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REGULATORY SCRUTINY BOARD OPINION

Proposal for a Regulation of the European Parliament and of the Council on Union guidelines for the development of the trans-European transport network, amending Regulation (EU) 2021/1153 and Regulation (EU) No 913/2010 and repealing Regulation (EU) 1315/2013

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EUROPEAN COMMISSION
Regulatory Scrutiny Board

Brussels,
RSB

Opinion

Title: Impact assessment / Revision of the Regulation on Union guidelines for the development of the trans-European transport network (TEN-T)

Overall opinion: POSITIVE WITH RESERVATIONS

(A) Policy context

This initiative aims to review the EU guidelines for the development of the trans-European transport network (TEN-T). The aim of the TEN-T Regulation is to build an EU-wide and multimodal transport infrastructure network of roads, rail, inland waterways and maritime routes. These should link to urban nodes, ports, airports and other terminals across the European Union.

The TEN-T Regulation acts as an enabler since it provides the infrastructure network for the implementation of other sectoral measures. The review should address the shortcomings identified in the 2021 evaluation of the TEN-T Regulation. It explores how to respond to the European Green Deal and the recent sustainable and smart mobility strategy.

(B) Summary of findings

The Board notes the useful additional information provided in advance of the meeting and 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 report does not sufficiently highlight the policy choices that policy-makers will need to make.

(2) The funding mechanisms behind the revised guidelines remain unclear in view of the very significant resources required for the initiative.

(3) The environmental value-added of the revision of the TEN-T guidelines is not sufficiently clear in view of the objective to make transport greener.

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

(C) What to improve

(1) The report should clarify the structure and logic of the options. In this regard, it should consider the usefulness of keeping the minimalistic option 1 versus discarding it upfront. With regard to option 2, the report should clarify whether the long catalogue of measures are all required. It should discuss if any other policy choices or measures should be highlighted and if alternative investment priorities were considered. Finally, it should substantiate better the generalised support of EU Member States for the respective options.

(2) The report should provide a better overview of the funding mechanisms supporting this initiative. It should clarify how the considerable amounts of funding that are required will be mobilised, taking into account the limits of national public finances and the limited involvement of the private sector. The involvement of EU funding sources should also be clarified.

(3) The report should better explain the functioning of the new screening mechanism for foreign direct investment. In particular, the existence of a potential problem of unequal treatment between domestic and foreign investment should be clarified.

(4) While the size of the environmental impacts is certainly influenced by the fact that the baseline already accounts for the 'Fit for 55' package, the value added of having the revised TEN-T guidelines in addition to the Green Deal should be better explained. The report should clarify the environmental contribution of TEN-T in comparison with the existing and proposed legislation. It should explain better how TEN-T projects would systematically avoid doing significant harm to the environment, including to biodiversity and through soil sealing.

(5) The intervention logic should be further strengthened. In particular, the report should clarify how the options relate to the specific objectives and ultimately how they tackle the problems and the problem drivers. In this regard, it would be useful to include some material from Annex 6 in the main report.

(6) The coherence between the narrative of the evaluation findings and the information provided in the impact assessment should be ensured, in particular when it comes to the delays in the implementation of the TEN-T network and the possible consequences. In this regard, the incorporation of the full implementation of the TEN-T regulation in the baseline should be explained.

(7) The report should assess in more detail the proportionality and subsidiarity of individual measures. In particular, it should clarify why TEN-T needs to set requirements on urban nodes for passenger transport. Given their moderate ambition level, it seems likely that local authorities would develop these hubs where needed without EU intervention.

(8) As this is a revision of existing legislation, a REFIT section should be included under the preferred option, analysing the scope for simplification and reduction of administrative burden.

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	**Revision of the Regulation on Union guidelines for the development of the trans-European transport network (TEN-T)**
Reference number	PLAN/2020/8147
Submitted to RSB on	23/06/2021
Date of RSB meeting	22/07/2021

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. Overview of Benefits (total for all provisions) – Preferred Option – PO3 (expressed relative to the baseline)		
Description	***Amount***	***Comments***
Direct benefits		
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.
Indirect benefits		
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.

II. Overview of costs – Preferred option – PO3 (expressed relative to the baseline)							
		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.

Electronically signed on 26/07/2021 09:22 (UTC+02) in accordance with article 11 of Commission Decision C(2020) 4482