

Making the railway system
work better for society.

Light Impact Assessment

The amendment of Commission Regulation (EU) No 1299/2014 on the technical specifications for interoperability relating to the 'infrastructure' subsystem of the rail system in the European Union, Commission Regulation (EU) No 1301/2014 on the technical specifications for interoperability relating to the 'energy' subsystem of the rail system in the European Union and Commission Regulation (EU) No 1304/2014 on the technical specification for interoperability relating to the subsystem 'rolling stock — noise' amending Decision 2008/232/EC and repealing Decision 2011/229/EU

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1. Context and problem definition

<p>1.1. Problem and problem drivers</p>	<p>The text of the Regulation (EU) No 1304/2014 (TSI Noise), Regulation (EU) No 1299/2014 (TSI Infrastructure) and Regulation (EU) No 1301/2014 (TSI Energy) are not consistent with the new Interoperability Directive 2016/797 (published as the part of the 4th Railway Package).</p> <p>Concerning TSI Noise, the definitions of the rolling stock categories are not aligned. Furthermore, more clarity is needed in respect to the principles to be applied by the applicants and authorizing entities on the scope of application of NOI TSI requirements in case of changes.</p> <p>This is driven by the newly introduced element in the Interoperability Directive 2016/797 (ID) impacting the existing TSIs: What changes of a subsystem require a new authorisation?</p> <p>Art. 4.3(h) of the ID requires the indication of the the provisions applicable to the existing subsystems and vehicles, in particular in the event of upgrading and renewal and, in such cases, the modification work which requires an application for a new authorisation.</p> <p>Finally, the list of basic design characteristics as newly defined in LOC&PAS and WAG TSIs need to be referenced in the NOI TSI.</p> <p>Concerning TSI Energy and Infrastructure, references to the 3rd Railway package (e.g. Interoperability Directive 2008/57) have to be updated to be consistent with the 4th Railway Package.</p>
<p>1.2. Main assumptions</p>	<ol style="list-style-type: none"> 1. In June 2012, the European Commission has commissioned an impact assessment in view of the preparation of the 4th RP , hereinafter referred to as the 4th RP IA¹. Out of the five potential options evaluated in the 4th RP IA, option 4 “NSA and ERA share competencies” was recommended as yielding to the highest net benefits for the railway sector and was taken into account in the legal documents of the technical pillar of the 4th RP. The amendment of the TSIs contributes to the net benefits calculated for this option. 2. The main aim of the amendment of the Noise TSI is to ensure that the rolling stock related TSIs applied in the framework of vehicle authorisation are compatible with the provisions of the 4th RP. 3. The amendment of Noise TSI does not introduce any changes concerning the technical content (e.g. modification of existing basic parameters, introduction of new basic parameters or closure of open points). For this reason the economic impacts of the amendment concern efficiency gains within the authorisation process and during the later use of the vehicle. 4. The amendment of TSI Infrastructure and TSI Energy are purely editorial as only existing references to the 3rd RP are updated.

¹ See https://ec.europa.eu/transport/sites/transport/files/modes/rail/doc/impact_assessment_recast.pdf

1.3. Stakeholders affected	Category of stakeholder	Importance of the problem (*)
	National Safety Authorities	4 The new element in the TSI Noise related to changes (if or if not requiring a new authorisation) will have an impact on workload at NSA level, for vehicle authorisations. NSAs will likely adapt their internal processes related to vehicle authorisation and especially the notification of changes to a vehicle. NSAs are not impacted by the new element related to route compatibility
	ERA	4 Similar as for NSAs
	RUs	5 The introduction of Basic Design Characteristics will impact the operational costs related to the management of vehicle/ vehicle type changes during its lifecycle. The new element provides transparency and predictability in the authorisation and changes notification.
	IMs	3 The IM has to provide the necessary technical information of the infrastructure to the RU enabling him the route compatibility check. The IM (legally the Member State) already has to provide such information in RINF, according to the legal provisions in force. However the level of detail in RINF required after the new provisions, as well as its reliability, will increase.
	Entity managing changes (to vehicle/vehicle type) (e.g. suppliers of vehicles or RUs)	5 The new element in the TSI Noise related to changes (if or if not requiring a new authorisation) will have a direct impact on vehicle life cycle costs especially the administrative costs for managing changes. It will provide transparency and predictability in the framework of authorisation/notification when managing changes.
*) 1=low; 5=high		

1.4. Evidence and magnitude of the problem	<p>The evidence of the problem related to the inefficiency of the authorisation process was analysed in detail in the 4th RP impact assessment (see section 3 problem definition).</p> <p>The magnitude of the problem for all EU countries was not quantified but it is estimated to be an impact of several hundreds of millions EUR for the European railway sector.</p>
1.5. Baseline scenario	The baseline is similar to the one used in the 4 th RP IA.
1.6. Subsidiarity and proportionality	The activities related to the TSI amendments are mandated to the Agency in the Delgated Act 2017/1474 of the European Commission.

2. Objectives

<p>2.1. Strategic and specific objectives</p>	<p>Strategic objective(s) of the Agency with which this initiative is coherent.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Europe becoming the world leader in railway safety <input type="checkbox"/> Promoting rail transport to enhance its market share <input checked="" type="checkbox"/> Improving the efficiency and coherence of the railway legal framework <input type="checkbox"/> Optimizing the Agency’s capabilities <input checked="" type="checkbox"/> Transparency, monitoring and evaluation <input checked="" type="checkbox"/> Improve economic efficiency and societal benefits in railways <input type="checkbox"/> Fostering the Agency’s reputation in the world <p>The specific objective is to ensure the compliance of the rolling stock and fixed-installation related TSIs with the provisions of the 4th RP and thus contribute to the objectives of the 4th RP (as quoted in the 4th RP IA), especially:</p> <ul style="list-style-type: none"> • <i>Increase the efficiency of the vehicle authorisation and access granting processes (Specific Objective 1);</i> • <i>Ensure non-discrimination in the granting and recognition of, interoperability authorisations and in the granting of access to the rail network and services across the EU (Specific Objective 2).</i>
<p>2.2. Link with Railway Indicators</p>	<p>Specific indicators are developed to measure the costs and time for vehicle authorisation.</p>

3. Options

3.1. List of options	Baseline Option 1 – Amendment of the NOI TSI/ INF TSI/ ENE TSI
3.2. Description of options	<p>Baseline - corresponds to the Baseline of the 4th RP IA</p> <ul style="list-style-type: none"> › No amendment of the current vehicle and fixed installation related TSIs <p>Option 1 – amendment of the NOI TSI/ INF TSI/ ENE TSI</p> <ul style="list-style-type: none"> · Alignment with the 4th RP, notably: <ul style="list-style-type: none"> › Rules on how to deal with changes to vehicles and vehicle type, including the need or not for a new authorization (NOI TSI only) › Update of references to the Directive 2016/797 (NOI TSI/ INF TSI/ ENE TSI), including the new categorization of rolling stock (NOI TSI)
3.3. Uncertainties/risks	<p>For Noise TSI only:</p> <ol style="list-style-type: none"> 1. Although the current modifications reflect current practice in EU Member States on how NSAs decide whether a change to a vehicle/vehicle type requires a new authorization/ERA TV update or not, there can be cases in certain Member States where vehicle changes requiring a new authorisation under the framework of the 4th RP which was not required under the framework of the 3rd RP (risk of additional administrative costs, risks of delays in the implementation of changes). These risks will be monitored during the implementation of the 4th RP. They can already be revealed during the learning cases of the Agency for vehicle authorisations. 2. The current wording of the revised TSI defines the threshold for any change impacting a TSI requirement triggering an update of ERATV or an authorisation. If only thresholds for authorisations are retained, this would lead to an additional, unforeseen impact to NSAs, RUs and entities managing the changes. This impact concerns administrative burdens related to the registering of the changes and management of ERATV (due to the very high volume of versions and additional delays). Moreover, the positive effect of transparency and predictability when managing a change explained in section 1.3 of this report would be compromised. 3. The estimation of benefits of the 4th RP as stated in the 4th RP IA was based on stakeholders' opinion survey and was performed in 2012. More updated evidence is not yet available.

4. Impacts of the options

4.1. Impacts of the options (qualitative analysis)	<p>Baseline was not included in the analysis because it is not legally compliant with the provisions of the Agency Regulation and the Interoperability Directive in force.</p> <p>Impacts relate to amendment of TSI Noise only:</p>
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<i>Category of stakeholder</i>		<i>Option 1</i>
Entity managing changes	Positive impacts	Time and cost savings concerning the management of changes to an existing vehicle or to a vehicle type. Better planning predictability for the management of changes.
	Negative impacts	N/A
NSAs	Positive impacts	In the context of their prerogatives for VA, NSAs can focus their available work capacity to vehicle/ vehicle type changes which are considered to be critical/complex.
	Negative impacts	One Off Costs to adapt internal processes related to notification of vehicle changes, authorization of vehicles. Specific supervision activities might be needed with the focus how the RU managed or manages changes to the vehicle/ vehicle type (which did not require an authorisation).
RUs	Positive impacts	Reduced costs for vehicle/ vehicle type management (e.g. in terms of vehicle change management and management of its operational use)
	Negative Impacts	Increase of costs of processes related to network access, as the RU is in charge of the compatibility check of the vehicle with a given route
IMs	Positive impacts	Reduced operating costs of processes related to network access, as the RU is in charge of the compatibility check of the vehicle with a given route
	Negative Impacts	Increase in costs to keep up to date the relevant information for the route compatibility check.
Agency	Positive impacts	As for NSAs, but corresponding to its VA prerogatives.
	Negative impacts	N/A
Overall assessment (input for section 5.1)	Positive impacts	Additional time and cost savings for the entity managing changes due to an increase in the efficiency of the authorisation process.
	Negative impacts	Very limited

4.2. Impacts of the options (quantitative analysis)

<i>Category of stakeholder</i>		<i>Option 1</i>
RUs, Suppliers	Benefits (euro)	535 M€ (1)
	Costs (euro)	N/A
NSAs	Benefits	N/A
	Costs (euro)	28 M€ (2)
Agency	Benefits (euro)	N/A
	Costs (euro)	N/A
Overall	Benefits (euro)	507 M€
	Costs (euro)	N/A

	<p>All costs/benefits are cumulated for the 2015-2025 period.</p> <p>(1) Based on 4th RP IA: net benefits from authorization, certification and opportunity costs savings. It takes into account all activities in the framework of the 4th RP.</p> <p>All amendments contributes to these benefits, however, the extent of the contribution cannot be quantified.</p> <p>(2) Based on 4th RP IA: costs represent revenue losses from authorization fees.</p> <p>Overall resulting figures:</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">CBA</td> <td style="width: 50%;">Option 1</td> </tr> <tr> <td>NPV</td> <td>507 M€</td> </tr> <tr> <td>B/C ratio</td> <td>>1</td> </tr> </table>	CBA	Option 1	NPV	507 M€	B/C ratio	>1
CBA	Option 1						
NPV	507 M€						
B/C ratio	>1						

5. Comparison of options and preferred option

5.1.	Effectiveness criterion (options' response to specific objectives)	<p>The proposed option meets all specific objectives.</p> <p>Comparison not applicable as only one option was proposed and the baseline is not legally compliant with the 4th RP in force.</p>
5.2.	Efficiency (NPV and B/C ratio) criterion	<p>The proposed option retrieves positive NPV (~ 507 M€) and B/C ratio >1</p> <p>The NPV is linked to the implementation of the complete 4th RP, of which all amendments make an integral part.</p> <p>Comparison not applicable as only one option was proposed and the baseline would not be legally compliant with the 4th RP legislation once in force.</p>
5.3.	Summary of the comparison	N/A as there is only one option.
5.4.	Preferred option(s)	The proposed option is recommended in terms of both effectiveness and efficiency. There is no alternative proposal concerning the implementation of the 4 th RP.
5.5.	Further work required	The risks mentioned under section of 3.3 have to be closely monitored once the 4 th RP is transposed and the revised TSIs are applied , in particular to detect any potential negative economic impacts.

6. Monitoring and evaluation

6.1.	Monitoring indicators	Costs related to the management of changes to vehicle types. (for different types of vehicles e.g. EMU, wagon, locomotive)
6.2.	Future evaluations	N/A