ emission performance standards for new heavy-duty vehicles (HDVs, which the IA defines as freight vehicles of more than 3.5 tonnes or passenger transport vehicles of more than 8 seats), and CO₂ emissions reduction targets, to be achieved by the Union's fleet of new HDVs in the period 2025 to 2029. By implementing the proposal, the Commission intends to contribute to achieving the climate target set by the [Paris Agreement](#), adopted on 12 December 2015. In addition, the Commission seeks to help Member States achieve their national greenhouse gas (GHG) emissions reduction targets for the period 2021-2030, as set by the ['effort sharing' regulation](#) proposed by the Commission ([COM\(2016\) 482 final](#)) regarding the non-EU ETS (EU emissions trading system) sector (see also EPRS's ['EU Legislation in progress' briefing](#) and [initial appraisal](#) of the Commission IA).

The European Parliament has regularly called for ambitious measures aimed at reducing GHG emissions in road transport. In a [resolution](#) on the implementation of the 2011 white paper on transport, the Parliament called for 'a legislative proposal setting mandatory limits on average CO₂ emissions from newly registered heavy-duty vehicles'. It also called for further measures and best practices to stimulate market uptake of the most efficient HDVs and promote fuel efficiency. In another [resolution](#) on road transport in the EU, the Parliament called on the Commission to 'come up with ambitious proposals for CO₂ standards for trucks and buses in order to reduce GHG emissions from the road sector' and to consider the opportunities for introducing incentives for retrofitting to accelerate the shift towards low-emission transport.

Problem definition

Problem 1: the HDV sector is a significant and growing source of GHG emissions (IA: part 1/2, pp. 6-7, part 2/2, pp. 43-44). According to a European Environmental Agency (EEA) [report](#), in 2015, transport (including aviation and international shipping) was responsible for 25,8 % of total GHG emissions in the EU. GHG emissions from road transport, in turn, were almost 73 % of total transport emissions, and 18,8 % of road transport GHG emissions came from HDVs. Due to a significant rise in passenger-kilometer and tonne-kilometer demand, in 2015, GHG emissions from HDVs were 19 % higher than in 1990. According to the IA, without EU action, HDV CO₂ emissions, representing about 6 % of total EU GHGs emissions in 2015, are set to increase further, by up to 6 % between 2015 and 2030 (part 1/2, p. 6), or up to 9 % between 2010 and 2030 (part 1/2, p. 17). As the EU has set targets for reducing GHG emissions by 2030, including for the non-ETS sectors to which the transport sector must contribute, further measures are needed in the road transport sector (including for HDVs) according to the IA (part 1/2, p. 6), to contribute to meet the 2030 national targets set by the 'effort

sharing' regulation proposed by the Commission (see above). These measures will also contribute to meeting the EU's long-term goal of reducing GHG emissions by 80-95 % by 2050 compared to 1990 levels, contributing to the Paris Agreement commitments.

Problem 2: transport operators and their customers miss out on possible fuel savings due to the limited uptake of fuel-efficient technologies (part 1/2, pp. 7-11). According to the IA, a broad range of technologies capable of reducing fuel consumptions and CO₂ emissions from HDVs is already available on the market, while others are at various stages of development (see part 1/2, Table 1, p. 9). The IA states that many of the available technologies are not yet widely implemented (Figure 4, IA part 1/2, p.11), even though their costs are below 1 % of the purchase price of a new vehicle. According to the IA, this lack of uptake is detrimental to freight transport operators, who would continue to miss the opportunity to reduce fuel costs which are 'a major item in transport operators' expenses' (IA, part 1/2, p. 12). This situation would also affect transport operators' customers because it is likely that a part of the fuels savings would be passed on to the final customer of transport services via a reduction of the freight costs charged (part 1/2, p. 15). Although this could indeed be the case, the IA does not provide any supporting evidence for this statement.

Problem 3: EU HDV manufacturers and component suppliers are at risk of losing their technological and innovation leadership position (part 1/2, pp. 11-12, part 2/2, pp. 44-45). The IA states that EU HDV manufacturers and component suppliers currently have a global technological leadership position but to preserve their leading innovative position in those markets in which they are active, EU HDV manufacturers and component suppliers would need to keep up with technological improvements. This could be done by providing, by default, vehicles with high [efficiency] standards in their home markets. Lack of EU regulatory action on setting CO₂ emission standards for HDVs would represent, according to the IA, a risk factor for EU manufacturers while experience with the LDVs legislation (light-duty vehicles, i.e. passenger cars and light commercial vehicles) has shown that setting emission standards is a 'strong driver for innovation' (part 1/2, p. 12).

The IA identifies **three underlying drivers** (part 1/2, pp. 12-16), namely:

1. road freight transport activity is increasing (part 1/2, p. 12, part 2/2, p. 45): according to the IA, it was 34 % higher in 2015 compared to its 1995 levels, and is set to increase by about 56 % (1,1 % per annum) between 2010 and 2050 under current trends and 'adopted' policies;
2. barriers hindering the uptake of more fuel-efficient technologies (part 1/2, pp. 12-16): for instance access to finance, as banks do not consider fuel efficiency as part of their lending criteria, or the existence of imperfect and asymmetric information in the new market for new vehicles. In addition, the IA mentions a situation commonly known as the 'energy efficiency gap' or 'energy paradox' (part 1/2, p. 12), which is also responsible for the low implementation rate of readily available fuel savings technologies;
3. limited use of zero and low-emission vehicles (ZEV/LEV) vehicles in the HDV sector (part 1/2, p. 16, part 2/2, p. 46): the IA states that 'currently there are virtually no ZEV/LEV lorries on the European roads in the vehicle groups targeted by this IA'.

According to the IA (part 1/2, pp. 16-17, part 2/2, pp. 39-43), a number of EU mobility policies, such as the 'fuel quality' [Directive 2009/30/EC](#), or the 'clean vehicles' [Directive 2009/33/EC](#) address the identified problems and their underlying drivers **to a certain extent**, but are not sufficient for tackling the key barriers hindering the uptake of more fuel-efficient technologies (driver 2). In its Annex 3 (part 2/2, pp. 19-21), the IA provides an table illustrating the categories of stakeholders affected by the initiative, and its practical implications. The list appears to be exhaustive; however, all the statements contained in the table that regard the practical implications in terms of e.g. costs, benefits, etc. are not apparently supported by evidence/studies. In addition, even though most of the stated expected consequences appear to be reasonable, others would require more reasoning. This is the case, e.g., of the expected benefits from reduced oil prices for other users of fuel and oil-related products (part 2/2, p. 21). As such, Annex 3 would have benefited from more evidence-based reasoning.

Objectives of the initiative

According to the IA (part 1/2, p. 20), the proposal presents **one general objective**: to contribute to the achievement of the EU's commitments under the Paris Agreement. In addition, it presents **three specific objectives**, namely (part 1/2, pp. 20-21):

- reduce CO₂ emissions from the HDV sector, in line with the requirements of EU climate policy and the Paris Agreement;
- facilitate a reduction in operating costs for transport operators, and more broadly of transportation costs for consumers;
- maintain the technological and innovative leadership position of EU HDV manufacturers and component suppliers.

The IA identifies five operational objectives, which are defined after selecting the preferred options, in line with the Commission's [better regulation toolbox](#) (tool #16, p. 100). They are (part 1/2, p. 71):

- reach a specific CO₂ emissions target level by the target year(s);
- achieve actual CO₂ emissions reductions, maintaining a minimum 'emissions gap' [between type approval emission values and monitored emission values];
- stimulate the deployment of zero and low-emission vehicles (ZEV/LEV) in a specific period;
- [achieve] lower operating costs for transport operators;
- increase technological innovation.

The general objective appears to be clear, and there is consistency between the identified problems and the specific objectives. The IA states that 'the introduction of CO₂ emission standards for HDVs is expected to lead to two main **co-benefits**: improvements in air quality and increased energy security' (part 1/2, p. 20). This would not appear to comprise additional specific objectives. However, in the section dealing with monitoring and evaluation (part 1/2, pp. 70-71), core monitoring indicators have also been identified for the [level of] employment, air quality, and [improvements in] energy security. As regards air quality, the IA refers to specific air pollutants such as nitrogen oxides (NO_x), and particulate matter of 2.5 micrometres or less (PM_{2.5}). Even though the reduction of air pollutants is not considered among the proposal's objectives, their inclusion would be consistent with the [Commission's strategy for low-emission mobility](#) which states (p. 2) that the 'emissions of air pollutants from transport harmful to health need to be drastically reduced without delay'. Employment and energy security have also not been considered among specific objectives 1-3. As such, the section of the IA dealing with indicators appears to be partially inconsistent and not clear. All operational objectives are clearly linked to the specific objectives. However, operational objectives 4 and 5 do not appear to be sufficiently detailed. On the whole, these operational objectives appear to be relevant and achievable, even though only one is time-bound, thus not entirely meeting the recommendations included in the better regulation toolbox (tool #16).

Range of options considered

The IA states that a number of elements, grouped into five categories, have been considered in order to select the preferred option(s), namely (part 1/2, p. 21): (1) CO₂ emission targets (EU fleet-wide); (2) the distribution of CO₂ emission targets (EU fleet-wide); (3) the incentives for ZEV/LEV; (4) the elements necessary for a cost-effective implementation; (5) governance. The IA does not identify 'overarching' options, made up of a combination of the different elements selected from the five categories. The following tables illustrate, for each category, the numerous elements considered by the IA, and their corresponding options (part 1/2, pp. 21-32); preferred options are highlighted in grey. Of note, the table below does not include the baseline, as the IA appears to assume implicitly a baseline of no further EU action (except for the CO₂ emission target levels, where two baselines are explicitly mentioned). The baseline is not discussed in a specific section of the IA; however, the consequences of no EU action are briefly mentioned under the problem definition section of the IA (see 'Problem definition' above).

ELEMENT	OPTION	CO ₂ EMISSION TARGETS (EU FLEET-WIDE)						Decision
SCOPE	1	One CO ₂ standard, set at whole-vehicle level for <u>lorries</u> * falling in groups 4, 5, 9 and 10						P
	2	One CO ₂ standard, set at whole-vehicle level for <u>lorries</u> * falling in group 5						RfA
	3	Two separate CO₂ standards, set at whole-vehicle and engine-only levels for vehicles falling within the scope (scope 1 <u>or</u> scope 2)						RfA
METRIC FOR EXPRESSING THE CO ₂ EMISSION TARGETS	1	Tank-to-wheel (TTW) emissions: CO ₂ emissions at the vehicle's tailpipe						P
	2	Well-to-wheel (WTW) emissions: TTW emissions + CO ₂ emissions occurring during fuel production, known as well-to-tank (WTT) emissions						RfA
	3	Full life-cycle emissions: WTW emissions + CO ₂ emissions occurring during the manufacturing and the end-of-life phase of the vehicles ('embedded emissions')						D
UNIT FOR EXPRESSING THE CO ₂ EMISSION TARGETS	1	g CO₂/km (this metric allows comparison of the emission performance of vehicles on a unit/distance basis, but does not account for a lorry's payload)						RfA
	2	g CO₂/tkm (this metric also factors in payloads reflecting the characteristics of individual HDVs in terms of their freight function)						P
	3	g CO₂/m³km (this metric takes into account the volume the vehicle could transport, considering that the general cargo type of goods is often volume sensitive)						RfA
TIMING	1	An aspirational target would be set for 2020. A CO ₂ emission target would start to apply in 2025.						RfA
	2	A first CO ₂ emission target would start to apply in 2025, and would continue to apply until 2029. A second, stricter, target would start to apply in 2030						P
	3	A CO ₂ emission target would start to apply in 2030						RfA
TARGET LEVELS ^	OPTION	2025	2030	Decision	OPTION	2025	2030	Decision
	BA 1	7 %	12 %	R	BA 2	5 %	10 %	R
	TL 20L	10 %	20 %	RfA	TL 30NL	12,5 %	30 %	RfA
	TL	17,5 %	32 %	RfA	TL 35L	20 %	35 %	RfA
	TL 30L	15 %	30 %	P				
ELEMENT	OPTION	DISTRIBUTION OF CO ₂ EMISSION TARGETS (EU FLEET-WIDE)						Decision
HDV GROUPS & MANUFACTURERS	1	Different emission target for each HDV sub-group						RfA
	2	Specific emission target for each manufacturer						P
ELEMENT	OPTION	INCENTIVES FOR ZERO AND LOW-EMISSION HDV VEHICLES						Decision
SCOPE OF THE INCENTIVE	1	ZEV only: only HDVs with CO ₂ emissions of zero would qualify						RfA
	2	ZEV & LEV: all HDVs emitting less than half of the average fleet-wide CO ₂ emissions would qualify (see part 1/2, pp. 26-27)						RfA
TYPE & LEVEL OF INCENTIVE	Type 1	Super-credits						P
	Type 2	One-way crediting system						RfA
	Type 3	Two-way crediting system: in addition to Type 2, the specific emissions target of a manufacturer would be tightened in case fewer ZEV/LEV than the benchmark level are registered						RfA
	Type 4	ZEV/LEV binding mandate: each manufacturer's fleet of new HDV would need to have at least the share of ZEV/LEV established by the binding mandate						RfA
	Variant	ZEV/LEV incentive – variant: in addition to HDVs falling within the <u>scope of the regulation</u> , this option allows HDVs which are outside its scope, and which are ZEV and registered by the same manufacturer, to be counted for the ZEV/LEV incentive.						RfA

ELEMENT	OPTION	ELEMENTS FOR A COST-EFFECTIVE IMPLEMENTATION	Decision
EXEMPTIONS	1	The option exempts vocational vehicles (e.g. garbage lorries) of a manufacturer's fleet from the requirements of CO ₂ emission standards	P
	2	The option exempts small-volume manufacturers from the requirements of CO ₂ emission standards	D
FLEXIBILITIES ACROSS MANUFACTURERS	1	To allow pooling between/among manufacturers: a group of individual manufacturers may agree to form a pool, enabling them to be considered as a single entity for the purpose of compliance with the joint target	RfA
	2	To allow trading between/among manufacturers: trading would allow individual manufacturers (or pools) to trade credits depending on their performance	RfA
	3	No EU action ('do nothing')	P
FLEXIBILITIES ACROSS DIFFERENT TARGET YEARS	1	Annual compliance assessment: target compliance would be assessed based on the specific emissions in one calendar year	RfA
	2	Banking and borrowing: manufacturers could use banking and/or borrowing of CO ₂ credits to achieve the CO ₂ targets applying in a given year	P
ELEMENT	OPTION	GOVERNANCE	Decision
REAL-WORLD EMISSIONS	1	Collection, publication and monitoring (by manufacturers) of real world fuel consumption using <u>currently available devices</u>	RfA
	2	Collection, publication and monitoring (by manufacturers) of real world fuel consumption using <u>mandatory standardised devices</u>	P
MARKET SURVEILLANCE	1	This option would introduce a mechanism to detect deviations from the type approval values as part of the conformity of production tests. In addition, it would introduce the obligation to report deviations from the type approval values, and a correction mechanism in case of serious deviations from the type approval values	P
PENALTIES FOR NON-COMPLIANCE	1	Financial penalty	P

Legend: **R**=Retained **RfA**=Retained for Assessment **P**=Preferred **D**=Discarded **BA**=Baseline **TL**=Target Level **L**= Linear emission reduction trajectory **NL**= Non Linear emission reduction trajectory

Source:
author,
based on IA

* According to the IA (part 1/2, p. 21), the development of 'vehicle energy consumption calculation tool' (VECTO) in the future would provide the data enabling other HDV types (small lorries, buses, coaches and trailers) to be made subject to CO₂ emission standards; the planned timeline for the simulations concerning these vehicle types is reported to be 2020-2021.

^ % reduction from 2019 level.

The IA provides a comparison of the five aforementioned categories (i.e. of their corresponding elements, and options) with respect to the Better Regulation criteria for effectiveness, efficiency, coherence, and proportionality (part 1/2, pp. 56-58). The IA does not identify the preferred option for the CO₂ emission target levels, but provides an explanation for this. However the preferred option is defined under article 1 of the legislative proposal, and therefore it has been highlighted in the aforementioned table. As regards the categories and elements considered, for most of them the IA appears to have provided a credible and sufficient set of options, even though sometimes only two options (in addition to the baseline) were considered for each element. In a couple of cases however, only one option was considered, aside from the baseline.

Scope of the impact assessment

The IA provides a comprehensive assessment of the economic impact of the retained options, quantifying it in most of the cases depending on the category/element considered (part 1/2, pp. 33-56, and part 2/2, pp. 61-78). The economic dimension is analysed with respect to the following aspects: net economic savings (considered from different perspectives, e.g. societal, second use), energy demand for lorries, freight transport activity, and changes in GDP. However, when considering the manufacturing costs for calculating the net economic savings, the IA does not explain how the percentages indicated for the *additional* manufacturing costs were set (part 2/2,

pp. 62). Social impacts are considered with respect to employment, including the turnover of the most affected sectors, in terms of percentage changes with respect to the baseline. Health impacts are not mentioned. However, in the light of the impact of CO₂ and air pollutants emissions on human health, their expected reduction due to the initiative could have been included in the calculation of the cost/benefits. Environmental impacts are considered with respect not only to CO₂, but also regarding NO_x and PM_{2,5} (particle matters) emissions. Some of the retained options would create some administrative burden, which is however never quantified in the IA.

Subsidiarity / proportionality

The IA indicates that the legal basis of this proposal is Article 192 of the Treaty on the Functioning of the European Union (TFEU), the same used for previous EU actions in the area of vehicle CO₂ emissions (part 1/2, p. 19). Proportionality has been briefly mentioned in the explanatory memorandum (p. 4), and taken into account in the section of the IA comparing the policy options (part 1/2, pp. 56-59). As regards subsidiarity, the IA states that climate change is a trans-boundary problem and is, at the same time, a competence shared between the EU and Member States. Coordination of climate action at European level is therefore necessary and EU action is justified on grounds of subsidiarity. EU action is also justified in view of the need to safeguard single markets in fuel tax levels, HDVs and road freight services (part 1/2, p. 19). The deadline for the submission of reasoned opinions by national parliaments on whether the proposal complies with the principle of subsidiarity is 24 September 2018. Reasoned opinions have not been submitted by national parliaments at the time of writing. Scrutiny was in progress in the parliaments of five Member States.

Budgetary or public finance implications

The explanatory memorandum states (p.9) that 'the budgetary impact resulting from the implementation of the proposed regulation is very limited'. The IA states that the Commission initiative would not entail any additional administrative costs for type-approval authorities, and that the costs related to certification, and monitoring and reporting of CO₂ emission data have already been considered in the context of the 'proposals' in these fields (part 1/2, p. 69), namely [C/2017/7937 final](#), and subsequently Commission Regulation (EU) 2017/2400 concerning a certification procedure for determining CO₂ emissions and fuel consumption of HDVs, and [COM\(2017\) 279 final](#) concerning the monitoring and reporting of CO₂ emissions and fuel consumption of new HDVs. This burden appears to be different from the 'limited additional administrative burden on type approval authorities' which would result from the proposed additional monitoring measures (see 'Monitoring and evaluation' below), which is also not quantified (part 1/2, p. 70).

SME test / Competitiveness

The impact on competition is considered throughout the IA, but neither quantified nor described in a comprehensive way. This is quite surprising, also in the light of problem 3 where a deterioration in the technological and innovation leadership position of EU HDV manufacturers and component suppliers might affect, in turn, their ability to compete successfully on non-EU markets (see part 1/2, pp. 3-4, and part 2/2, Annex 5, pp. 33-36 for a brief overview of the HDV sector). The description of the impact on SMEs also appears not well developed. This appears to be inconsistent with the IA statement that 'the road freight and passenger transport sector largely consists of SMEs, with over 600 000 enterprises across the EU employing almost 3 million people' (part 1/2, p. 3), and in the light of the market structure, 'with purchasers of HDVs mostly consisting of SMEs' (part 1/2, p. 4). As such, the IA does not appear to have 'exploited' the opportunity to use the estimates of net savings obtained by the economic analysis carried out to assess the impact on the SMEs transport sector.

Simplification and other regulatory implications

The proposal implements the July 2016 European strategy for low-emission mobility, and facilitates the development of a methodology for differentiating the charging of heavy goods vehicles for the use of certain infrastructures, based on their CO₂ emissions. As such, it would therefore support the

implementation of the [review](#) of the 'Eurovignette' [Directive 2011/76/EU](#). In addition, the proposal complements other existing EU mobility policy measures affecting the regulatory environment, and incentivising low-emission mobility in the HDV sector (part 2/2, pp. 40-42).

Quality of data, research and analysis

The explanatory memorandum states (p. 6) that the quantitative assessment of the economic, social and environmental impacts of the retained policy options is based on 'a suite of models and a dedicated set of cost curves ... which show the CO₂ reduction potential and costs for over 50 technologies'. The work to develop these cost curves was performed by the Joint Research Centre (see [report](#)), and by an external contractor (IA, part 2/2, footnote 1, p. 11), whose report was, however, not available at the time of writing. In addition, the IA states that the baseline and the policy scenarios build on the [EU Reference scenario 2016](#), **projecting** EU and Member States energy, transport, and GHG emission-related trends until 2050, are based on a set of assumptions, illustrated in Annex 4 of the IA, (part 2/2, pp. 29-32), which also contains information on the analytical models used. The PRIMES-TREMOVE model has been used to project the evolution of the road transport sector for a range of scenarios, while the macro-economic model EXIOMOD has been used to quantify the impacts on GDP and sectoral turnover. The IA states that their use is justified by the fact that 'they have a successful record of use in the Commission's transport, energy and climate policy impact assessments'. Annex 4 of the IA illustrates PRIMES-TREMOVE quite satisfactorily (part 2/2, pp. 24-26), while the description of how concretely four DIONES modules were specifically modified for this IA appears to be insufficient. The IA also relies upon information and data included in previous IAs accompanying other Commission proposals, such as the proposal for setting emission performance standards for new LDVs, [COM\(2017\) 676 final/2](#), part of the [second](#) Europe on the move package. The IA provides a large number of very recent references and studies supporting the various aspects being analysed. All this provides ample and detailed insight into the issues considered in the IA, making the overall analysis quite sound and extensive.

Stakeholder consultation

The IA states (part 2/2, p. 12) that the Commission gathered stakeholders' input through a 10 week public online [consultation](#) carried out between 20 November 2017 and 29 January 2018 (88 replies), a stakeholder workshop, and meetings with vehicle manufacturers, suppliers, industry associations, NGOs, social partners, and Member State authorities. In addition, views were gathered through position papers from stakeholders and Member States. It is therefore apparent that the Commission has consulted a broad range of stakeholders. However, the main report does not include a specific section dealing with the findings of these consultation, while Annex 2 of the IA (part 2/2, pp. 12-18) concerns the results of the public online consultation only. The IA states that stakeholders' input has been used 'to develop and assess the policy options' (part 2/2, p. 18). For each option considered under the five aforementioned categories, a brief reference to stakeholders' views is provided.

Monitoring and evaluation

The Commission will monitor the impact of the proposed new regulation through a set of indicators, illustrated in the IA (part 1/2, p. 71); some appear to be consistent with the three **stated** operational objectives, while others correspond to what the IA calls **co-benefits**. However, one indicator intends to monitor real-world fuel consumption data, which are not yet available, because the [recently adopted Commission proposal](#) for a regulation on the monitoring and reporting of CO₂ emissions and fuel consumption of new HDVs only allows the collection of data resulting from the certification procedure using the 'vehicle energy consumption calculation tool' (VECTO). As such, the IA states that it intends to complement the aforementioned regulation with two additional monitoring measures, which include the collection and monitoring of real-word consumption data (part 1/2, pp. 69-70). As a general remark, the section on monitoring and evaluation would have benefited from the inclusion of expected and time-bound targets for **all** operational objectives. However, the monitoring indicators appear to be missing from the legislative proposal, although it does include

the measures identified under preferred options 2 and 4, to which the indicators refer. Finally, the IA states that a mid-term review of the legislation is envisaged in 2022 (part 1/2, p. 69).

Commission Regulatory Scrutiny Board

On 28 March 2018, the Commission's Regulatory Scrutiny Board (RSB) adopted a [negative opinion](#) on a draft version of the IA report dated 2 March, asking for improvements regarding a certain number of shortcomings. Subsequently, on 19 April 2018, the RSB adopted a [positive opinion](#) on a resubmitted version of the IA report, dated 11 April, where it requested two further changes: to better explain what causes the trucking industry's inertia in developing new fuel saving technologies, and how market uncertainties lead transport operators to underinvest in these technologies; to better highlight the importance of earlier Commission work concerning, e.g. measuring, monitoring and reporting for regulation of CO₂ emissions in the HDV sector. The final version of the IA provides a summary of how it has implemented the RSB's recommendations provided in its first and second opinions (part 2/2, pp. 9-11), in line with the better regulation guidelines. The final report appears to have addressed the improvements requested by the RSB.

Coherence between the Commission's legislative proposal and IA

The proposal seems to follow the preferred options.

Conclusions

The IA clearly defines the problem to be addressed. The objectives appear to be relevant, sufficiently measurable and achievable, although only partially time-bound. Overall, for each of the five categories in which the different elements considered in the analysis have been grouped, the IA examines a sufficient number of options, although in a couple of cases only one option is considered (in addition to the baseline). The analysis carried out appears to be sound and well evidenced, providing ample and detailed insight into the issues considered. The analysis of impacts focuses on the economic and environmental dimension consistently with the manner in which the problems have been defined, while social impacts are considered only with respect to employment. Their quantitative assessment is based on three models which, according to the IA, have already been 'successfully' used in previous IAs regarding transport, energy and climate policies. The IA appears to have addressed all of the Regulatory Scrutiny Board's recommendations, and the legislative proposal seems to be consistent with the analysis carried out in the IA.

This briefing, prepared for the Environment, Public Health & Food Safety (ENVI) Committee, analyses whether the principal criteria laid down in the Commission's own Better Regulation Guidelines, as well as additional factors identified by the Parliament in its Impact Assessment Handbook, appear to be met by the IA. It does not attempt to deal with the substance of the proposal.

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