

Peter L Wyman CBE

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH
Telephone +44 (0) 20 7583 5000
Facsimile +44 (0) 20 7822 4652
www.pwc.com/uk
Direct telephone 020 7213 4777
Direct fax 020 7804 6844
Email: peter.l.wyman@uk.pwc.com

European Commission
Secretariat-General
Unit SG.C.2 – Better Regulation and Impact Assessment
B-1049 Brussels
Belgium

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Dear Sirs

European Commission Consultation Paper on the draft Commission Impact Assessment Guidelines

We welcome the opportunity to comment on the European Commission's consultation paper on its draft Impact Assessment Guidelines. This response summarises the views of the network of member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

We are encouraged that the European Commission has accepted that there are clear benefits to its policy making process from the assessment of costs and benefits and we are pleased that clear guidelines on the production of impact assessments is being proposed for Commission policy officials.

In recognising that over 80% of domestic legislation in Member States results from European Directives and regulation it is critical, to avoid unnecessary and disproportionate costs on business, that impact assessments are properly prepared at the commencement of any Commission initiative that may result in European law.

We have the following observations of the proposed guidelines.

Paragraph 1.4 – When is an impact assessment necessary?

The clear implication from this paragraph is that impact assessments will only be prepared *'for the most important Commission initiatives and those which have the most far-reaching*

impacts'. We consider that it is only the production of an impact assessment that will properly identify '*far reaching impacts*'. The position taken in this paragraph could also lead stakeholders to consider that Commission initiatives, for which no impact assessment has been carried out, are not important. We do wonder if the Commission should be bringing forward any initiatives that do not meet the 'importance' criteria identified above.

We would strongly urge the Commission to prepare impact assessments for all of its initiatives. This will ensure that there is proper consideration of the costs and benefits of proposals as well as providing stakeholders with transparency to the work of the Commission.

Paragraph 3.1 – Legal constraints or political choices influencing the scope of analysis/Paragraph 3.2.2 – Political importance.

As the document identifies in paragraph 1.1 an '*impact assessment is a set of logical steps to help you prepare policy proposals*'.

We recognise that a political call for action, whether from within the Commission, Member States or the European Parliament, will place pressure on the author of the relevant impact assessment to arrive at certain conclusions.

We believe that an impact assessment should be an objective test looking at the costs and benefits of a number of different approaches, including taking 'no action', to deal with a particular issue. We would strongly urge the Commission to resist including any political considerations within the findings of an impact assessment.

Our views on the need for impact assessments for all Commission initiatives (paragraph 1.4) will also assist, we believe, the Commission to properly inform any political debate that may incur at some point after an initiative has been brought forward and for which the importance had not earlier been considered.

Paragraph 4.1 – Data sources, collection and analysis.

We would urge an early dialogue with interested parties with respect to the collection of data. This will, we suggest, give the Commission access to current information and future costs that may not be available from the other sources identified within this paragraph.

However, the Commission must recognise that interested parties will inevitably bare a cost on collecting and providing data. To ensure the ongoing provision of this information we believe that interested parties will need to see that the Commission places value on what they are being supplied. One way in which this could be demonstrated is the cessation of Commission action where data identifies that the cost of an initiative outweighs any benefit.

As interested parties are unlikely to be aware of the cessation of initiatives we would suggest that the Commission may want to report on this area to show that Commission Officials are willing to positively re-act to data that clearly identifies that action is not required.

Paragraph 4.3 – Consulting interested parties (Minimum consultation standards).

We are supportive of these standards and are encouraged that they have been identified as ‘minimum standards’. We trust that the Commission will be assessing the application of these to ensure that ‘minimum standards’ do not become the norm.

We would suggest that the minimum period for responses to written public consultations should be increased to twelve weeks to provide interested parties with sufficient time to properly consider and obtain relevant information on the proposal. We also consider that extending the consultation period to twelve weeks will give interested parties and the Commission flexibility to work around holiday periods.

We also note that the standards do not set a time period in which the Commission is required to publish its response to the results of comments from interested parties – we would suggest a period not exceeding 16 weeks. We also believe, to ensure transparency, that all responses should be published on the relevant page of the Commission website.

Please do not hesitate in contacting Peter Wyman if you require any further information. We are content for this response to be published.

Yours faithfully

PricewaterhouseCoopers LLP