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Subject:	Proposal for a Regulation of the European Parliament and of the Council on the approval and market surveillance of non-road mobile machinery circulating on public roads and amending Regulation (EU) 2019/1020 - COMMISSION STAFF WORKING DOCUMENT EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT REPORT Accompanying the document

Delegations will find attached document SWD(2023) 66 final.

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EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT REPORT

Accompanying the document

Proposal for a Regulation of the European Parliament and of the Council

on the approval and market surveillance of non-road mobile machinery circulating on public roads and amending Regulation (EU) 2019/1020

{COM(2023) 178 final} - {SEC(2023) 145 final} - {SWD(2023) 64 final} -
{SWD(2023) 65 final}

Executive Summary Sheet

Impact assessment on a proposal for a regulation of the European Parliament and of the Council on the road approval of non-road mobile machinery.

A. Need for action

Why? What is the problem being addressed?

Non-road mobile machinery means any self-propelled or towed machinery that is designed and constructed specifically to perform work and which, because of its construction characteristics, is not suitable for carrying passengers or for transporting commercial goods. The main types belong to the agricultural and forestry, construction, garden, material handling and municipal equipment sectors. These machines may, from time to time, need to circulate on the road to go from one workplace to another. While many of their aspects are harmonised at EU level (machinery safety, electromagnetic compatibility, exhaust emissions, etc.), requirements for the road circulation of remain one aspect for which the rules are currently not harmonised at EU level.

Currently, technical requirements and approval procedures for the road circulation of non-road mobile machinery are decided at Member State level. This legislation often differs between Member States, which means that manufacturers selling on several markets are obliged to tailor their production to comply with rules in the target national markets and they must also have their vehicles tested in every Member State. This results in delays and significant costs. Having multiple national rules undermines the functioning of the single market. In addition, end users such as rural contractors or construction companies who provide services in multiple EU countries may not be able to use their non-road mobile machinery across borders. Finally, the lack of harmonised requirements for the road circulation of non-road mobile machinery is not optimal in terms of road safety.

What is this initiative expected to achieve?

By setting uniform requirements at EU level, the sector could save up to €0.85 billion over ten years. Having a harmonised set of technical requirements is also likely to increase and level up road safety standards for non-road mobile machinery across the EU.

What is the value added of action at EU level?

A set of technical requirements agreed by all EU countries can be best achieved at EU level. This initiative will help complete the single market for non-road mobile machinery and achieve a high and uniform level of road safety across the EU. It is therefore in line with the subsidiarity principle set out in Article 5 TEU.

B. Solutions

What legislative and non-legislative policy options have been considered? Is there a preferred choice and if so, why?

The policy options considered are set out below.

- **Option 0 - Baseline**: 'no action'.
- **Option 1 - EU approval of the entire mobile machine granted by Member States authorities (old approach**). This policy option follows the principles of EU legislation on vehicles, where the technical specifications to comply with the general requirements are integrated in the legislation.
  - **- 1.a) Type approval:** for most components, systems and separate technical units the road approval would involve a third party (independent authorised body).
  - **- 1.b) Simplified type approval:** for components, systems and separate technical units that are more critical for road safety, the conformity assessment would involve a third party (independent authorised body). For components, systems and separate technical units that are less critical for road safety, the conformity assessment would be based on reports or self-certifications by the manufacturer.
- **Option 2 - CE marking of the entire mobile machine granted by the manufacturer (new approach).** This policy option follows the principles of new EU legislation on the non-road use of mobile machinery (e.g. the Machinery Directive), where only the essential safety requirements are embedded in law, not the detailed technical specifications.

All options can, in principle, be implemented through either a directive or a regulation.

The following aspects of the legislation were also assessed:

(i) making it mandatory (replacing the current 27 national rules), or optional (an alternative to the current 27 national rules);

(ii) including (or not) towed equipment in the scope; and

(iii) limiting (or not) the scope to non-road mobile machinery with a maximum design speed not exceeding 40 Km/h.

The **preferred policy option is 1.b simplified type approval covering self-propelled machinery only (not towed), with a maximum design speed limit of 40 km/h, in the form of a regulation.** The regulation will be mandatory after a transitional period.

The type-approval system that details technical specifications in the legislation is the widely accepted and trusted framework for road safety in Europe. It should be simplified to be proportionate and take account of the characteristics of non-road mobile machinery (low circulation frequency). An optional policy seems more adequate in a first step, to become mandatory after a transitional period during which manufacturers will have the choice whether to apply for the EU type-approval (and benefit from the free movement) or for national legislation (valid for that country only).

It would only cover self-propelled machinery since most of the towed equipment can already be type-approved under other vehicle categories. The machinery in scope would have a maximum design speed limit set at 40 km/h to prevent misapplication of the new framework to faster vehicles at the expense of road safety, most of which could be type-approved under current vehicle categories. Lastly, since the technical requirements will be highly detailed and leave practically no room for discretion when transposing them, a regulation is preferred.

Who supports which option?

Option 1b - optional - was widely supported by Member State authorities, industry and user associations. Only the technical services preferred Option 1a and mandatory rules. Most Member State authorities supported limiting the scope to self-propelled machinery only with a maximum design speed limit of 40 km/h, while manufacturers favoured including towed equipment and not setting a speed limit. All stakeholders preferred a regulation.

C. Impacts of the preferred option

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

Total benefits for economic operators: estimated net savings of €846 million over 10 years, of which €502 million for manufacturers and distributors and €344 million for rental companies and end users. Since the administrative cost is estimated at 4% of the total, the overall administrative saving is calculated as €3,38 million per year.
The technical services will see an increased turnover, partially offset by a decrease in the number of approvals.
Road users: will benefit from harmonised rules that ensure high road safety across the EU.

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

The estimated costs for manufacturers, distributors, rental companies and end users are offset by far by the estimated savings. The net savings are estimated above.

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

In the non-road mobile machinery manufacturing sector, 98% of companies are SMEs, which account for 18% of revenue and 29% of employment. Many SMEs are strong exporters and will benefit significantly from having simplified EU-wide rules. The net savings for SMEs in the manufacturers and distributors group are estimated at €90 million over 10 years. The net savings for SMEs in the rental companies and end users are estimated at €62 million over 10 years. Therefore, the total benefit for SMEs amounts to €152 million over 10 years.

Will there be significant impacts on national budgets and administrations?

Member States will face some adaptation costs to adjust to the new regulation. However, since they already handle several type-approval frameworks for other vehicles, they have the structure and technical services in place to handle this additional regulation without it posing a significant burden.

Will there be other significant impacts?

No other significant impacts are estimated.

D. Follow-up

When will the policy be reviewed?

The new regulation should be evaluated within 5 years of its entry into force.