



EUROPEAN COMMISSION
IMPACT ASSESSMENT BOARD

Brussels,
D(2011)

04 FEB. 2011

Opinion

Title

DG ENTR - Impact Assessment on the proposal for a Regulation relating to the permissible sound level and the exhaust system of motor vehicles

(draft version of 20 December 2010)

(A) Context

The Motor Vehicle Noise Directive (70/157/EEC) covers the requirements for motor vehicle exterior pass-by noise under test conditions by setting the test procedure and noise limits. The Directive has two objectives: (a) to ensure smooth functioning of the internal market by harmonising the type approval of motor vehicles, and (b) to tighten the noise limits to reduce environmental noise levels. The EU has also acceded to the Agreement of the United Nations Economic Commission for Europe (UN-ECE) concerning the adoption of uniform technical prescriptions for wheeled vehicles, which ensures harmonization of EU technical standards with its main export markets. Noise from road traffic has been also addressed in the more recent Directive 2001/43/EC and Regulation No 661/2009 covering tyre noise, and in Directive 2002/49/EC regarding the assessment of environmental noise. This IA report investigates options on adopting a new test method developed within the UN-ECE framework and possible further reduction of the noise emission limits as announced in the Commission Communication on a European strategy on clean and energy efficient vehicles (COM(2010)186).

(B) Overall assessment

While the IA report presents a broad range of useful information in a succinct way, the analysis should be improved in several respects. Firstly, the report should improve the baseline scenario to better demonstrate that existing measures and factors contributing to the reduction of traffic noise levels are insufficient to out-balance the negative trends caused by growing traffic volumes. Secondly, it should better explain the design and choice of options. Thirdly, the IA report should further enhance the transparency and credibility of the benefit-cost analysis by using consistent assumptions and by verifying, and where found necessary correcting, the methodology applied for the assessment of social impacts.

(C) Main recommendations for improvements

(1) Improve the problem definition, especially the presentation of the baseline scenario. The IA report should provide greater transparency on the individual and combined effects of the different factors which either increase (e.g. growth in traffic intensity, change in car fleet composition) or decrease (e.g. lowering the limit values for rolling noise of tyres, replacement of old noisier diesel engines, market shifts towards more environmental friendly vehicles) road traffic noise over the period 2010-2030. This should allow a better demonstration that the baseline Option 1 will indeed lead to an increase in the noise level and the number of annoyed/disturbed people. In addition, the IA report should discuss how the cost-effectiveness of measures addressing the noise levels at source (e.g. engine and tyre noise) would compare to other noise abatement measures (e.g. noise barriers, quiet road surfaces, facade insulation).

(2) Clarify the design and choice of options. The IA report should clarify why Option 2 (New test method and the existing limit values) and Option 3 (New test method and equivalent limit values) are carried throughout the analysis, although they do not meet the objective of reducing the exposure to harmful noise levels. Regarding Option 4 (New test method and reduced limit values, in one stage) and Option 5 (New test method and reduced limit values, in two stages), the IA report should explain (i) how the proposed ranges for the reduction of limit values were established, (ii) why these are higher for light vehicles than for heavy ones, and (iii) whether any other sectoral combinations (e.g. reduced limits only for light commercial vehicles and vans) were considered. Given the favourable benefit-cost ratios of Options 4 and 5, and the fact that noise levels on many roads continue to be harmful for human health, the IA report should explain why more ambitious reduction options have not been explored at this stage.

(3) Present a more consistent, transparent and complete analysis of impacts. Firstly, the IA report should aim to apply the chosen discount rate/interest rate consistently for both benefits and costs (currently it applies 3% 'discount rate' for benefits and 1% 'interest rate' for costs). If this is not feasible, the IA report should explain how these discrepancies in methodology affect the comparability of benefits and costs. Secondly, it should improve the transparency of the benefit-cost estimates by indicating how the discount/interest rates were applied, including explanations on the assumptions made on the future price developments. Thirdly, regarding the estimates of benefits, the IA report should avoid adding up the revealed preference estimates (based on citizens' willingness-to-pay for noise reduction around their homes and variation in house prices) and the benefits from avoided health and abatement costs, unless it can clearly demonstrate that these two measures do not relate to a very large extent to the same social welfare impact of avoiding noise. Finally, the IA report should clarify whether the measures under consideration have any negative social (e.g. employment, consumer prices, safety) or environmental (e.g. higher fuel consumption) impacts.

Some more technical comments have been transmitted directly to the author DG and are expected to be incorporated in the final version of the impact assessment report.

(D) Procedure and presentation

All substantive statements and data used in the IA report should be referenced to the relevant source or evidence.

| (E) IAB scrutiny process | |
|---------------------------------|-------------------|
| Reference number | 2011/ENTR/012 |
| External expertise used | No |
| Date of Board Meeting | Written Procedure |