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## Opinion

**Title**                    **Impact Assessment on: Proposal for a Council and Parliament regulation on advanced vehicle safety and tyres**

**(draft version of 18 December 2007)**

**Lead DG**                **DG ENTR**

### **1) Impact Assessment Board Opinion**

#### **(A) Context**

European Community Directives concerning the type-approval of motor vehicle components and systems have been introduced since 1970, under the framework of Community Directive 70/156/EEC. The Competitive Automotive Regulatory System for the 21<sup>st</sup> century report also serves as a basis for the initiative. The initiative is part of the Simplification Rolling Programme. Additionally the proposal aims to clarify the link between the equivalent standards produced by the United Nations Economic Commission for Europe (UNECE) and EC type-approval Directives.

#### **(B) Positive aspects**

A good effort is made to quantify costs and benefits of different safety measures, which should nevertheless be presented in a more aggregated and comparable manner (see below).

#### **(C) Main recommendations for improvements**

*The recommendations below are listed in order of descending importance. Some more technical comments have been transmitted directly to the author DG.*

**General recommendation: The IA report should be improved by explaining why it focuses on a limited selection of safety measures, by presenting more explicitly the simplification gains, by adding a comparison of overall costs and benefits, and by more clearly defining the baseline scenario. During its meeting with the Board, DG ENTR agreed to make improvements in all of these areas.**

**(1) The IA report should describe more clearly the choice of safety measures that is considered.** It should explain why it only considers automated emergency brake systems, lane departure warning systems, electronic stability control systems, and tyre pressure measurement systems, and not the other safety measures presented in Annex 1. The relationship of the IA to the draft regulation being proposed should also be presented (e.g. why some measures are assessed and others not). In particular, a clear distinction should be made in the IA report between the new measures proposed as part of this initiative, and the elements which already exist. The link between the EU legislation and the UNECE requirements should be made clearer.

**(2) The simplification gains should be more explicitly presented.** The IA report should demonstrate more specifically whether and how the new regulation will save administrative and other costs for companies and improve their competitiveness. This is especially relevant considering that this proposal is not only replacing 50 Directives with one Regulation but is also introducing new safety and labelling standards which might (partially) offset the simplification and competitiveness gains.

**(3) The comparison of the various environmental, economic and social costs and benefits should be improved.** The IA report should provide a clear overview of the total costs and benefits of the various measures taken together; costs expressed in different units should be made comparable, or an explanation provided for the differences, discount rates need to be applied where appropriate. Given that any additional costs of safety improvements are likely to be passed on to consumers, the distributional effects (between countries, car makers, vehicle classes) and the issue of affordability should be addressed, in particular for the cheapest cars that might be important for the lowest income strata households. Employment impacts, in particular as far as car industry suppliers are concerned should be presented at least qualitatively against the background of a more quantified description of the importance of the sector in terms of production and employment. Trade-offs between the different measures should be made more explicit (e.g. between enhanced safety, noise reduction and fuel consumption). The contribution of this initiative to the overall strategy to reduce CO<sub>2</sub> emissions from passenger cars should be explicitly quantified, and be presented alongside the contribution from other measures.

**(4) The problem and the baseline scenario should be more clearly defined.** The IA report should clearly state to what extent autonomous market developments are included in the baseline. The problem definition should demonstrate the market failure and a need to facilitate the implementation and to accelerate market take-up of the proposed safety measures. The proposed implementation dates for some of the safety measures should be better explained.

#### **(D) Procedure and presentation**

The IA report should provide fuller references to the external studies mentioned in section 4.

## 2) IAB scrutiny process

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Author DG	ENTR F1
External expertise used	No
Date of Board Meeting	23 January 2008
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