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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 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**

Delegations will find attached document SWD(2021) 473 final.

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EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT

Accompanying the document

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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Executive Summary Sheet

Impact assessment on Proposal for the revision of Regulation (EU) 1315/2013 – Union guidelines for the development of the trans-European transport network (TEN-T).

A. Need for action

Why? What is the problem being addressed?

This impact assessment is the basis for a legislative proposal for the revision of Regulation (EU) 1315/2013 – Union guidelines for the development of the trans-European transport network (TEN-T). It is a key action of the European Green Deal and the Sustainable and Smart Mobility Strategy. The aim of the TEN-T Regulation is to build an effective EU-wide and multimodal network of rail, inland waterways, short sea shipping routes and roads which are linked to urban nodes, maritime and inland ports, airports and terminals across the EU. The problems addressed by the revision are insufficient and/or incomplete TEN-T infrastructure standards and a lack of integration of standards for alternative fuels infrastructure on the TEN-T with negative impacts on climate and environment. Secondly, the TEN-T network suffers from capacity bottlenecks and an insufficient network connectivity to all regions that hamper multimodality. Thirdly, the insufficient safety and reliability of the TEN-T infrastructure needs to be addressed. Finally, the governance instruments are inadequate compared to new needs and the TEN-T network design needs a review to increase coherence with other policies.

What is this initiative expected to achieve?

The TEN-T revision aims at reaching four main objectives. Firstly, it aims at making transport greener by providing the appropriate infrastructure basis to alleviate congestion and reduce GHG emissions and pollution of air and water through incentives to shift transport demand towards sustainable forms of transport, e.g. through the application of new TEN-T standards. Secondly, it aims at facilitating seamless and efficient transport, fostering multimodality and interoperability between the TEN-T transport modes and better integrating the urban nodes into the network. Thirdly, it strives to increase the resilience of TEN-T to climate change and other natural or man-made disasters. Last but not least, it points at improving the efficiency of the TEN-T governance tools, at streamlining the reporting and monitoring instruments and at reviewing the TEN-T network design.

What is the value added of action at the EU level?

The strong EU added value of TEN-T has been one of the main conclusions of the evaluation of the current TEN-T Regulation. Concentrating efforts towards the creation of a common, EU-wide transport network, focusing on removing bottlenecks and missing links especially across borders, is clearly acknowledged as a vision and well progressing achievement whose benefits go beyond isolated national action. Ensuring a common and coherent EU-wide basis for the identification of 'projects of common interest' and, correspondingly, for the alignment of planning and implementation efforts of a wide range of actors is of key importance.

B. Solutions

What legislative and non-legislative policy options have been considered? Is there a preferred choice or not? Why?

To adequately address the objectives of the TEN-T revision, three policy options (PO) have been assessed in terms of their economic, social and environmental impacts. PO1 aims at updating existing TEN-T infrastructure quality requirements and standards and provides for the adequate infrastructural basis for the deployment of alternative fuels and intelligent transport systems. In addition, it includes measures to harmonise and streamline the existing TEN-T monitoring and reporting tools. In terms of TEN-T network, it also includes a review of the transport network and transport nodes. PO2, building upon PO1, represents a step change by introducing new, more ambitious standards for all transport modes as to contribute to decarbonisation, pollution reduction, digitalisation, resilience and safety of the transport infrastructure system. In addition, a better integration of the urban nodes in the TEN-T is ensured through specific requirements to manage traffic of passengers and freight to/from cities. PO3, being the preferred option, accelerates the completion of the TEN-T by advancing the deadline for the completion of certain standards and network sections from 2050 to 2040 whilst keeping the ambitious standards and requirements introduced through PO2. It also ensures a broad and coherent development on the network, translating into a substantial review of the TEN-T network design.

Who supports which option?

The results from the consultation activities show that a wide majority of stakeholders expressed a preference for TEN-T to focus on a combination of measures aiming at decarbonisation, digitalisation and "hard" infrastructure deployment, corresponding to the philosophy of Option 3. Indeed, 34% of the respondents ranked this option as first and an additional 12% as second. Widest support was given by public authorities (44%), businesses (35%)

and citizens (17%) who ranked this option first.

C. Impacts of the preferred option

What are the benefits of the preferred option (if any, otherwise main ones)?

PO3 brings significant economic benefits, notably an increase of 0.4% of GDP in 2030, 1.3% in 2040 and 2.4% by 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. Higher investments on the TEN-T also create employment, leading to an estimated 0.1% increase of employment in 2030 relative to the Baseline, 0.3% in 2040 and 0.5% by 2050, equivalent to 200,000 additional employed persons in 2030, 561,000 in 2040 and 840,000 by 2050. PO3 also performs well in shifting freight and passenger transport activity to more sustainable modes of transport. The anticipated implementation of a new passenger rail standard (160 km/h line speed), the introduction of the P400 loading gauge (allowing circulation of semi-trailers on railway wagons) as well as the extension of some rail standards from core to comprehensive network, coupled with the extension of the latter, is projected to increase rail transport activity. This is also reflected in a higher rail share in the modal split to the detriment of the road sector. Although the modal share of inland waterway and maritime transport stays broadly stable, the implementation of new standards allows the sector to absorb the projected growth of EU27 traffic volumes and of intra-EU maritime traffic. Moreover, the shift from road to less emitting modes enabled by the bundle of measures included in PO3 are projected to result in CO_2 emissions and air pollution emissions reductions. 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, while the reduction in the external costs of air pollution at around €420 million. In addition, 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. The reduction in the external costs of inter-urban road congestion is estimated at around € 2,891 million relative to the baseline over the 2021-2050 period.

What are the costs of the preferred option (if any, otherwise main ones)?

The preferred option strikes the best balance between the achieved objectives and the overall implementation costs. The investments to implement all measures under PO3 are estimated at €247.5 billion relative to the Baseline, expressed as present value over 2021-2050. In addition, the administrative costs for the private sector are estimated at €8.6 million relative to the Baseline, expressed as present value over 2021-2050, and those for the public authorities at €25.4 million. Other impacts, related to noise emissions and potential biodiversity loss, are expected to remain very limited. It is however difficult to quantify them since noise impacts strongly depend on the local (traffic) situation and biodiversity on the specific location and characteristics of the infrastructure. In both cases, measures, also respecting the DNSH principle, are included in the TEN-T revision.

How will businesses, SMEs and micro-enterprises be affected?

The upgrade of the infrastructure for combined railway transport and of terminals will generate opportunities to establish services for SMEs even though in some segments also large players exist. Main stakeholders concerned are the railway undertakings in the freight market, the rail freight terminal operators, trucking companies and operators at passenger terminals. In the road sector, improving the rest areas and parking situation for regional and long-distance trucking will benefit the large number of small driver-owned trucking companies, which are actually among the smallest enterprises in the transport domain, as they depend on a dense and quality network of parking areas.

Will there be significant impacts on national budgets and administrations?

The additional administrative costs relative to the Baseline are moderate, especially compared with the ambitious revision plans under PO3. Expressed as present value over 2021-2050, administrative costs for the public authorities are estimated at €25.4 million (i.e. €15.8 million for the European Commission and €9.6 million for Member States public authorities). In addition, the largest part of investments is estimated to originate from public funding (national public funds, EU funds) and would amount to €244.2 billion relative to the Baseline, expressed as present value over 2021-2050.

Will there be other significant impacts?

PO3 adds an important dimension to the cohesion objective of TEN-T through the identification of urban nodes and the integration of passenger / freight terminals on the whole EU territory playing a crucial role for regional connectivity. PO3 also stimulates best the resilience and climate change adaptation of the TEN-T infrastructure. Finally, PO3 adds important value to ensure coherence with other policies by reviewing the TEN-T network design (e.g. through the creation of European Transport Corridors, replacing the two existing types of corridors – Core Network Corridors and Rail Freight Corridors).

D. Follow up
When will the policy be reviewed?
The legislative proposal for the revision of Regulation (EU) 1315/2013 is expected for December 2021.