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REGULATORY SCRUTINY BOARD OPINION

Impact assessment / Digitalisation of travel documents and facilitation of travel

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Brussels,
RSB

Opinion

Title: Impact assessment / Digitalisation of travel documents and facilitation of travel

Overall opinion: POSITIVE

(A) Policy context

Over half a billion passengers enter or leave the EU every year, putting a strain on the authorities carrying out border checks at the external borders. Reliance on physical documents hampers the efficiency of border checks while current trends of digitalisation open new opportunities for border management.

As announced in the Schengen Strategy 2021 and the Commission Work Programme 2023, the Commission committed to presenting a proposal on the digitalisation of travel documents and facilitation of travel. This initiative investigate how digital travel documents could contribute to more secure and efficient border management and travel.

(B) Summary of findings

The Board notes the additional information provided and commitments to make changes to the report.

The Board gives a positive opinion. The Board also considers that the report should further improve with respect to the following aspects:

- (1) The report does not distinguish benefits in terms of competitiveness between large businesses and SMEs.**
- (2) Costs and benefits of options and their comparison are not sufficiently assessed.**

This opinion concerns a draft impact assessment which may differ from the final version.

(C) What to improve

(1) The report should better differentiate between the expected benefits at air, land, and water borders. It should more explicitly outline what categories of travellers would benefit from the estimated time saved. It should better explain the potential effect on competitiveness of affected industry sectors and SMEs in the main report through a more thorough application of the competitiveness check on aspects such as the capacity to innovate or free movement of goods, services, capital, and persons. The report should more clearly outline what the security related benefits are of the options presented. It should elaborate on the differences and similarities in terms of safety and risks between physical travel documents and Digital Travel Credentials (including concrete examples from the DTC pilot projects).

(2) The report should explain the basis and assumptions for the estimated costs of a centralised EU solution (EU-Lisa). It should monetise (and also include in Annex 3) the estimated 50 FTEs required for development to provide a consistent comparison with the other recurrent costs. It should also specify the difference in development cost between the options.

(3) The report should better justify the differences in scoring and how those scores are determined when comparing the options. It should discuss, supported by evidence, to what extent the uptake is likely to differ between the options suggested. When analysing effectiveness, it should explain the evidence base behind the '0-10%' and '15-25%' estimated uptake under options 1 and 2, and why there is not estimation for option 3.

(4) The report should more systematically present the stakeholder views, in particular the main concerns expressed by stakeholders in the Eurobarometer (software failure, potential misuse of personal data, device problems etc.). It should consider the views of the businesses concerning possible use cases and potential benefits. Annex 2 should be further elaborated to properly record all consultation activities.

(5) The report should develop core monitoring indicators and operational objectives for the specific objectives against which success can be measured. Those indicators should have a target illustrating what the success of this initiative will look like. It should also indicate when a future evaluation is expected to be undertaken.

The Board notes the estimated costs and benefits of the preferred option in this initiative, as summarised in the attached quantification tables.

Some more technical comments have been sent directly to the author DG.

(D) Conclusion

The DG may proceed.

The DG must take these recommendations into account before launching the interservice consultation.

If there are any changes in the choice or design of the preferred option in the final version of the report, the DG may need to further adjust the attached quantification tables to reflect this.

Full title	Impact assessment on a Proposal for a Regulation amending Council Regulation (EC) No 2252/2004 and Regulations (EU) No 2016/399 and (EU) 2017/2226 of the European Parliament and of the Council, as regards the digitalisation of travel documents and the facilitation of travel
Reference number	PLAN/2022/860
Submitted to RSB on	15 November 2023
Date of RSB meeting	“Written procedure”

ANNEX – Quantification tables extracted from the draft impact assessment report

The following tables contain information on the costs and benefits of the initiative on which the Board has given its opinion, as presented above.

If the draft report has been revised in line with the Board’s recommendations, the content of these tables may be different from those in the final version of the impact assessment report, as published by the Commission.

I. Overview of Benefits (total for all provisions) – Preferred Option		
<i>Description</i>	<i>Amount</i>	<i>Comments</i>
Direct benefits		
Increased effectiveness and efficiency of border checks: rules on the use of DTCs across the external borders will be harmonised	The preferred option brings direct benefits in terms of increased security in the EU through increased effectiveness and efficiency of border checks. The combined effect of allowing persons to have and to use DTCs across the Member States ensures a coherent and systematic approach, promoting high standards and mutual trust among the Member States. The preferred option contributes to the highest possible uptake of DTCs.	These benefits will likely bring significant economic benefits too, since border checks can be more effective and even ‘remotely’ carried out, leading to savings in resources needed to especially cover peak times of travel. However, such savings are impossible to accurately quantify at this time. (See Annex 4 for more details)
Travel facilitation: all travellers will be allowed to benefit from certain travel facilitations by using the DTC for the purposes of crossing external borders of any Member State	Similarly as above, the higher uptake envisaged under the preferred option also leads to more significant gains in terms of shorter waiting times as more travellers can be pre-cleared, resulting in higher accumulative savings as well as more accurate data. Travellers will need to invest time (1-5 minutes) ahead of travel for creating/submitted the DTC and relevant travel data.	Similar to above, being cleared quicker in the border check processes adds up and has a positive economic impact that cannot at this time be quantified, although some inspiration may be drawn from a previous study concerning time losses. Following the introduction in 2018 of systematic checks on all persons crossing the external borders, the time losses suffered by passengers as a result of increased waiting times at all types of borders were estimated to be between EUR 97.9 million and EUR 1.27 billion (depending on the assumed waiting time). ¹
Indirect benefits		
Integration of DTC into other border systems and immigration processes	Envisaging the highest uptake of DTCs, the preferred option ensures highest synergies with existing and planned initiatives, such as the EES, ETIAS, API and migration processes.	Some integrations may require e.g. amending an implementing act, while others may be possible without any additional regulatory intervention.
Digital identity	The preferred also enables further use cases of DTCs by EU citizens by establishing an attribute for the digital identity wallet that can be used for e.g. proving one’s identity within the EU, and possibly abroad, depending on the acceptance by third countries. As compared to the other options, it would guarantee that all EU citizens have a right to obtain a DTC based on their	

¹ Assessment of the implementation of Regulation (EU) 2017/458 amending Regulation (EU) 2016/399 as regards the reinforcement of checks against relevant databases at external borders, February 2020, p. 91. The time costs to passengers with additional waiting time were calculated based on 1) incremental waiting time per passenger, 2) the total number of passengers and 3) the value of time per passenger. The value of time refers to the money travellers would be willing to pay to avoid waiting that time when travelling or the compensation they would require having to wait that time while travelling. The optimistic scenario considered an additional waiting time of one minute per traveller, while the pessimistic scenario considered an additional waiting time of 13 minutes per traveller.

	travel document that is accepted throughout the EU.	
Carriers' liability and carrier applications	The standardisation of the DTC would allow carriers, on a voluntary basis, to integrate DTCs into their current workflows on passenger management during sales, ticketing, check-in, baggage reconciliation and boarding. However, it would not oblige carriers or other third parties to process DTC data or to invest in hardware/software for doing so. The preferred option would merely enable them to do so, also e.g. fulfilling their obligations under carrier liability by inspecting a DTC instead of a physical travel document. Reduced fines due to improvement of data quality could add up to EUR 80 million per year.	Carriers willing to implement digital travel documents (whether based on the DTC or another standard) would potentially need to adjust their check-in processes to allow for the use of digital travel documents. In order to gain access to the chip data of a travel document (and derive the DTC), it is necessary first to read the machine-readable zone (MRZ) of the document. The estimated one-off costs for airlines to include this capability in their online check-in applications (web-based or smartphone app-based) amount to EUR 200 000, based on estimates received from the air industry. These costs are already accounted for under the API proposal and its impact assessment.

II. Overview of costs – Preferred option (EUR million, recurrent per year, per Member State)									
		Citizens/Consumers		Businesses		Member States		eu-LISA	
		One-off	Recurrent	One-off	Recurrent	One-off	Recurrent	One-off	Recurrent
Preferred option	Direct adjustment costs	0	0	0	0	2	0	55.6	6.2
	Direct administrative costs	0	0	0	0	N/A	N/A	0	0
	Direct regulatory fees and charges	0	0	0	0	N/A	N/A	0	0
	Direct enforcement costs	0	0	0	0	N/A	N/A	0	0
	Indirect costs	0	0	0	0	N/A	N/A	0	0

III. Application of the 'one in, one out' approach – Preferred option(s)			
[M€]	One-off (annualised total net present value over the relevant period)	Recurrent (nominal values per year)	Total
Businesses			
New administrative burdens (INs)	N/A	N/A	N/A
Removed administrative burdens (OUTs)	N/A	N/A	N/A

<i>Net administrative burdens*</i>	N/A	N/A	N/A
Adjustment costs**	N/A	N/A	
Citizens			
New administrative burdens (INs)	N/A	N/A	N/A
Removed administrative burdens (OUTs)	N/A	N/A	N/A
<i>Net administrative burdens*</i>	N/A	N/A	N/A
Adjustment costs**	N/A	N/A	
Total administrative burdens***	N/A	N/A	N/A